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Financial Planning Ideas for our Clients and Friends



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**Art Huprich** for Weekly Technical Commentary

**Jeff Saut** our Chief Investment Strategist

**Scott Brown, PhD**, Senior Vice President and Chief Economist

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### Stocks Surge to New Highs as Corporate Earnings Come in Strong

Equities delivered their best monthly performance of an already strong year as investors focused on strong corporate earnings reports, a renewed pledge from Federal Reserve Board Chairman Ben Bernanke to keep interest rates low, and the impressive vigor of the market itself. Ignored or minimized was seemingly important news such as a warning from Standard & Poors about a possible downgrade of the U.S. credit rating, a rise in inflation and a first-quarter slowdown in growth of the nation's Gross Domestic Product.

April's surge brought several major indices to new highs, reinforcing bull market believers and demonstrating the breadth of the advance. The benchmark blue chip S&P 500 has now more than doubled from its low of 676.53 set in March 2009, the Nasdaq Composite is at its highest level in a decade, showing the tech sector's strength; and both the Russell 2000 index of small-capitalization stocks and the Dow Jones Transportation Average have hit new highs for the year. Meanwhile, the Dow Jones Industrial Average and S&P 500 are both trading at their highest levels in almost three years.

	04/29/11 Close	03/31/11 Close	Change	Gain/Loss
DJIA	12,810.50	12,319.70	+490.80	+3.98%
NASDAQ	2,873.54	2,781.07	+92.47	+3.32%
S&P 500	1,363.61	1,325.84	+37.77	+2.85%

Earnings season is in full swing, with Bloomberg data showing first-quarter per-share earnings coming in above consensus estimates for about three-quarters of the roughly 300 companies in the S&P 500 that have reported so far. There are several types of earnings estimates on Wall Street, including those put out by companies themselves, those published by analysts, and so-called "whisper numbers," which are forecasts circulated among professional investors. Whisper numbers are generally considered the most accurate, and when a company exceeds those expectations, its stock often jumps. That phenomenon has been at work recently.

Positive earnings are confirming, among other things, that six straight months of expanding payrolls are helping consumer spending, which accounts for about 70% of the economy. Going forward, investors also will be focusing on negotiations in Washington over raising the nation's debt ceiling and the effects of the June termination of the Federal Reserve Board's bond-buying program, popularly known as QE2.

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#### Laura's Line:

I have the most absolutely wonderful news for you. Many of you knew that I was going to be a grandma again by my son Andy and his wife Heather, who live in Indy. Well, they went for a sonogram and lo and behold, they are having TWINS. I had been thinking PINK and am getting TWO PINKS!! We are absolutely tickled PINK. I have a theme going here. As always, my life and work are good. Stop in to congratulate me and hear about my grandchildren!

*Continued from page 1*

For now, however, the reality of strong corporate earnings has overshadowed those concerns.

Additionally, the death of Osama bin Laden, while certainly good news, is unlikely to have a major impact on the markets. As precedent, although stocks initially rose after the 2003 capture of Saddam Hussein, they quickly settled back. Nonetheless, the U.S. has dramatically demonstrated its resolve – and ability – to avenge attacks on the nation, a fact that will not go unnoticed around the world.

While a strong stock market is most welcome, it is not a substitute for a carefully considered and individually tailored financial plan. If anything has changed in your life that might necessitate updating your plan – or if you have any other questions or concerns – please give us a call.

Investing involves risk, and investors may incur a profit or a loss. Past performance is not an indication of future results. Investors cannot invest directly in an index. The Dow Jones Industrial Average is an unmanaged index of 30 widely held stocks. The NASDAQ Composite Index is an unmanaged index of all common stocks listed on the NASDAQ National Stock Market. The S&P 500 is an unmanaged index of 500 widely held stocks. The Russell 2000 index is an unmanaged index of small cap securities which generally involve greater risks. The Dow Jones Transportation Average is an unmanaged index of 20 transportation stocks. The performance mentioned does not include transaction costs which would reduce an investor's return. Energy stocks generally involve greater risks. As federal and state tax rules are subject to frequent changes, you should consult with a qualified tax advisor prior to making any investment decision.

#### *A Note From Annette*

Spring has sprung! What a season it has been thus far. As I sit today and write this, I am taking my two hour IV treatment for Ulcerative Colitis. I always dread these days every 8 weeks, but I know it has saved my colon and given me my life back. I also know how much each of these treatments cost! It helps me understand how important insuring me and my family really is. I want to take this opportunity to remind each of you to identify what personal risks you have currently and in the future and prioritize which are most likely to happen and need immediate attention. Some common risks are potential job loss, health care concerns, long term care, death, inflation, rising taxes, etc.

I have been very blessed with the opportunity to work with many retirees, particularly employees in the field of education. I enjoy advising these professionals and I have worked diligently to learn as much as I can about their retirement plans. What I have discovered is that having a pension plan greatly reduces the stress of retirement. Many of you reading this do not have pension plans so your retirement plan becomes more dependent upon your personal savings. I also have learned how costly medical insurance is after retirement in a group plan, if it is offered, and after age 65 using Medicare. Make sure you have factored in health care costs into your retirement plan.

I must end this writing by sharing something that has weighed heavy on my heart this past couple months. I want to reach out to my younger readers particularly. I encourage each of you to plan early with a financial professional. In recent months, tragedy has struck our local community. Two young men were killed in separate accidents and left their families prematurely. I am certain they never imagined leaving this earth at such early ages. None of us like to discuss our mortality but it is real. Take time to have a conversation with your family and financial professional about planning for this event. Life is a journey and in order to take the most scenic route with our loved ones and avoid the slick spots, you need to contact a financial professional to map out the trip. My office is here to assist you.

Happy Spring to all of you! April showers bring May flowers! I am guessing we will have an abundance of beautiful blooms this year.

*Annette*

#### **A Note From Lori**

As I write this article I think of my children and their educations. While Jessica has graduated from college and pursues her career and dreams, Megan is entering her Senior year at ISU. Who would have thought that over 25 years ago we would be working on the last year of college for our girls???

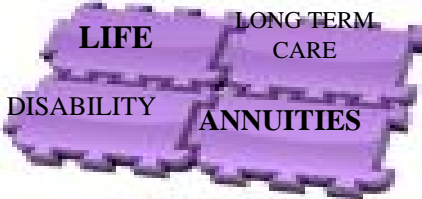
As much as we planned and saved, it still was not enough to get them both through without obtaining some student loans. I cannot stress enough how important saving for college is. When you think you have enough put back, save some more! Things to consider are club memberships, honor society dues, special events...you just cannot think of everything. It is much more than books, tuition and room and board.

We are very fortunate in Indiana and Ohio to have 529 College Savings plans that allow tax benefits. So, our state governments are paying us to save for our children's college! Parents, grandparents, aunts, uncles, friends...anyone can set aside money for a special child's college and reap the benefits of tax savings. Make sure you talk to your tax advisor about the tax implications for you before making a decision to use a 529 plan or not.

Wishing you a blessed and fun filled summer! Hopefully the rain stops soon!

My Best-  
Lori

## PROTECTION PIECE



When you think of Raymond James & Associates, stocks, bonds, and mutual funds probably come to mind. You most likely wouldn't associate insurance and annuities with a brokerage firm. Did you know, however, that Raymond James & Associates has one of the largest Insurance General Agencies in the industry?

Life insurance and annuities are unique assets. Because of their tax-favored benefits\*, they can be used to help solve some of life's most perplexing problems. Retirement planning, estate planning, college education, and family protection are just a few of the financial objectives that may be met with insurance and annuity products.

As insurance licensed agents of Raymond James & Associates, we have access to a wide array of insurance and annuity products. Our recommendations are based on your specific financial objectives, and then matched to the product(s) that meet those needs.

For more information on how life insurance and annuities may fit into your financial plan, please call or stop by.

\*Withdrawals prior to age 59 ½ are subject to a 10% federal penalty tax

### Combat Tuition Inflation with a Savings Plan that Fits Your Range of Needs

College tuition continues to soar with few signs of tailing off. Fortunately, as the cost of higher education has increased, so has the number of alternatives available to help you save.

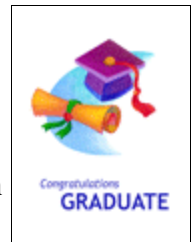
That means you have more flexibility than ever before to select a college savings plan that suits your personal and financial needs. Deciding how much control you wish to have over the funds (and what types of tax benefits appeal most to you) will play a role in determining which plan is right for your family.

We're here to help. We can discuss with you the benefits of accumulating college funds in your child's name under the Uniform Transfer to Minors Act (UTMA), or alternatively, setting up a Minor's Trust to distribute the funds after your child reaches age 18. We'll also examine alternatives that allow you to control the money for longer – or even indefinite – periods of time.

In addition, we will advise you on how to take advantage of tax-deferred earnings growth, gift and generation-skipping-transfer tax exemptions, and other tax benefits. With our assistance, you can even tailor a strategy combining two or more savings alternatives.

There's a variety of choices. That's why it's important to have a knowledgeable financial advisor to help simplify the process – one who understands your needs, your goals and the unique characteristics of each type of plan. As your trusted advisors, we are well-equipped to guide you in making a decision that serves the best interests of you and your family.

To discuss how we can help you prepare financially for your child's education, please feel free to contact us.



## Life Well Planned

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Annette Alexander, WMS  
Associate Vice President, Investments  
928 N. Meridian St.  
Portland, IN 47371

Phone: 260-726-8596  
Fax: 260-726-2897  
E-mail: Annette.Alexander@raymondjames.com  
Lori.Stimpson@raymondjames.com  
Laura.Laux@raymondjames.com  
WEBSITE: www.aafinancialworld.com



### CD Corner

**1 year CD**

**2 year CD**

**3 year CD**

**5 year CD**

**0.60% APY**

**1.00 % APY**

**1.45% APY**

**2.20% APY**

Annual Percentage Yields (APY) as of 5/12/2011 . Rates are subject to change and availability. Minimum quantity may apply. Currently, the FDIC limits the insured amount (including principal and interest) for all deposits held in the same capacity to \$250,000 per issuer per depositor and \$250,000 for certain retirement accounts. The FDIC has permanently increased insurance coverage to \$250,000 for deposits held in all ownership categories, including single accounts, joint accounts and trust accounts. Therefore, excess holdings may not be insured. IRAs and certain other retirement accounts will maintain the \$250,000 insurance coverage. Funds may not be withdrawn until the maturity date or redemption date. However, the brokered CDs are negotiable, which means that, although not obligated to do so, Raymond James and other broker/dealers presently maintain an active secondary market at current interest rates. Market value will fluctuate and, if the CD is cashed out prior to maturity, the proceeds may be more or less than the original purchase price. Holding CDs until term assures the holder of par value redemption. CDs are redeemable at par upon death of beneficial holder. For detailed overview of these and other risks refer to the *Certificate of Deposit Disclosure Statement* at [www.raymondjames.com/liquid.htm](http://www.raymondjames.com/liquid.htm).

### Calendar of Events



May 27.....Annette attends continuing education course  
May 30.....Memorial Day, Office Closed  
June 6.....Lori Vacation Day  
July 4.....Independence Day, Office Closed  
July 11-15.....Annette attends RJA Summer Development Conference  
July 26-Aug 1.....Laura vacation, sisters visit from California  
Aug 8-9.....Annette attends regional conference  
Sept 5.....Labor Day, Office Closed