

## Efficiency

It was 14 degrees when I awoke this morning, December 12<sup>th</sup>. At these Arctic temperatures the cost of energy is a true issue, regardless of the price of a barrel of oil. Even for me, this is cold weather and I've packed the shorts away for warmer days to come, hopefully very soon. The efficiency of your home and business with respect to energy consumption will be a curse or a blessing for you in this weather, depending on which side of the equation you're on. I'm a big fan of efficiency and you can do a lot to make your place more efficient and save money on heating and cooling bills.

Tremendous technology exists today to make building envelopes more efficient and it's simply good stewardship to take advantage of these opportunities. I'll go through a basic list of things you may want to consider doing to reap some of the benefits. As a side benefit, there are tax credits for making many of these home efficiency improvements.

For your home, begin with insulating it well. Insulation is available in many forms today – fiberglass insulation is old faithful and works okay, but there are better alternatives depending on your application and the accessibility of the area you're attacking. Consider blue jeans insulation, spray foam insulation, Styrofoam or other rigid form and blown in cellulose as options for insulating your place. If you ever re-side your home or change the sheathing it's a great time to put an extra layer of insulation there too. We put vinyl siding on our home about 6 years ago and when we did the contractor put a layer of rigid foam in between the old siding and the new, and that immediately made a big difference in

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## Patience

More often than not it pays to wait in life. It pays to wait financially almost all of the time. Think about movies, stocks, homes and purchases of most kinds. Discipline when it comes to money is a gift and if it's not part of your behavior it's a tool well worth honing. With almost anything in life it pays to wait both financially and stress-wise. As a side benefit the less stuff you own the simpler your life is. We've created a life of so many options, such crazy schedules and so many physical possessions our lives are complicated and more stressful than ever.

Let's use the movies as an example of how patience pays off. Cupcake and I recently went to the movies when the rugrats were out for a night. This is indeed a special treat for us that happens only a few times annually. Getting into the theater cost us almost \$20 and goodies were another \$20. We had a blast and it was a good movie. \$40 is a cheap date by any standard. Today I don't sweat this but 15 years ago I would have thought twice because the alternative is maybe 5-10% of that cost if we rented it online and watched it at home. Every movie will ultimately be on DVD, in Redbox or on Netflix available for download. The question is to pay \$40 to get it today or get it for \$5 a few months or few years later. If you're patient enough it'll be 'free' on regular TV that you pay for anyway each month but that'll take years, perhaps decades.

Patience in the form of buying physical things is another conversation altogether. Let's think about the psychology of buying stuff. We covet something and it consumes us, whether it be a new cell phone, clothes, shoes, toys, cars, etc. we want it. We want stuff so bad and for so long we eventually buy it. The purchase makes us happy, perhaps even elated, for a few minutes or a few days. Once the elation wears off the newly-purchased object is just one more thing we own in a world where we likely already own too much. Now we target another "thing" and go after it hoping it'll make us happy. It won't. This is just like the dog chasing his tail but we humans are a bit more advanced than the dog. Not too much, but a little. ☺ No amount of things or no one particular thing will ever make us happy: the happiness must come from within. Outside of basic needs like food, housing,

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comfort and costs in heating and cooling our home.

When we get a lot of snow, if you own a snow blower it makes sense to blow the snow around the perimeter of your home in a big pile, that's a great temporary blanket of insulation that will last as long as cold weather keeps the snow from melting. Before doing this make sure your yard is graded properly so the subsequent melt flows away from your home and not into your basement. ☺ Insulation should be everywhere, in the walls and ceilings, in the basement or crawl space as well as less obvious areas such as in electrical outlets, light cans, rim joists and behind the trim of your doors and windows. When insulating, be sure not to stop the home from venting or breathing. If you seal every little nook and cranny, the home may not be able to breathe and that can lead to a different set of problems you don't want. If you're not sure what you're doing, get a professional to help you, it's still money well-spent. Be careful around your doors and windows if you use spray foam, be sure the foam is especially made to be applied on doors and windows, otherwise the foam may expand and warp the frames of your doors and windows and they'll stop working properly. If expansion bows your frames you'll have another job to do in repairing the doors and windows.

Another thing to consider is if you have fireplaces that you no longer use or don't use very often close the damper and get a fireplace balloon. This is a great way to seal a big hole that doesn't seal well with the damper alone. Your clothes dryer is another spot of waste. You're paying for the energy to make the heat to dry the clothes, and then you're putting all of that hot air outside. You can get a \$10 unit that filters out the lint and keeps the hot air and moisture inside your home. Don't use this if you have a gas dryer, only for electric models. There is some debate on pro's and con's of this unit and I've recently purchased one, I'll let you know how it works out for us.

Now that the place is well-insulated it's time to clean and tune up your boiler/furnace. Programmable electronic thermostats are also a wonderful inexpensive way to save a lot on energy costs by only keeping things warm when you're home and need them that way. Changing your light bulbs to compact fluorescents or LED's is a huge energy saver too, we did this a few years ago and were ahead in a month or two, and the payback doesn't get much better than that.

There is a great program to help see how efficient your home is too, there is an energy audit you can take advantage of through the Connecticut Clean Energy Fund. You may contact them via telephone at 1-877-947-3873. They'll provide you with an energy audit that is free or may cost up to \$75 depending on your income level. This is a no-brainer and well worth the time. They'll spend between 2.5 – 4.5 hours at your home making it more efficient and leaving you with suggestions and rebates on what else you can do to improve your outcome.

## TV Inversion

Television is likely the most popular time-killing medium in our society. Some say it's poison, others claim they can learn from it, some enjoy sports or pure entertainment but any way you describe it it's something people spend a whole lot of time in front of. One thing that is absolutely for sure, television can certainly kill your portfolio if you follow what it says in respect to financial decisions you may make. Pay attention to the programs and marketing that is being aired on television and you'll find that they always hit the hot buttons and push what is popular in society at any particular time.

Today in late 2009 we have virtually every other ad pushing gold and silver and jewelry. Call us; we'll buy your gold. This is great and people are responding and it's pushing that business like it hasn't been pushed in decades. People are buying gold in record quantities. It all sounds great on the surface, but from an investment perspective, it's suicide. Gold is at an all time high price, and people are buying it. That makes no logical sense to me as an investor.

To be a successful investor, you must buy things when they're low and sell them when they're high, not the opposite. To be buying anything at its all time high is quite the risky proposition. Certainly there is a chance the prices will keep on rising, but prices rarely rise forever. Gold closed on December 14<sup>th</sup> at \$1,123.80 per ounce. Just a few weeks ago on December 2<sup>nd</sup> it closed at over \$1,220. It seems very frothy here and it's an area we don't recommend you have a lot of money in, if any at all. You can't get a good deal on gold as a private investor, unless someone is willing to sell you theirs for \$500 and you then resell it market value of \$1,123.80, which just isn't going to happen. ☺

Now let's think back a few years ago when seemingly every program and ad on television had to do with real estate and why it is the best thing on planet earth investment wise. There were television shows about flip this house, make big money in real estate, fix it up and sell it, renovate it, etc. When those programs were airing, real estate was at its lifetime high points. This is just another example of the general media attempting to influence people to do the exact wrong thing at the exact wrong time.

Let's turn the clock back 10 years, in 1999 when the internet was the most recent craze and it seemed like every company with a 'dot com' in their name was going public and turning 20 year olds into billionaires overnight. Everyone wanted a piece of that and there were television commercials about the tow truck driver who bought his own island by his profits in trading internet stocks online. (Why he was still driving the tow truck is still unknown). Then the internet companies were out of this world and came crashing down. The one lesson we can take from this is to do the opposite of what is popular in television and media to be a good investor. Perhaps we should just short whatever is being pushed on television, which would be a great returning investment discipline. ☺ If you want to profit, buy low and sell high, don't buy high and don't buy what's popular. Buy what seems scary; it's actually the safest thing out there. If you'd like to discuss this, call the office anytime. ☺

# Noteworthy News! ! !

- Congratulations to Dan Crameri on the purchase of his new home! ☺
- Our condolences to our Nancy and her family (Therriault's & DePietro's) on the passing of her mother, a wonderful mother, grandmother, aunt, sister, daughter and person! ☺

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## Dubious Dubai

A few years ago in the Middle East they were building man-made islands in the shape of a palm tree and another set in the shape of every continent on the globe to create more coastline to sell. Now fast forward the clock a little bit and they're defaulting on their \$Billions of loans, asking the world for a six month pass on the interest payments. How the collapse of the oil bubble and a global recession changes things. Dubai isn't backed by oil money as we now find out today, but a neighboring oil-wealthy country has bailed them out before and will likely do so again.

People are wondering what type of impact this will have on us here in America. I don't think it'll have much impact at all on us, if any. Most people had nothing to do with this and a few of our global banks did have small loans to Dubai World, but nothing sizable. It's had an earth shattering impact in the Middle East, and deservedly so. I don't think people are much in the mood for buying normal homes, never mind their own islands so it will be very interesting to see how this unfolds. People are mostly buying foreclosed homes and short sales today, which continue to make up the bulk of transactions. Selling top dollar homes and villas on man-made islands? That's a tough sell at best today! ☺ Will Dubai fade today and slowly come back to a thriving metropolis as it seemed to be a few years ago? Will it turn into a ghost town (or a ghost island ☺)? Will it shrink substantially? Will a tidal wave take it out? Nobody knows.

I wonder why people must have big shot syndrome. (mostly men) Building islands for more coastlines? There are certain things that just shouldn't be altered and the land on the planet is one of them. Perhaps this is a message from above on what not to do? I think a lot of people could have been helped with the billions of dollars they've poured into this money pit and for what gain? The ego rub of a few small men with Napoleon syndrome? ☺ ☺ ☺

# Patience *Continued from page1*

clothing and transportation, most of the things we own we're better off waiting to buy them for the right moment. The right moment depends on where you stand financially and what opportunities exist in the world at the time. If you're wealthy and already financially capitalized with no worries and your tomorrows are planned for and taken care of then buy whatever your heart desires. For this group of people they tend not to buy too much, even though they can afford to buy just about anything that is why they're in this group! ☺

If you're just paying your bills and not well capitalized, wait for non-essential purchases until you're well capitalized. Make the savings and investing and getting capitalized a priority over purchasing "stuff." Remember, anything you buy is taking away from your ability to become well-capitalized unless it's an investment or other wealth-building tool. This must all work within the framework of a balanced life, you must live well and take care of what needs you have that have to be taken care of. Once that's done, don't spoil yourself today, get capitalized first. I tell people it takes a decade of discipline to become financially set and then you can likely do anything you want to. A funny thing happens when you can suddenly do anything too. What you once thought was the best thing in the world is now useless to you and you no longer have any desire to do it. Nobody has ever said to me "Mike, I saved too much" or "Mike I started saving too early" or "Mike, I have too much money." I hear from people all the time the opposite "Mike, I started saving too late" or "Mike I'm not saving enough" or "Mike, I don't have enough money for ....."

Buying a home or making home improvements and home ownership are not investments, they're consumerism masked as investments so people can swallow the bill psychologically. This is true unless you're buying the house to rent it out or to fix it up and sell it because you just got a killer deal on a foreclosure or short sale. There are plenty of these out there today and a lot more will be coming, so again, be patient. The one with the most patience and a pile of capital almost always wins economically. Most people are hard-wired to be impatient and are undercapitalized so that is what creates the opportunities for those of us who think ahead about the finances and sit in striking position, waiting for opportunity to knock.

The last few years have created tremendous opportunities to make money and patience is the main ingredient necessary to capitalize on these opportunities. There will be no immediate returns because people are terrified, but the next few years will likely prove to be quite special for those who can see through the fog and move now. Cupcake says I move like a glacier and she's right, but I don't have any regrets, which is priceless. Patience is something I have a lot of when it comes to finances and it's paid off big for us and those we help. If the computer takes forever to do something I'm ready to throw it out the window and that isn't the patience I have. You get what you get and you don't get upset! ☺



## Money Quiz

In 2020 we will experience a shortage of different types of doctors. This month's challenge is to tell me the projected degree of shortage, in numbers of doctors, in the following specialties: primary care; general surgery; oncology; cardiology. Last month's quiz was won by Antonio Petti who correctly answered the largest market capitalization stock on 12/31/99 was \$604 Billion. The winner will enjoy lunch/dinner on us at Chili's. © 12/07/09:13

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## A Little Financial Fun

Thanks to Jon Winokur for the following compilation of humorous quotes aimed at those of us in the finance biz! ☺

- Finance is the art of passing money from hand to hand until it finally disappears, Robert Sarnoff.
- Finance is the art or science of managing revenue and resources for the best advantage of the manager, Ambrose Bierce.
- Banking establishments are more dangerous than standing armies, Thomas Jefferson
- What is robbing a bank compared with founding a bank, Bertolt Brecht
- The best way to rob a bank is to own one, William Crawford
- A banker is a fellow who lends you his umbrella when the sun is shining and wants it back the minute it begins to rain, Mark Twain
- Corporation, n. An ingenious device for obtaining individual profit without individual responsibility, Ambrose Bierce
- What we have in this country is Socialism for the rich and free enterprise for the poor, Gore Vidal
- I spent my youth worrying about corporate power. Now I worry about corporate incompetence, John Galbraith
- The business of government is to keep the government out of business – that is, unless the business needs government aid, Will Rogers
- Nobody talks more of free enterprise and competition and of the best man winning than the man who inherited his father's store or farm, C. Wright Mills
- I helped put two children through Harvard, my broker's children, Michel LeBoeuf

They're kind of a joke! People always make the same resolutions year after year, and they're rarely acted on. I think the most popular resolutions are to quit smoking, start going to the gym, lose weight, save money, get your finances in order, etc. There are a lot of things we should be doing and aren't. That's just reality, we all have too much going on and life is too complicated. All we can do is try our best. How the rest unfolds is out of our control so don't worry about it as long as you've put your best effort forward.

Here are some things we can do to help ourselves, our neighbors and world be a better place. Helping others makes us feel better and we could all use a spiritual lift. Something as simple as a smile and hello can make someone's day and at what expense? Virtually no expense involved at all to say hi to someone and give them a nice smile. We can go a little further and help those in need around us, especially at the holiday times. We're all working towards building more wealth and financial security, but our worries are not about where our next meal will come from or where we'll be living. Maybe you can reach out through your church and see who needs a holiday gift, a meal, clothing or other basic necessity they may be without. This is mind-boggling to me that people in 2009 (just weeks away from 2010) don't have basic needs met.

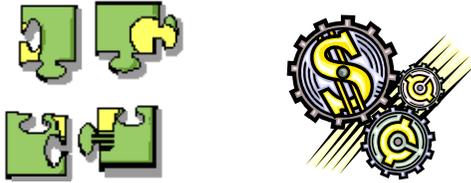
People are social beings and need one another, yet we're building an isolationist society where everyone is independent in their home with their storage, supplies, generator, etc. That thought of true independence is a true fallacy, we're all dependent upon one another as we each add certain value to the society. No matter where you live or what you do or how much money you have, how independent would you be if there were no more electricity? Food? Gasoline? Health Care? As you can see, independence is indeed a fallacy and we all need one another to live well.

How about reaching out to our soldiers overseas that are away from their families and loved ones, fighting battles and in arguably the worst situations life has to offer? We can help them too by sending them a letter or a card or perhaps a homemade design from a child? If you'd prefer to do a little more send things they can always use: socks, deodorant, shower supplies, powder, disposable cameras, beef jerky, snacks and seeds, gum, Gatorade, cards, CDs, dental care items, dominoes or games, comics, anything funny, spices, popcorn, cereal bars, factory sealed treats like M&M's, snickers, etc, sewing kits, batteries, newspapers and magazines, baby wipes, hand warmers, razors, vitamins, paperback books, etc. There are countless things they could use over there so anything is a step in the right direction. If you'd like to reach out and touch a soldier in a nice way but don't want to send physical items, a website has been created that will get them a card in the mail and all you need to do is go there and spend 30 seconds choosing options. The website to make it happen is [www.letsaythanks.com](http://www.letsaythanks.com).

# Inspirational Quotes

# Kids Korner

- Most of the things worth doing in the world had been declared impossible before they were done, Louis D. Brandeis
- Only the mediocre are always at their best, Jean Giraudoux
- Not admitting a mistake is a bigger mistake, Robert Half
- Money will never create success, the freedom to make it will, Nelson Mandella
- Life is ten percent what happens to you and ninety percent how you react to it, Lou Holtz



**We can piece the puzzle together and make your money work for you. ☺**

Don't let your rugrats live their lives with their heads in the sand about money and other common sense issues. It is downright frightening to see what some children today cannot do. Simple things like knowing how to do housework like the dishes, vacuuming, laundry, etc. are impossible tasks for some kids who have it too easy. We all want our children to do well and live better than we did, but we cannot make that happen at the expense of the kids being self-sufficient and having common sense. You need to give them the life skills necessary to live on their own and make it. As far as subsidizing their lives, there is absolutely no reason on planet Earth why you should be paying for a twenty something's cell phone, gasoline, car, car insurance or any other expense they should be handling. If you are, stop doing it immediately and you'll be surprised just how quickly they find the resources necessary to support their habits on their own. They'll later thank you for this. ☺ ☺ ☺

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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.

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