



FINANCIAL FORECASTS, INC.

TAX PREPARATION & PLANNING

3918 Prosperity Ave. #230

Fairfax, VA 22031

(703) 289-1167

(703) 289-1178 Fax

E-Mail: finfore@aol.com

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“PATIENCE IS THE COMPANION OF WISDOM (St Augustine)”

Dear Clients,

Our government should be a shining beacon of hope and cooperation, unfortunately we see the same division of parties and an unhealthy dose of “fear” to sell or scuttle opportunities. We are trying to be patient as they try to find their way in the dark. We encourage you to not get caught up in the green shoots or glimmers of light for the success of their spending spree. The use of borrowed money can only make a splash and pop like the fourth of July, but it does not last. We must look to the long haul on investment and employment. Our success, as always, depends on our individual actions.

We are seeing the first anniversary to the economic collapse. There has been some rebound in investments, but all the spending should have some short term effects. The markets are not in good standing as unemployment is increasing and massive debt balances are continuing to weigh down real recovery. Do not be swept up by the promise of “free money” to buy a new car or buy a new house. Nothing is free and you could probably get a better deal by negotiating harder or waiting for a better opportunity. Remember “Patience!”

The end of year tax planning period is upon us, so take some time to review your situation. Most of my concern revolves around the cheapening of our dollar (they are printing too much money). Keep this in mind as I focus on some points of interest.

- ROTH conversion is coming for the big sell, resist unless you are paying very low tax.
- Review term life insurance, future money will not go as far, step up face value and time.
- Retirement funding. Do not lose heart, continue to put maximum away, review holdings.
- Watch your money, both the earning and spending sides.
- Reduce the use of debt. Pay it down. Debt is debt regardless of the interest rate.
- Record keeping, good records will save real money.
- Valuable, make yourself more valuable, with education and enthusiasm on the job.

Please take time to read our “FINANCIAL INSIGHTS “ newsletter for further timely thoughts on money and financial planning. Call me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry B. De Marr".

Barry B. De Marr, CFP, EA