

# FINANCIAL insight

Winter 2008

INSIDE

Top 7 tips to put your  
financial life in order

Ian Davidson  
50 years of excellence



# 2008

RESOLUTIONS

} A financially secure New Year



**DAVIDSON  
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# A financially secure New Year

**By Jim Searles CFP®,**

*Senior Vice President, Director of Professional Development*

## **HERE ARE 7 TIPS TO PUT YOUR FINANCIAL LIFE IN ORDER.**

It is the time for 2008 resolutions that will benefit our lives, if we follow through on them. Typically I no longer make resolutions, since I seldom adhere to them. Occasionally I do pay attention to resolutions, with beneficial results.

Perhaps this year you and I just might buy into some of our suggested resolutions.

### **✓ I WILL PUT ORDER INTO OUR FINANCIAL LIFE.**

Each year we suggest this. Last year I actually followed through, with great results. Gather these documents, review and update them, and share them with your spouse and possibly with your immediate family:

- ❖ wills for both spouses/partners;
- ❖ durable and medical powers of attorney;
- ❖ financial statements from banks and securities firms;
- ❖ insurance policies — life, medical, property and casualty;
- ❖ review your beneficiaries on all life insurance policies and retirement accounts; and
- ❖ property titles — check the ownership. If it is not titled correctly, it may not pass expeditiously or to the proper person.

Create one central file for all of this important information. Make sure at least one other person knows the location of this file.

### **✓ I WILL NOT BORROW MORE THAN I CAN COMFORTABLY REPAY.**

Credit card debt, be gone. Card debt of 12 percent and more is quicksand and should be avoided. If you can't pay for it, just don't buy it. Use your plastic for true emergencies and convenience only.

Housing debt? We have all read about the sub-prime loan crisis. Most have avoided being part of the debacle. Owning a home has long been part of the great American dream, so please don't let it turn into a nightmare. Borrow sensibly, not excessively. Your home is shelter and your place of safety. It is not an ATM. Home prices don't go up forever at 10 percent a year. In fact, historically, the rise in prices for single-family residences has barely outstripped inflation.

### **✓ GET AN INSURANCE CHECKUP.**

It is easy to be either over-insured or under-insured over time. This applies to life insurance and property casualty insurance. As our lives and financial circumstances change, so do our insurance needs. Also, life insurance has become far more competitive. Old life policies might be far more expensive than newer counterparts. Bring in your professionals to help review all your insurance needs.

### **✓ I WILL ENGAGE IN CREATING AND UPDATING MY FINANCIAL PLAN.**

Financial planning is nothing more than creating a roadmap to our important financial goals. Like any map, it is only useful if we refer to it periodically to chart our progress to the destination. Life has a funny way of changing.

Are you still on the path to success? Have you encountered any detours, storms or road construction, or have you sailed on and made exceptional progress? Have your goals or destinations changed? Does everyone agree on the destinations and the priorities?

Financial success in accomplishing our goals doesn't happen by accident. If you don't know or care where you are going, it doesn't matter what road you take. Your goals, which may include retirement, education, family bequests or charitable intent, most likely are too important to be left to chance. Are you on track?

✓ **I WILL FUND MY IRA, 401(K) AND 529 PLANS TO THE EXTENT PRACTICABLE.**

The tax benefits of these plans subsidize your investments in these accounts, designed for specific retirement and education goals. If it is possible, fund them early and often. Deferring today's discretionary spending and short-term gratification can go a long way toward accomplishing what is truly meaningful.

✓ **I WILL NOT COUNT ON WINNING THE LOTTERY OR RECEIVING AN INHERITANCE IN ACHIEVING MY FAMILY'S FINANCIAL GOALS.**

Well, it might make a little sense to buy one or two lottery tickets a year. It sure makes sense to treat your family members with love, care and respect. Just don't count on financial rewards stemming either from the lottery or the days you spent caring for Aunt Annie. It is your thrift and diligence that will matter in the long term.

✓ **MY FAMILY AND LOVED ONES COME FIRST.**

I think there are three legs to true success: spiritual health, medical health and financial health. So go ahead; invest in your life. Take care to take time for your family. Take care of yourself. Don't let this resolution go.

**HAPPY NEW YEAR.**

# eDelivery — sign-up today

eDelivery is a great way to cut down on snail mail. Instead of receiving more paper, you can get your client statements, trade confirmations, proxy notices and other investor-related materials delivered to you electronically over your own secure site on the Internet.

If this sounds good to you, consider signing up for eDelivery. To start, you will need to enroll for Client Access, D.A. Davidson & Co.'s secure account information web site. If you haven't checked your Client Access site out yet, we think you will be impressed with the wealth of information that is waiting for you there.

To top it off, D.A. Davidson entered into a partnership with the National Park Foundation to make a donation for every D.A. Davidson household that switches from paper delivery to eDelivery through January.

If you like the idea of reducing paper and clutter, and of supporting the mission of the National Park Foundation, now is a great time to do both.

- ❖ Simplify the way you receive materials from us and many companies you invest in.
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Some MILESTONES are simply too remarkable to go without an announcement.



# 50 YEARS *of* EXCELLENCE

We at Davidson Companies will soon mark an anniversary that has us simply bursting with pride, and we'd like to share our excitement with you. In February, we will celebrate what we call 50 Years of Excellence — the 50th anniversary of the month that Ian B. Davidson, Chairman of Davidson Companies and D.A. Davidson & Co., joined our firm.

**A lot has happened in 50 years.** When Ian joined our company in 1958, he was our company's third employee. The Dow Jones Industrial Average was hovering near 470 points. Americans were watching "The Jack Benny Show" and "Cat on a Hot Tin Roof." Now Davidson Companies has 950 employees. The Dow has flirted with levels above 14,000 points. And people are watching reality TV when they're not tuned in to their MP3 players.

**A lot also has remained the same.** The values that Ian B. Davidson set forth for our firm in the '50s continue to revolve around personalized service and a company culture that encourages excellence and integrity. We believe that while the world will always change, sometimes at what seems to be a dizzying speed, we'll succeed the most when we hold those values close and consider them important goals.

Congratulations and thank you, Ian, for all that you so brilliantly set in motion and for all that you continue to do.

**Here's to the next 50 Years of Excellence.**

IAN  
DAVIDSON