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Holifield Huntley will be closed Monday, May 25, in observance of Memorial Day. We are grateful for the freedoms we enjoy and for the men and women who have died protecting and preserving them.

HOLIFIELD HUNTLEY

Financial Advisers

You're your kid's money guru, for better or worse

None of us is born knowing how to save and spend wisely; somebody had to teach us. Now you have an opportunity to pass on what you've learned to children, grandchildren and other young people whose paths cross yours.

The early focus should be on teaching children to distinguish between needs and wants. Help them learn to defer gratification, which is part of learning self control. Nobody gets to have everything all the time. Instead of just saying "no" when a child asks for a toy, say, "We'll put that on your wish list." This list can then be consulted for

Many children are affected by the recession, both directly and indirectly. You can talk to children in age-appropriate ways about friends and relatives who have lost jobs or the row of empty houses for sale you see on the drive to school. Relate these to the bigger economic picture.

Teach your children well

- 1c Set an example. Let children see how you are saving for particular goals.
- 1c Involve your children in shopping.
- 1c Offer to match your children's savings so their accounts will grow faster.
- 1c Join a credit union that welcomes children's accounts and open one for your child.
- 1c Don't bail your children out when they've blown all their money.



birthdays and holidays, involving the child in making a selection.

Children can learn to count money as soon as they are old enough to do

it safely. (You don't want them swallowing pennies!) You can involve children in shopping through

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Don't gloss over financial troubles. Help youngsters understand

Some Web Resources

Lots of tips:

<http://tiny.cc/eHKx9>

Online games:

<http://tiny.cc/pidch>

List of links:

www.jumpstart.org/links.cfm

Older children can discuss the causes of the problem and the perils of excessive debt and corporate greed. You might even get them

to think creatively about solutions.

Just don't forget to give children of all ages a sense of hope for the future. Talk about how President Obama and his team are working on the problems in our economy. Offer whatever reassurance you can honestly provide about your own circumstances.

Hurrah for the rebound, but hold onto your hat

Two good months in a row! We're delighted to see the market rally; it's a lot more fun to watch account values go up. However, we aren't ready to break out the champagne glasses just yet. The Federal Reserve reports that the pace of contraction has slowed, but the economy is still shrinking.

That means it's important for all of us to keep in mind what we've learned over the past few months about our risk tolerance. We never recommended that you cash out of the market when stocks were dropping and we don't recommend that you throw every penny into stocks now that they are recovering. The key is to find an allocation that suits your stomach — one that gives you an opportunity to enjoy some benefits when the market goes up without putting you at risk of more losses than you can tolerate.

We have had some

genuine good news, or "green shoots," as Fed chairman Ben Bernanke likes to call them. On the plus side, consumer confidence rose significantly last month and consumer spending is holding up better than many people expected. The liquidation of excess inventory that's been occurring will leave businesses better positioned for the future. Home prices are beginning to stabilize — at least outside Florida — and real estate investment trusts enjoyed a nice bounce in April. It even looks as though we dodged a bullet with the Mexican flu turning out to be less serious than initially feared.

However, real GDP fell at a 6.1% annual rate during the first quarter and unemployment is still rising. Standard & Poor's tells us to expect further declines the next two quarters, and *New York Times* columnist Paul Krugman recently

April 2009 Benchmark Returns			
	April	3 mos	1 year
Large-Cap Benchmarks			
S&P 500	9.57%	6.48%	-35.31%
DJ US Total Full Cap	10.64%	8.27%	-34.37%
Russell 1000	10.12%	7.37%	-35.3%
Russell 1000 Growth	9.6%	10.4%	-31.57%
Russell 1000 Value	10.72%	4.13%	-39.21%
Mid-Cap Benchmarks			
Russell Mid Cap	15.37%	13.4%	-36.03%
Russell Mid Cap Growth	14.21%	15.57%	-35.66%
Russell Mid Cap Value	16.7%	11.04%	-36.76%
Small-Cap Benchmarks			
Russell 2000	15.46%	10.48%	-30.74%
Russell 2000 Growth	15.05%	12.4%	-30.36%
Russell 2000 Value	15.87%	8.63%	-31.37%
Other Benchmarks			
NASDAQ Composite	12.4%	16.67%	-28.13%
MSCI EAFE	12.27%	6.34%	-44.57%
MSCI Emerging Markets	16.28%	25.15%	-44.38%
FTSE NAREIT Equity REITs	31.02%	7.95%	-48.21%
DJ US Select REIT	32.81%	7.13%	-50.79%
DJ-UBS Commodities Index	0.73%	-0.26%	-46.5%
BarCap US Aggregate Bond	0.48%	1.49%	3.84%
Credit Suisse High-Yield	10.08%	10.02%	-14.79%
Citigroup World Govt Bond Index	0.04%	-0.46%	-0.49%
S&P National Municipal Bond Index	2.29%	2.32%	2.77%
Citi 3-month T-bill	0.02%	0.05%	1.01%

wrote a depressing piece about "Falling Wage Syndrome" to remind us that more difficult days are likely to be ahead.

"Even after a recovery gets under way, the rate of growth of real economic activity is likely to remain

below its longer-run potential for a while," Bernanke warned recently.

The bottom line: There's plenty of reason to be hopeful about the future, but don't expect the markets to move straight up from here.

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clipping food coupons and comparing unit prices at the grocery store. Older children can research major purchases and compare prices online. Helen wrote a story for *The St. Petersburg Times* last year about Nandi Musengwa's taking over the budgeting for a family vacation at age 9. (Find it at <http://tiny.cc/KL15d>.)

Teaching children to save is easiest if they have a goal that's not too far in the future. You can make something like a bicycle or electronic item more

attainable by promising "when you have saved half the price (or other specific amount), I will put in the money for the rest." Another approach is to match savings dollar for dollar if they agree to leave the money in the account for a certain period. (Keep records!) Some credit unions (Suncoast Schools is one) have educational materials for children and welcome their accounts as do some mutual fund companies.

You can involve children in charitable

giving at an early age, giving away their toys and outgrown clothing and sharing some of their money with others. It's most meaningful if the child can be involved helping in some tangible way.

Children inevitably will make mistakes with their money. Talk to them about what happened and what they could have done differently. It's better to learn some things early in life by blowing your allowance rather than later by blowing your paycheck.

The best plan: Pay yourself, not Uncle Sam

Tax season is over, which means this is a great time to start thinking about how much you'll be paying the IRS next year.

Did you get a big refund or get stuck with a big tax bill? You may need to fill out a new W-4 form with your employer or change the amount you are sending the IRS quarterly for estimated payments. Aim to pay as close as possible to what you'll actually owe. There's no sense making an interest-free loan to the IRS but, of course, you want to avoid penalties and interest for underpayment.

2009 Contribution Limits		
	Age 49 and younger	Age 50 and older
Traditional IRA	\$5,000	\$6,000
Roth IRA*	\$5,000	\$6,000
401(k)	\$16,500	\$22,000
403(b)	\$16,500	\$22,000
Section 457	\$16,500	\$22,000
SIMPLE IRA	\$11,500	\$14,000

*Roth IRAs are not deductible, but if you meet the holding requirements, withdrawals will be tax-free.

Are you carrying forward capital losses to next year? Look for opportunities this year to take capital gains to use those losses.

Paying too much in taxes on your earned income? Consider increasing your contributions to your 401(k)

or other tax-sheltered retirement savings plan at work. Self employed? We can help you set up a retirement plan. Workers and their spouses also can contribute to individual retirement accounts (IRAs), which may be deductible.

Pinch some pennies, protect the planet

Many utilities, including Progress Energy and Tampa Electric, offer free home energy check-ups along with rebates for efficiency improvements such as increased insulation and window replacement. The federal government will chip in too.

You can get an income tax credit of 30% of the cost up to \$1,500 for some items, including windows, doors and insulation, and an uncapped 30% for other items, such as solar panels. Just be sure to read the rules carefully before you buy because only

Get started

Progress Energy energy audit: <http://tiny.cc/CjhoD>

Tampa Electric energy audit: <http://tiny.cc/FncrS>

Tax credits: <http://tiny.cc/2Pysh>

certain products qualify for the credits.

Even if an item won't generate a rebate or credit, always look for ENERGY STAR ratings if you are buying new appliances.



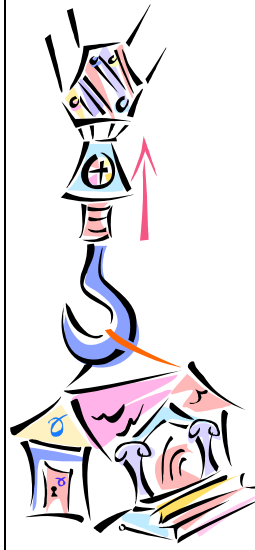
ENERGY STAR is a joint program of the Environmental Protection Agency and the Department of Energy that promotes energy-efficient products and practices. It also has a nifty educational page for kids. Find it at <http://tiny.cc/gxaht>.

It hurts to open the envelope? Might be worse if you don't

We know it can be painful to look, but it's really important to open the statements you get from banks, brokers, mutual fund companies and credit card issuers. It's a vital part of your defense against financial fraud and mistakes. Most important is to review the list of transactions to be sure they are all items you authorized. If anything looks suspicious, call right away.

Rhonda recently saw an

unfamiliar \$8 charge on her Mastercard. She called the credit card company, and it showed a purchase made at a Mexican grocery store that she'd never heard of. The card issuer removed the charge and immediately closed her account. She had to wait on her new card and then redirect several automatic monthly payments to the new account number. It was inconvenient, but it did stop any further theft from her account.



Don't let your house go without a fight

Know someone who's behind on mortgage payments? We recommend talking to a HUD-approved housing counselor to find out more about the latest foreclosure prevention programs.

Find a counselor here:
<http://tinyurl.com/djvudh>

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Miss an issue?

Back issues of our monthly newsletter are available on our Web site, www.holifieldhuntley.com, or by clicking <http://tiny.cc/xQJ7w>.

Tampa Bay's Maddux Business Report

Business magazine takes note of Helen's career move

The *Maddux Business Report* features Helen as one of its "people to watch" in its May issue, which focuses on the accomplishments of executive women.

The article points out that Helen gave conservative advice to *St. Petersburg Times* readers as personal finance editor

and now she's giving conservative advice to clients. Some of that advice is quoted: "We're definitely encouraging people to keep contributing and keep saving. People really have to step back and take a look at how they are allocated and how much risk they can afford to take."

About Our Organization ...

Holifield Huntley is a fee-only financial advisory firm. That means we are paid by our clients, who can count on us to be objective and have their best interests at heart. We do not receive commissions or compensation from others for selling their

products. We offer a comprehensive array of financial planning and investment management services.

If you, a friend or family member needs help, please feel free to call or e-mail us.

So you want to be in pictures?

We often receive requests from newspapers, magazines and other media for "real people" to use in their stories. If you are interested in being part of a news report, please e-mail Helen or Rhonda, and we'll share your contact info as opportunities arise. Remember that reporters will use your real name and anything you say is likely to end up in print.