

Love & Money

The number one marital issue couples struggle over - money. Think about a relationship when it forms - we are willing to change ourselves to accommodate and attract the other person while they still have the opportunity to leave. Once the relationship is formalized and the option to leave is basically gone, we begin to "change" the other person. We spend the next 3 - 5 years changing the other person, or so we think. The other person never changes and that's why 50% of all marriages end up in divorce. We tend to hold our spouses to a higher level of accountability than just about everyone else on the planet. We expect more out of our spouses and allow for less wiggle room than a complete stranger. Part of what we do as financial advisors is help couples get comfortable with the issues that we all face. I've been asked many times what we charge for marriage counseling and it is part of the process. As people discuss the intimate financial details of their lives many things come to the surface. Things that people don't pay

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The Big Easy

Early this month I spent five days in New Orleans attending and speaking at a conference for financial advisors from across the country. As most of you know flying isn't enjoyable to me but this trip went incredibly well. Much of this issue was written at an altitude of 39,000 feet traveling south at around 550 miles per hour - what a technological tour de force an airplane is. I find that being enveloped in something - the laptop or a book - helps ease the angst of flying and smooth out the bumps in the friendly skies. The conference went well and there were many advisors from across the country. We shared our best practices with one another on how we help the public. It is exciting to me the plethora of great information that was shared by everyone at the conference. I've consumed five books this month - three of which were written by advisors I met in the Big Easy. It was truly an honor to be among some of the industries most brilliant minds - I don't know how I ended up there!

Being from the north (they call us Yankees down there by the way) we are used to a certain pace of life. That pace slows by about 90% down there. A welcome change for a few days but it quickly got old and I was ready to come home. After five days I missed my family immensely - I wanted nothing more than to

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much attention to or even realize are a problem. Sometimes things happened to us as children or during our lives that change the way we behave for our whole life. Part of our interview process is to ask people how did you grow up - were your parents middle class, wealthy, poor? What do you think about when it comes to money? What does money mean to you? Ask yourself these questions - ask each other these questions. The answers to these questions will allow you find a common ground on which to build a foundation that works for everyone. We each have our fears, plans, hopes and dreams and they are often satisfied at different levels. If you or anyone you know and love needs to have these conversations, contact us and we'll help get you on the right track.

Circuit Breakers

We're not talking about the electrical system in your home or business, we're talking about electronic devices designed to turn off the NYSE (New York Stock Exchange) should trading get a bit too emotional for the day. For the first quarter of 2005 here are the triggers and their durations for the market:

- 10% decline before 2pm - 1 hour halt
- 10% decline 2 - 2:30pm - 30 minute halt
- 10% decline after 2:30pm - no halt
- 20% decline before 1pm - 2 hour halt
- 20% decline 1 - 2pm - 1 hour halt
- 20% decline after 2pm - market closes
- 30% decline anytime - market closes
- +/- 200 point movement will cause all index option arbitrage orders to be in stabilize for the day mode. They will not allow index options to be transacted that will further the movement of the market in the current direction.



2004 Performance Summary

What happened to various investments last year compared to the two before? Here is a recap of what happened in past few calander years to various asset classes and benchmarks.

Category	2002	2003	2004
DOW 30	-15.01%	28.28%	5.31%
S&P 500	-22.10%	28.69%	10.88%
Russell 2000	-20.48%	47.25%	18.33%
Wilshire 5000	-20.86%	31.64%	12.62%
LT Treasury Index	16.79%	2.48%	7.70%
LT AA Index	13.14%	4.61%	3.90%
Muni Index	9.60%	5.31%	4.48%
Int Treas Index	9.28%	2.11%	2.02%
Mkg Back Index	8.75%	3.07%	4.70%
1 Yr CD	1.97%	1.20%	1.47%
30 Month CD	2.73%	1.76%	2.24%
\$ Market	1.28%	.54%	.48%
Platinum	20.57%	36.49%	6.46%
Gold	24.80%	19.50%	5.36%
Silver	4.88%	23.96%	14.62%
Art 100 Index	-2.46%	0	35.80%
Rare Coins	-0.10%	25.43%	11.39%

What's going to do well for 2005? As we see everyone for reviews this will be a great resource to help keep perspective of what markets have done well and what markets have done poorly. Remember these numbers are only of certain indexes and not of actual investments. There are investments in every category above that have done better and worse so investment selection remains a critical step in the process that cannot be discounted.



Noteworthy News !!!



Congratulations to Marty Morris and Nicole Rannassizi on their recent engagement.

Walking, Eating & People

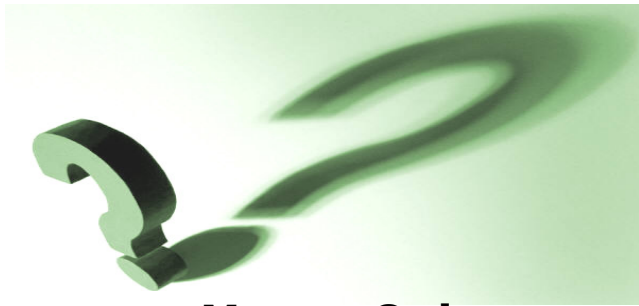
Some basic things all people need that our hectic lives don't make easy. While on our trip we walked all over the city. I estimate we walked about 5 miles each day and it was a good thing because we ate out a lot. When eating out it is easy to consume a lot of greasy, fatty food. We tried to do our best at having salads and Subway to eat well. Basic exercise is something that we all need to prioritize. I don't want to hear you don't have time - prioritize it - we all have the time. People need people to stay healthy - both mentally and physically. If you don't have a close family be sure to surround yourself with a great group of friends to do things with. Things like exercising together or just spending time together makes life healthier for human beings - we're social creatures. Many people find animals are a great pal and companion. My mother always found and my sister now finds that animals are wonderful companions - they're just as excited to see you after 5 minutes as after 5 days and they don't talk back. After eating Cajun food on our trip when I returned I craved vegetables. My return treat was broccoli and boy did it feel great. Many have found that eating well and getting into shape makes life happier and healthier. Best of luck to you in the new year to stay fit and positive, remember attitude determines altitude.

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come home to hug my babies and my wife. At the end of the day, our families are what really matter, the rest is gravy. It felt as though things were happening in slow motion while I was in Louisiana. They feed you well there but don't count vegetables as food. After hours while we were sightseeing down in New Orleans we decided to go to Harrah's, the large area casino. I was carded on the way in - what a nice compliment. It was sad to see how easily people were separated from their money in that sensory wild environment. There's nothing wrong with having fun and patronizing the casino but please do it responsibly - go there with a certain amount of cash and stick to your pre decided limit prior to getting there. By all means don't put your credit card in the machine - casino's aren't in business because more people win. Casinos are in the same category as Lotto - voluntary income tax. That income tax goes not only to the Government but to the slick business people who own the establishments. No offense to our casino owner clients - actually a compliment - you're so good at what you do I need to protect the public at large.

A travel tip we found that you may benefit from is to talk with the locals for direction. We met some local people and they directed us where to go and what to do - the best restaurants and places to see. The best places were typically not the best known or publicized but were great values and allowed us to really experience the area. There were a lot of neat places "tucked away" in places most tourists didn't even know existed.

As a special last minute treat we attended a New Orleans Hornets NBA game. The locals don't care much for the team that's only won two games this year and there were plenty of empty seats. Surprisingly they beat the always tough Sacramento Kings in O.T.



Money Quiz

Congratulations to Rob Morton who won last month money quiz. He'll be enjoying dinner at J. Timothy's in Plainville. The actual national debt in 1940 was \$50,696,000,000 and in 1999 was \$5,606,087,000,000. That's 50.696 Billion and 5.606 Trillion, ouch. This month's challenge is to tell me what the cost of a young couple age 21 renting an apartment for five years will be over their life expectancies. The cost of money is 10% and the rent increases 3% annually at the end of each year, starting at \$700.00/month. The first correct answer will win a free dinner or a free massage.

Successful Traits

Ten traits that have been identified as successful as reported by IBD (investors business daily)

- How you think is everything - always be positive, never negative and avoid negative environments and people.
- Write down your dreams and goals and develop a plan to reach them - financial and life.
- Take action to begin progressing towards those goals.
- Never stop learning - as I say the second you stop learning the rest of the world runs right by you.
- Be persistent - success is a marathon and not a sprint - never give up.
- Learn from the details - analyze all the data and make great decisions - learn from your mistakes.

- Focus your time and energy - be a master of one trade rather than a jack of them all
- Don't be afraid to innovate and be a pioneer.
- Deal and communicate with people effectively. People only have a certain wavelength they can hear - speak to that range.
- Be honest and dependable and take responsibility otherwise the first 9 traits won't matter.



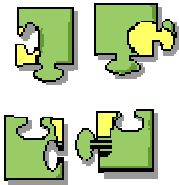
Statements or Keys?

The government is working hard trying to get us all to do what they want us to do. Retirement plans are the rage - get that tax deduction. Tax deductions are valuable today but remember the balance in the account is only partially yours - and partially Uncle Sam's. What portion belongs to whom we won't know until we get there. My guess is our share will decrease and his will increase as time unfolds. These plans do two things, they defer the tax and the tax calculation. What do these plans give you but statements? When was the last time you got your family together to look at the retirement plan statements? Are any memories created with your retirement plans? Have you said to the kids we should take a trip down to the retirement plan this weekend? Two things these plans don't offer are memories and keys. Life is all about memories - hopefully a collection of wonderful ones with you and your family enjoying one another - within your means. There is another retirement planning idea we call the 401(condo.) It does a lot of the same things a traditional 401(k) does but allows you to build memories and have a set of keys. This option works especially well for those who are self employed or in sales. Call and we'll talk about it.

I'll Get To It

Inspirational Quotes

- The foolish and the dead never change their opinion, Don Blanton
- It is not how you begin that matters, but how you finish, Diane Bleakney
- You can't expect people to look eye to eye with you if you are looking down on them, author unknown
- The only job where you start at the top is digging a hole, author unknown
- People don't care how much you know until they know how much you care, author unknown



The phone rang this month half a dozen times with the same set of questions. Mike, my mom, dad, grandmother, grandfather, aunt, uncle, etc. is sick and will need to enter a care facility in the near future, how do we protect the assets? The care facility can be anything from a nursing home to a rehab center or even receiving home health care by certified professionals. At that point it is too late - we can still do some things but its really late. You need to have these conversations today with the ones you love to be sure they've got a plan in place to protect the assets that have been accumulated against health care catastrophes. The State of CT is spending 13 cents of each dollar it takes in to care for our sick population through the Medicaid system. There are fewer ways to protect what you have accumulated without proper planning. The good news is that if you plan proactively you can likely protect 100% of what you own and not have to worry about "playing games" later on when things go wrong. It saddens me to think most people out there haven't had these conversations with loved ones and by the time I get the call many of the strategies will not work or work less effectively - it's just too late. Be sure to talk with those you love to meet with me or any other qualified professional today to keep what they worked a lifetime to accumulate.

If anyone you care about would benefit from receiving this newsletter, tell us who they are and they will be included on our mailing list. They'll certainly appreciate you thinking about them and having their best interests at heart.

Name _____

Address _____

City _____ State _____ Zip Code _____

Name _____

Address _____

City _____ State _____ Zip Code _____

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Please think of us whenever you or someone you care for needs the following:

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- Pensions - qualified and non qualified
- Family Protection Strategies
- Life Insurance
- Investments & Investment Advice
- Business Protection & Succession
- Retirement Plans
- College Funding
- Tax Savings Strategies
- College Financial Aid Strategies
- Required Minimum Distributions
- Debt & Cash Flow Management
- Employment contract negotiations
- Settlement option analysis
- Financial Advice - hourly or annual retainer
- Fee based investment management
- In depth portfolio analysis
- Estate & Income Tax Planning
- Distribution of Assets – IRA, 401(k), etc.
- Retirement Income–Guaranteed or variable
- Disability Income Insurance
- Widow/Widower Assistance
- Nursing Home Asset Protection Strategies
- Long Term Care Insurance & Issues
- Key employee retention strategies
- 401(k) & Retirement Plan Rollovers
- Philanthropic gifting & charitable planning
- Trust, inheritance and foundation planning

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