FEIERTAG FINANCIAL SERVICES

YOUR FINANCIAL FUTURE

Your Guide to Life Planning

April 2011

This recent edition of my newsletter should answer a lot of questions for you. Please don't hesitate to call if I can clarify anything.

Steven Feiertag, CFP®
Feiertag FinancialServices
steven.feiertag@lpl.com
800-252-4276
561-333-0721
2107 Reston Circle
Royal Palm Bch, FL 33411
www.stevenfeiertag.com

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April 2011 from Feiertag Financial Services

If you are like many investors, you may be watching financial markets from a distance, still unsettled by the downturn of several years ago and left wondering about your investment strategy. This is not the moment for you to be passive-now is a great time to assess your situation, explore the current landscape, and make sure you are capitalizing on available opportunities so they don't pass you by.

Following are some questions investors have been asking recently:

- *How much should I keep in cash? Am I keeping too much liquid?*
- *What is a proper balance of stocks to keep in my portfolio in light of the recent recession and the current market rebound?*
- *With low bond market yields and lackluster CD and money markets rates, which investments would be more advantageous without adding more risk than I want to assume?*

Make sure you don't let unanswered questions negatively affect your future. Arm yourself with an investment strategy that is appropriate for the times. This requires careful planning, access to unbiased research and objective advice. I offer each of those services, plus I will listen to you closely to fully understand your needs, risk tolerance and goals. I invite you to call me so we can discuss your situation, adjust your financial strategy, and put a plan into action that is right for today.

I look forward to speaking with you. Please call me at 1-800-252-4276 to set up an appointment so we can review your accounts with you. This way we can discuss fine-tuning adjustments. I look forward to helping you develop and stick to a well thought-out investment plan.

We always appreciate referrals from our satisfied clients and their friends, business partners, and family members. We welcome the opportunity to serve the people you care about. Please visit our website (www.steven.feiertag.com) and if you like what you see, pass this on to your contacts. Thank you for your continued business and support.

Feiertag Financial Services

Steven I Feiertag, CFP®

Registered Representative, LPL Financial

2107 Reston Circle

Royal Palm Beach, FL 33411

800-252-4276

steven.feiertag@LPL.com

www.steven.feiertag.com

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If you have young children, an important provision is the selection of a guardian who would raise your children in the event of your death and the death of your spouse.

What You Need to Know About Your Will

A will provides the peace of mind that comes from planning to pass on the fruits of your life's labor to your loved ones. Without a will, the probate court will decide how your assets are to be distributed and, if minor children are involved, with whom they will live.

What Is a Will?

A will is a legal declaration that enables you to direct the disposition of your assets upon your death. Assets covered by a will include tangible assets, such as your home and your car, and intangible assets, such as bank accounts and mutual fund shares in your name. Other rights and benefits, such as insurance proceeds and pension rights, typically are paid directly to your designated beneficiaries and are handled outside of your will.

Generally speaking, a will includes the following items:

- Your full name
- Statement that the document is a will
- The date
- A statement revoking all previous wills
- Specific bequests to transfer particular pieces of property to a named beneficiary
- A general bequest, which does not specify from which part of the estate the property is taken, including provisions for the death of the named beneficiaries
- Name of a trust beneficiary, if applicable
- Names of guardians and alternates for minor children, if necessary
- Names of the executor and substitute executor
- Your signature, certified by two witnesses who do not have a connection to the will

Drafting a Will

Ideally, your will should be drawn up by a lawyer and your heirs, if possible, should be familiar with its general form and contents. Many legal professionals recommend separate wills for husbands and wives since it is difficult to establish who owns which property in a joint will. If you have young children, an important provision is the selection of a guardian who would raise your children in the event of your death and the death of your spouse.

Choosing an Executor

When you create a will, you must also choose an executor who ensures that the settlement of your estate is properly administered upon your death. This can either be a trusted friend or an institution, such as a bank or a law firm, with the necessary expertise.

Don't Leave Things to Chance

Much is made in life of the things we can't live without. Little is made of the things you can't die without. While it's unpleasant to contemplate the thought of your own demise, it's very satisfying to know that you've put your financial house in order.

Compliance Tracking #517635
This article was prepared by Standard & Poor's Financial Communications Tracking # 684102 Exp. 11/16/2011

Buyers are likely to look at many properties before extending an offer and it may be to your advantage to price your home equal to or slightly below comparable offerings if you want a quick sale.

Selling Your Home in a Depressed Market

You may be able to sell your home in a depressed market by pricing it appropriately, conducting necessary repairs before your home is officially listed for sale, and making your home as attractive as possible. The process may start several months before the house formally goes on the market. The key is to view your property objectively as a potential buyer would.

Make Necessary Repairs

Take an inventory of items that are broken or outdated and could potentially emerge as issues during a home inspection. Windows or doors that will not open easily, peeling paint, shingles falling off a house or garage, and similar issues convey an impression that an owner does not pay attention to a property. By fixing these or other items before putting the house on the market, you are eliminating something that a potential buyer could use as leverage in negotiating a lower price. If you forego repairs and attempt to sell your house as a handyman special, you may need to price it accordingly and it may take longer to sell.

Find the Right Listing Price

Setting an initial asking price that is too high may cause your house to sit on the market longer than it otherwise would. Either on your own or with help from a real estate agent, review selling prices of comparable properties in your neighborhood. Factors that determine a home's worth include its size, overall condition, and the surrounding neighborhood. Buyers are likely to look at many properties before extending an offer and it may be to your advantage to price your home equal to or slightly below comparable offerings if you want a quick sale.

Keep an Eye on Eye Appeal

Go beyond structural repairs and try to create as much eye appeal as possible. If you store large items, such as building materials or a boat, try to locate them elsewhere while the house is on the market. An illusion of extra space will appeal to many buyers. Clean out your garage, basement, attic, and other storage spaces and discard items you no longer use. Keeping up with lawn mowing, snow shoveling, weeding, and other landscaping chores will enhance curb appeal.

If the local real estate market is not in your favor, try capitalizing on areas that you can control -- structural repairs, pricing, and eye appeal -- to move your house in a depressed market.

Compliance Tracking #513335
This article was prepared by Standard & Poor's Financial Communications Tracking # 684643 Exp. 11/17/2011

Weekly Economic Commentary | Week of March 28, 2011

Highlights:

•Financial markets may not be able to ignore this week's slate of key economic releases.

•A few thoughts on a more transparent Federal Reserve.

•Where are we in the economic cycle?

Economic Calendar

Monday, March 28
Personal Spending
February

Personal Income
February

Pending Home Sales
February

Tuesday, March 29
Consumer Confidence
March

Wednesday, March 30
Challenger Layoff Announcements
March

ADP Employment
March

Thursday, March 31
Initial Claims
wk 03/26

Chicago PMA
March

Factory Orders
February

Friday, April 1
Private Workweek
March

Average Hourly Earnings
March

Mfg Payrolls
March

Private Sector Payrolls
March

Unemployment Rate
March

Nonfarm Payrolls
March

ISM Manufacturing
March

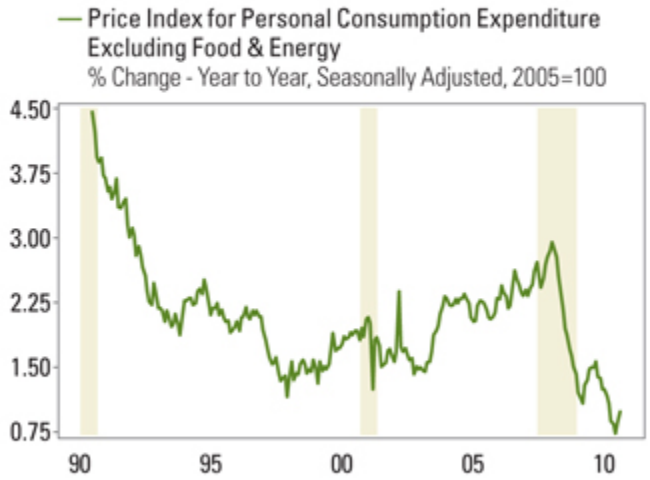
Construction Spending
February

Domestic Light Vehicle Sales
March

The Path to a More Transparent Fed

Last week's batch of economic data had a weaker tinge to it, but financial markets largely dismissed the data, focusing instead on events overseas. If history is a guide, the market may not be able to ignore this week's data, which includes key reports on manufacturing (Institute for Supply Management (ISM) and Chicago Area Purchasing Managers), consumer spending (personal income and spending for February and vehicle sales for March), and employment (Challenger layoff announcement, ADP employment and the government's employment report) in March. China's ISM report for March is also due out this week, as market participants continue to debate the timing and extent of the next interest rate hike in China. On the policy front, Congress returns from recess just in time to address the looming government shutdown (April 8). As emerging market nations continue to grapple with robust growth and rising domestic inflation, Taiwan's central bank is expected to raise rates this week. In addition, there are several notable Fed speakers on the docket this week, as market participants continue to debate when the Fed will begin to rein in some of the unprecedented monetary policy now in the system.

1 Core Inflation Continues to Move Higher, Although it is Still Well Below the Lower End of the Fed's Comfort Zone



Source: Bureau of Economic Analysis/Haver Analytics 03/28/11

(Shaded areas indicate recession)

While the employment data and ISM for March (due out on Friday, April 1) will draw the most attention from policymakers and market participants, the February data on personal income, personal spending, and inflation that was released as this report was being prepared revealed accelerating incomes, slower spending, and another tick higher for core inflation. In addition, the February data on personal income and spending showed that spending by consumers on energy and energy-related goods and services accounted for 6% of total spending and 5% of total personal incomes in February. This is a metric we are watching closely as we gauge the impact of rising energy prices on the economy.

At the peak of energy prices in July 2008, consumer spending on energy goods and services represented 7% of total personal spending and 5.7% of personal incomes. In the early 1980s, consumer energy spending accounted for nearly 10% of spending and 8% of incomes.

Detail of Consumer Energy Spending and Prices

	Spending in February 2011	% of Total in February 2011	Price Today	Price in July 2008
Gasoline	$392.0 Billion	62%	$3.56/gallon	$4.11/gallon
Electricity	$157.9 Billion	25%	$42/MWH	$115/MWH
Natural Gas	$56.1 Billion	9%	$4.41 BCF	$13.35 BCF
Heating Oil	$27.2 Billion	4%	$3.06/gallon	$3.90/gallon
Total	$636.7 Billion	100%		

Source: Bureau of Economic Analysis, LPL Financial 03/28/11

Another Step Towards a More Transparent Fed

Last week, the Federal Reserve (Fed) announced that Fed Chairman Bernanke will hold a press conference after four of the eight meetings of the Fed's policymaking arm, the Federal Open Market Committee (FOMC). The press conferences will coincide with the release of the FOMC's quarterly economic forecasts, which are made at the FOMC meetings held in January, April/May, June, and October/November each year. Thus, on April 27, June 22 and November 2, 2011, the FOMC statement, along with the FOMC's forecast, will be released at 12:30 PM ET, and Bernanke will take questions at 2:15 PM ET. At the other FOMC meetings, the FOMC statement will be released, as usual, at 2:15 PM ET. Operationally, this suggests that any major shift in Fed policy is much more likely to come at one of the four press conference FOMC meetings, rather than at one of the four non-press conference meetings. These press conferences may also downgrade the importance of the release of the FOMC minutes (three weeks after the FOMC meeting) for market participants. Finally, the press conferences may make the weekly parade of Fed speakers less relevant to financial markets.

Press conferences are only the latest in a series of moves toward greater transparency by the Fed over the past two decades. Beginning in the early 2000s, the FOMC began contemplating ways to better communicate its policies to the public. It set aside time at several FOMC meetings a year to discuss communication issues, ranging from full transparency (i.e. broadcast the FOMC meetings live) to a more nuanced approach (making more frequent economic forecasts, setting and communicating explicit targets for inflation and the economy) and speeding up the release of policy related documents like the FOMC minutes and economic forecasts.

Since the onset of the financial crisis in 2007, the FOMC (as a proxy for the Fed) has taken a more active role in the economy, and that has raised the ire of some politicians and raised suspicion among the public that is largely unaware of what the Fed does or how it operates. This pressure from Congress (and the public) has probably hastened the FOMC's

move toward more transparency, and as the FOMC begins to unwind the massive monetary stimulus currently in the system over the next few years, clarity from the Fed on its goals for monetary policy and the economy is more crucial than ever. In addition, rising food and energy prices in recent months also presents the FOMC with a communication issue with the public, given the policymakers' focus on consumer prices excluding food and energy.

Until the early-90s, a shift in Fed policy had to be gleaned by "Fed watchers" and market participants from analyzing trading in the relatively obscure market for the federal funds rate, the interest rate that banks charge each other to borrow overnight. Then, in 1994, the FOMC began issuing a statement the same day a change in monetary policy was made. In 1995, this change was made permanent, but it was not until 2000 that the FOMC began issuing a statement following all of its meetings, regardless of whether or not a change in policy occurred. This policy will continue.

The release of the minutes of each of the FOMC meetings has taken a similar path toward greater transparency. Today, the minutes of each of the eight FOMC meetings are released to the public three weeks after the meeting occurs. Between 1993 and 2004, the minutes were released three days after the subsequent FOMC meeting, or about seven weeks after the meeting was held. In the 1960s, FOMC minutes were released with a three-month lag, and prior to that time, the FOMC minutes were published only annually.

Prior to 2007, the FOMC issued two economic forecasts a year, which were presented by the Fed Chairman at Congressional testimony in February and July each year. Beginning in 2007, the FOMC started publishing four economic forecasts per year (of economic growth, inflation, and the unemployment rate). The forecasts are published three weeks after the FOMC meeting. Under the new regime, the FOMC's quarterly forecasts will be released the same day as the FOMC meeting.

From 1960 through most of the 1990s, the Chairman of the Fed rarely, if ever, made any public appearances, and took questions from the media even less frequently. Over the past several years, under increasing public and political pressure, Fed Chairman Bernanke has appeared on the television show 60 Minutes, held a town hall meeting, held a press conference, authored an op-ed in the Washington Post, and held several events where he took questions from students at universities around the country. The move announced last week to hold a press conference after four of the eight FOMC meetings a year continues that trend, and more closely aligns the Fed's communication policy with that of other major foreign central banks like the European Central Bank and the Bank of England.

Where Are We in the Economic Recovery?

The current economic recovery commenced in June 2009, after the economy experienced the longest (18 months) and most severe (real gross domestic product declined by 4.1%) recession since the 1930s. Thus, the current economic recovery will be 21 months old at the end of March 2011. How does that compare to other recoveries?

Since 1945 (the end of WWII), there have been 12 recessions and 11 economic recoveries. On average, the 11 recoveries have lasted 58 months (around five years), and the median recovery (five were longer and five were shorter) was 45 months long. The shortest post-WWII recovery was in 1980-81 (12 months), the longest was the 120-month expansion in the 1990s and early 2000s. The last three recoveries (1980s, 1990s, and 2000s) were 92, 120, and 73 months long, respectively, putting the average recovery during that time at around eight years.

As the 2007-2009 Great Recession was the longest and most severe recession since the Great Depression in the 1930s, we think it makes sense to look at the length of recoveries following the three most severe economic downturns in the last 110 years - the Great Depression in the 1930s, the 1973-75 recession, and the 1981-82 recession. We find that the recovery following the Great Depression of the 1930s lasted 80 months, the recovery following the 1973-73 recession last 58 months and the recovery following the 1981-82 recession lasted, as noted above, 92 months. The average here is around six years.

During the height of the double-dip recession fears in the middle of 2010, we wrote extensively about what usually causes a recession to occur. Although the source of each recession is different, generally speaking, some of the conditions that lead to the end of an economic recovery include:

•Widespread imbalances in the economy

•Too much debt in the personal sector

•A sudden and sharp tightening in Fed monetary policy

•An inverted yield curve (when short-term interest rates are above long-term interest rates)

•A soaring dollar

•Sharply tighter fiscal policy

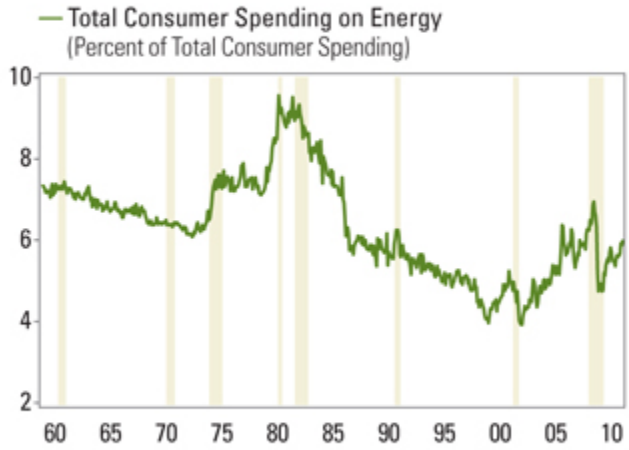
•High nominal interest rates (think the late 70s/early 80s)

•Pronounced weakness in global trading partners

•A sudden and sharp spike in consumer energy prices

While some of these conditions (rising consumer energy prices, slower growth in some global trading partners) are in place today (and a few are often in place regardless of where we are in the economic recovery), many are not and, at just 21 months, the economic recovery that began in June 2009 is most likely only in its early stages. If the current recovery is the same length as the average recovery since the end of WWII, we are only about one-third of the way through. If this recovery follows the path of the recoveries following the three most severe recessions in the past 110 years, we are only about one-fourth of the way into the recovery. If the last 30 years is any guide, the current expansion will last eight years, and we are still in the "early innings" of the recovery.

2 In the Past, a Sharp and Sudden Spike in Consumer Energy Prices was a Threat to Economic Expansions



Source: Haver Analytics 03/28/11

(Shaded areas indicate recession)

Economic and market conditions can and will change, and we will continue to monitor the economic data and policy events in the United States and overseas as we assess the health of the economy and its impact on financial markets.

IMPORTANT DISCLOSURES

This research material has been prepared by LPL Financial.

Investing in international and emerging markets may entail additional risks such as currency fluctuation and political instability. Investing in small-cap stocks includes specific risks such as greater volatility and potentially less liquidity.

Stock investing involves risk including loss of principal Past performance is not a guarantee of future results.

The ISM index is based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production inventories, new orders, and supplier deliveries. A composite diffusion index is created that monitors conditions in national manufacturing based on the data from these surveys.

Challenger, Gray & Christmas is the oldest executive outplacement firm in the United States. The firm conducts regular surveys and issues reports on the state of the economy, employment, job-seeking, layoffs, and executive compensation.

Tracking #716030