

BALANCED FINANCIAL
PLANNING, INC.

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BALANCED

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For a copy of our most recent Form ADV Part II disclosure brochure, please contact our office at (913) 677-1090 and one will be promptly sent to you.

Summer 2008

Stimulate Savings with Stimulus Rebate

The economic stimulus package signed by President Bush in February may put you in line to get a sizable rebate check in the mail. Consider saving this money as opposed to what the government recommends you do with it. Do you need an idea for those funds? Consider the following:

College Savings Do you have a 529 plan for your children or grandchildren? If you do boost your 2008 contribution by making a deposit to your account. If you don't have 529 plan already consider opening one by making an initial deposit with these funds. A 529 plan can be opened with a deposit as little as \$250.

IRA Contribution Have you made your traditional or Roth IRA contribution for 2008? You are not required to make the maximum contribution allowed by the IRS and you can deposit as little as \$100 into your Fidelity IRA account.

Debt Reduction Any outstanding debt whether it be credit card, mortgage or student loan is good way to get a 'return' on your rebate. Eliminating or reducing your debt balance can provide a return by reducing the amount of interest expense you are incurring.



Supplying Us With the Data We Need

What do you need and when do you need it is a question we hear frequently. If you contact us to schedule a review of your portfolio we will ask you to provide us with your most recent account information. We request account statements for those asset accounts not held at Fidelity Institutional, such as those accounts in custody with another broker or your employer sponsored retirement plans. To get an accurate picture we need full account statements. For employer plans, such as 401(k)s or 403(b), a list of the most recent investment choices in those plans should be provided. A brief note addressing items you want covered in your meeting can also be helpful.

We need this information no later than seven days prior to your appointment. This data can be mailed, emailed (info@bfplanning.com), faxed (1-877-677-3090) or dropped off at our office in Overland Park.

2008 Contribution Limits



ACCOUNT	2008
Traditional / Roth IRA Under Age 50	\$5,000
Traditional / Roth IRA Age 50 and Older	\$6,000

The Roth IRA phases out for individuals with an AGI of \$101,000-\$116,000, and for married couples with an AGI of \$159,000-\$169,000.

If you're an active participant in an employer-provided retirement plan, there is also a phase-out for the Traditional deductible IRA. This phase-out is between \$53,000-\$63,000 for single filers, and \$85,000-\$105,000 for married couples filing jointly. There is no phase-out for traditional non-deductible IRAs.

401(k) Under Age 50	\$15,500
401(k) Age 50 and Older	\$20,500

There are several different limits that apply to a 401(k) plan in addition to the overall contribution limit. These limits could result in a contribution limit less than that specified by the IRS. Your plan administrator should have written information about your particular plan that explains these limitations as well as other regulations that apply.

Economic Outlook

Sometimes it is easy to react to current market volatility and start making emotional investment decisions in reaction to the market. However long term investors are always faced with uncertainty. In the 1970's investors had the 1973-1974 bear market and an oil embargo along with rampant inflation and geopolitical turmoil culminating in the Iranian hostage crisis. The 1980's there was Black Monday, the Savings & Loan Crisis, the Iran-Contra scandal and an assassination attempt on President Regan.

While the 1990's in our minds seems to have been nothing but a bull market we had repercussions from the collapse of Long Term Capital and the common investor's first lesson that the very wealthy had investments called hedge funds. There was also the Asian currency crisis and the Russian default.

So far this century has brought us the non-event of Y2K, the technology bubble, a major terrorist attack on U.S. soil, a recession, geopolitical turmoil in the Middle East, corporate scandals, natural disasters, a sub-prime mortgage crisis and rising energy prices—again.

Shelby Davis, founder of Davis Advisors, once stated "If we accept that investing through uncertain times is the rule, not the exception, then the question to ask is not whether or when to invest, but how to invest."

We know it is hard during down markets to stay focused on the long term strategy. If you are approaching, or in retirement, you may even feel like you are running out of time and that the markets will never turn

around. We understand. For our clients we review investments to determine the difference between disappointing short term results verses a bad investment. We also recognize that painful and difficult periods of disappointing returns are inevitable.

We recommend you don't focus on the noise of the daily movement of the stock market. Set realistic return expectations—be a realist not an optimist or a pessimist. Most importantly accept that investing during uncertain times is the rule, not the exception.

Finance News and Notes

Missouri 529 MOST Plan

The Missouri 529 College Savings Plan MOST has added an exciting new feature called Ugift.

Ugift allows you to invite family and friends to gift to your child's 529 account. They recommend using Ugift for birthday presents, holiday gifts or special milestones.

Ugift is easy to establish if you already have a MOST plan; or you can set up a MOST plan specifically for that purpose. If you would like to set up a 529 college savings plan for your children or grandchildren we can draft the paperwork for your next office visit. 529 Plans are a great way to save for college and now also a great way to give the gift of higher education.

Estate Planning

In the coming years the estate tax will act like a yo-yo. In 2009, the exemption jumps from \$2 million to \$3.5 million. In 2010, the estate tax is eliminated, though the heirs of large estates face higher future tax bills because they'll have to use carryover basis on inherited

assets. In 2011, the tax returns with a 55% top rate and a \$1 million exemption. Also, don't forget the taxing of your estate at the State level as well.

Estate taxes aren't the only reason to complete or update your estate planning. If you have minor children—you'll want to decide who will provide their care. Planning also allows you to determine who will be executor of your estate.

How does your estate planning look? Have you even done estate planning? If so have you reviewed it in the last three to five years? Have you had any major changes in your life such as a marriage, birth, death or are your children now grown? Now is the perfect time to get started on or to review your existing estate plan.

We can discuss your estate plan, or lack of, at your next office meeting. We can also provide you with referrals if you are looking for an Estate Planning Attorney.

Children's Books About Money

It is never too early to introduce the concepts of money

and finance with your children or grandchildren. Remember you will be the primary educator of your child regarding this topic. Reading to your child is a great way to introduce and enforce these concepts. Here are some recommended books for children:

Pre School Age:

The Berenstain Bears Get the Gimmies, Jan and Stan Berenstain, Random House 1988

The Berenstain Bears' Trouble with Money, Jan and Stan Berenstain, Random House 1983

Elementary Age:

Alexander, Who Used to Be Rich Last Sunday, Judith Viorst, Atheneum, 1978

Money Trouble, Bill Cosby, Scholastic, 1998

Middle School Age:

First Things First, Kristi Holl, Atheneum, 1986

Kid Power, Susan Beth Pfeffer, Watts, 1984

For a complete list of books for children contact our office.



Balanced Financial Planning Services

Balanced Financial Planning offers several types of services. The way we work with clients depends upon the level of service they have asked our firm to provide. We do try to be proactive in meeting the needs of our clients. This year we are excited to begin offering Performance Reporting and Separate Account Management to our Retainer Clients.

- **Hourly Service:** For those clients who want us to review their portfolio annually they usually work with us under an Hourly Client Service Agreement. The client contacts us when they would like to schedule a review. We charge for our time involved in the review, making investment recommendations and meeting with the client. The client is responsible for implementing and to sched-

ule the next review. All time involved in responding to calls, emails or other correspondence requesting advice we bill for based on the time involved. There is a minimum two hour charge for reviews that occur after the initial engagement.

- **Retainer Service:** For clients who want us to review their portfolio

quarterly, meet with us twice a year and have us implement investment recommendations. We establish a set annual fee for these services based on the client's situation and the amount of time involved in providing these services. The annual fee is billed quarterly, at the end of each quarter. We also respond to the client's telephone calls, corr- (continued on page4)

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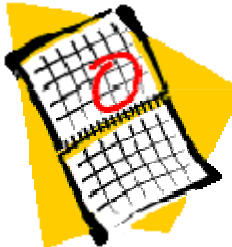
Services (Continued from page 3)

espondence and email under the set annual fee, there is no additional charge.

For Retainer Clients we cannot provide the implementation of investment recommendations and several other services

when the client's accounts are held as retail accounts with Schwab, Fidelity, TD Ameritrade or Scottrade.

For this reason we establish a relationship with **Fidelity Institutional Brokerage Service**. We *require* clients who engage as Retainer Clients to transfer **all eligible brokerage accounts** to Fidelity Institutional.



There is a minimum annual fee of twelve hours for ongoing Retainer Services.

If you would like more information on our retainer service we will gladly send you a fee quote and sample contract for your review.

We encourage you to check our website on a regular basis for updates on our firm and services. Our website is also a great place to refer friends who have asked you for information about our planning services.

Whether you choose to work with us Hourly or Retainer after your initial engagement as

always we appreciate your referrals and your continued trust in our firm.

www.BFPlanning.com