



YOUR FINANCIAL FUTURE

Your Guide to Life Planning

November 2010



We hope this educational resource proves helpful. We believe an educated investor is a better investor. Please call us if you have questions.

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What's on your mind?

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It's a decision most adults dread: having to take over the financial and day-to-day living decisions for parents who can no longer manage on their own. When caring for your parents, you may need to plan on three levels: managing finances, making health care decisions, and making sure their daily household needs are met.

LPL Financial Market Insight | Q4 2010

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Thank you for your business and trust throughout the year. It is important to review your accounts periodically to make sure you are still on track to meet your goals.

When we mapped your investment objectives, we discussed your goals, time horizons, and comfort with investment risk. Take a moment to think about any changes in your life that may have occurred recently. Examples of events that may warrant a review of your portfolio include: change in employment status, graduations, change in family size, or a major purchase such as a new home.

A financial check-up is simply an opportunity for us to review your portfolio in light of your current financial needs. If your circumstances have changed, we can talk and re-map your investment strategy and make appropriate adjustments to your allocation of assets to help keep you on the road to your financial destination. Perhaps nothing has changed - and that's all right - we should still review ways to maintain or strengthen your plan. Remember, effective investing requires discipline and commitment.

If you are still working and meet the IRA income guidelines for contributing to a Roth IRA, now is a good time to think about funding your Roth IRA for 2010. You have until April 15, 2011 to make your 2010 Roth IRA contribution.

The next article has a listing of important questions and issues. Please take time to see any if these issues are appropriate to your personal and financial life.

Please call us to schedule your check-up visit. Please note our office will be closed from November 25th until December 7th. Please call early to schedule your review.

Remember to check out our Website at WWW.STEVENFEIERTAG.COM. You will be able to get weekly economic and market updates by opening the "Weekly Economic Commentary" and the "Weekly Market Commentary" located on the left column of our home page.

Eileen and I want to wish you and your family a Happy Thanksgiving!

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One and a Half Cents on the Fourth Quarter

As the calendar turned to fall, the markets began to rise. While bonds posted a respectable 2.5% gain for the third quarter, measured by the Barclays Aggregate Bond index, the S&P 500 posted an outstanding 11% gain for the third quarter. This performance was driven by an unusually strong September. The gains during the quarter were far from steady. Volatility was high as the S&P 500 moved up and down-and-up again-within a 10% trading range during much of the quarter. Despite the strong gains in September, the stock market ended the third quarter not far from where it began the year.

Investors may also look forward to the market posting gains by year-end as key drivers combine to lift stocks out of their third quarter trading range. Here is my "one-and-a-half cents" worth of insight on the potential positives investors are likely to see during October:

- A one and a half (not double) dip for the economy. Slow, but positive economic growth is likely to support modest stock market gains in the fourth quarter.
- One and a half chambers of Congress go to the Republican Party (GOP) in the mid-term election. The GOP is likely to take the majority in the House and will hold about half of the Senate. The return of political balance in Washington between the parties may slow the pace of legislative change and result in the "gridlock" the market has historically favored. In addition, depending on the outcome of the election, it is possible PAYGO (Pay-As-You-Go) rules that require budget offsets to any tax cuts are waived allowing the extension of many, if not all, of the Bush tax cuts into 2011.
- "QE Version 1.5" from the Fed. At the Federal Reserve meeting on November 3, 2010 the Fed is likely to announce additional stimulus measures to improve economic growth. The coming bond purchases may be half the size of quantitative (QE) version 1 (the first round of QE the Fed enacted during 2008 and 2009).

Finally, the fourth quarter of mid-term election years is almost always favorable for stocks. The market's reaction to mid-term elections, as uncertainty fades, has almost always been positive, with fourth quarter gains as measured by the S&P 500 index averaging 8% in mid-term election years. The only two exceptions to the gains in the fourth quarter of every mid-term election year since 1950 were 1978 and 1994, when the Fed was hiking rates aggressively, a critical factor that is highly unlikely to take place this quarter. So far, stock market performance in 2010 has tracked the typical pattern for U.S. stocks in mid-term election years, albeit with a bit more than the usual volatility.

The volatility that has been the key characteristic of this year's stock market performance is likely to continue but should present opportunities for those investors patient enough to ride the market's ups and downs.

IMPORTANT DISCLOSURES

This research material has been prepared by LPL Financial.

The opinions voiced in this material are for general information only and are not intended to provide or be construed as providing specific investment advice or recommendations for any individual. To determine which investments may be appropriate for you, consult me prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

Quantitative Easing (QE) is a government monetary policy occasionally used to increase the money supply by buying government securities or other securities from the market. Quantitative easing increases the money supply by flooding financial institutions with capital in an effort to promote increased lending and liquidity.

The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

Stock investing may involve risk including loss of principal.

The Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

This Barclays Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

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What's on your mind?



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A checklist to help assess your planning needs

Concerns about your personal life and your financial responsibilities often intersect. By planning for life events that have an impact on your financial goals, you can make solid decisions to help reduce your worries.

Use this checklist to help identify areas of concern. Additional information about the topics below and, more importantly, help guiding you through the financial decisions associated with each is available.

RETIREMENT

- Will my money last through retirement? Do I need long-term care insurance?
- How do I manage all my retirement plans?
- What should I do with my employer retirement plan?

EDUCATION PLANNING

- How much should I save?
- When should I start planning?
- Will I qualify for financial aid? Where do I start?
- What are my college savings options?

LIFE EVENTS

- What happens to my 401(k) when I change jobs?
- What are my options if I'm laid off?
- I'm getting divorced, what happens to my assets?
- What do I do when a loved one dies?

AGING PARENTS

- How does Medicare work?
- What should I look for in a nursing home?
- Coping with Alzheimer's disease
- What happens if I have to care for my parents?

ESTATE PLANNING

- What should I know about estate planning?
- How do I protect my estate from taxes?
- Will my family be secure if something happens to me?
- How do I create a legacy for my children?
- Can I provide for my favorite charity when I'm gone?

GENERAL FINANCES

- How do I protect myself from market declines?
- How do I keep my records safe and organized?
- How do I do a better job budgeting?
- How do I reduce my debt?
- How do I teach my children about money?

OTHER CONCERNS?



Stepping In When Your Parents Can No Longer Manage

It's a decision most adults dread: having to take over the financial and day-to-day living decisions for parents who can no longer manage on their own. When caring for your parents, you may need to plan on three levels: managing finances, making health care decisions, and making sure their daily household needs are met. Finding qualified experts who can advise you in these areas may make it easier to manage the situation.

Managing Finances

If your parents currently are able to communicate, try to initiate a conversation about how they would like their money to be managed. Rather than telling them what to do, be clear that you would like to help and to make sure that their wishes are met. Access to bank and brokerage statements, insurance policies, and other financial documents may help you to safeguard your parents' assets.

If your parents work with a financial advisor, try to arrange a joint meeting where all parties can review the situation. If you pay your parents' bills and manage their checkbook, arranging for direct deposit of Social Security or pension benefits, as well as electronic delivery of recurring bills, could expedite the process.

Arranging for Health Care

If your parents are mentally competent, ask them about consulting a lawyer who can draft a health care proxy, a legal document designating you (or another person) to make decisions about medical care when they are no longer able to do so. If your parents have opinions about end-of-life care, their wishes can be incorporated into a living will, another legal document.

Even without these documents, the medical establishment is likely to look to you or other siblings to make decisions about health care, which could include arranging for long-term care or making end-of-life decisions. As part of this process, determine the type of medical insurance that your parents have and what it covers.

Overseeing Daily Living Activities

If your parents are able to remain in their home, you may need to consider helping them to manage medication, to conduct daily tasks such as bathing or meal preparation, and to make arrangements for assistance with household chores. A visiting nurse and home care agency may provide assistance in these areas.

You may want to consider consulting a Professional Geriatric Care Manager, a professional who may help arrange for home care, provide crisis intervention, and help you identify solutions to potential problems. You can learn more at www.caremanager.org.

Managing a parent's affairs can be complicated, but arranging for support from qualified people may help you care for parents in a way that meets their needs and does not create too much stress on you.

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LPL Financial Market Insight | Q4 2010

The complexity of the equity and fixed income markets are of interest to investors everywhere. Please click on the link below to view the latest edition of The LPL Financial Market Insight, a publication designed exclusively for LPL Financial investors to help them stay informed of changes in different segments of the marketplace!

As the economy unevenly transitions from recovery to sustainable growth, stocks have been volatile but range-bound, while bonds have benefited across the board from lower rates.

The current environment presents investors with a complex array of issues, including the upcoming mid-term elections, pending actions from the Federal Reserve and potential tax policy changes from Congress. These issues to be addressed during the fourth quarter follow a third quarter that contributed to the path of slowing U.S. economic and earnings growth.

We seek to provide clarity and context to these issues focusing on the economy, the stock market and the bond market.

[Click Here](#) for the LPL Financial Market Insight.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

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