

# In Touch



BETTER BUSINESS BUREAU SERVING WISCONSIN  
**Torch Award**  
For Business Ethics & Integrity  
**WINNER**  
**2005**

YOUR GUIDE TO LIFETIME PLANNING

1st Quarter 2006

## LOOKING BACK ...moving forward

News and Notes



Karen J. Ellenbecker, President  
**ELLENBECKER  
INVESTMENT GROUP, INC.**

**I want to wish everyone a Happy New Year!** 2005 was an exciting year filled with so many new activities that organizing my thoughts for this newsletter has been difficult. I am not sure if I want to reflect on the past or move right into “**what’s new**” for 2006. Looking back I remember Christmas Eve 1997 well. It was the day we started Ellenbecker Investment Group, Inc. We located our offices on the third floor in our current building with only three employees; Joleen, Julie, and me. It was a scary yet adventurous time. We had big dreams and solid goals all the while being coached (by the ones in the know) that those dreams were merely “pie in the sky.” **From pie in the sky to starting our tenth year with twelve employees, \$135 million under management, a new office this summer, 16 years hosting Money Sense on WISN Talk Radio, the recipient of the Better Business Bureau’s Award for “Business Ethics and Integrity” and we made The Business Journal 2006 Book of Lists under largest Milwaukee area investment managers... this firm has staying power!**

Nine years, have we met our original goals? Our commitment nine years ago was to do whatever it took to keep our clients happy and on track. We wanted to provide superior investments and a higher quality of services. We knew in order to accomplish this we would have to learn and understand as much as we could about our clients and their families. Knowing “**what matters most**” to our clients would drive everything we do. It was a natural transition into making sure our clients have the proper legal and estate planning documents. Understanding the fine details became our strength. Because we follow through with the signing of documents and the implementation of their estate plan, our clients have the type of peace of mind that is hard to find and impossible to buy. Our services now include **helping our clients through life transitions and identifying life goals.**

We encourage whole-family involvement whenever possible because our wish is to help our clients across generations.

The last nine years has taken us through many different market cycles. The concept of looking to the past for answers didn’t make sense. Today the world is very different with technology driving the markets. With more information than one person can sort through, we felt we had to look to the future and develop a plan that provides resiliency in all markets. Our clients need a **resource center** to help them control the information and determine what is important to their situation. Each market cycle provided the opportunity to create new ways of serving our clients. We moved into dividend paying stocks well before the market embraced them and transitioned into individual bonds and equities to provide more control and tax advantages. We are honest about mistakes and are not afraid to make the necessary changes to our strategy.

We are very excited to announce that **our asset allocation strategy, the heart of our financial planning, is now trademarked.** Our asset allocation is a unique investment strategy that is specific to each of our clients. It has taken many years to develop a method where our clients could see all of their assets in one format. It is the structure by which we manage money. Risk is measured or defined by the balance between all of the different asset classes. Structuring the asset allocation, however, is only the first step. We built an investment team that monitors each asset class and an internal team that enters all of the data on each individual investment. All of our clients have their **own team** within Ellenbecker Investment Group, looking out for their best interest. We have learned that one person cannot monitor all of the different markets, understand their cycles, be proactive in their buy/sell discipline and understand the tax implications on spending from different investment vehicles. *(continued on next page)*

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## LOOKING BACK ...moving forward

Karen J. Ellenbecker, President  
**ELLENBECKER  
INVESTMENT GROUP, INC.**

We also began to recognize that our clients had concerns about outliving their money, so we began our search two years ago to find financial planning software. We now have two different programs that we are using with our clients. We also developed an insurance department to provide disability, life and long term care insurance. Because the products in the insurance market are frequently changing, we can review your existing insurance policies and make recommendations.

Separating out what you can and cannot do is very important. Early on we realized that we could not do it alone. It has taken twenty years to build a deep and trustworthy team of estate planning attorneys, money managers and other financial experts. Each has their own area of expertise providing our clients the level of services they need while we assume the responsibility for overseeing our clients' complete financial and legal picture. The world is constantly changing. Keeping up with tax law changes, estate planning and new investment products is a challenge all in itself but applying it to each individual client is our specialty. We know that to maintain our "staying power" we will need to stay informed and keep you informed.

**Recipient of the Better Business Bureau's Torch Award for Business Ethics & Integrity.** The Better Business Bureau Torch

Award for Business Ethics & Integrity honors businesses/charities that demonstrate ethical business practices; exemplify outstanding customer service relations; embody truth in advertising; and help foster ethics within their industry and community. It goes without saying that we are very proud to have been honored with this award. You can learn more at [www.ellenbecker.com](http://www.ellenbecker.com).



We have formed the **Ellenbecker Investment Group Charitable Foundation** for our clients and partners. This year our Hats and Mittens project was so successful we decided to start a charitable foundation so our donors could receive a tax deduction for their contribution. I also want to personally thank everyone who generously contributed to the Kagel School Christmas party. The children appreciated their warm hats and mittens and all the lovely gifts they received. But the real gift was in the giving.



**Dawn Lotz** joined the Ellenbecker Investment Group in 2004 and in early 2005 she lost her father Jack to complications following gall bladder surgery. Through this experience we learned first hand the importance of helping our clients address issues around end-of-life planning. Most couples make all of their major decisions together and children, even into adulthood, rely on their parents for guidance in tough situations. When someone dies unexpectedly it can be the first time a loved one is forced to make a decision alone. Our goal is to help guide our clients through the planning process.

**House Parties hosted through Concierge™ Lifetime Planning.** In the last several months we have been hosting estate planning parties for our clients' families and friends. The best part is that they are held in their homes where their friends feel comfortable and safe. Statistics tell us that the majority of the population does not have an estate plan. Our clients tell us they have peace of mind having done their plan and wish they knew how to broach the subject with people they care about. The concept is very much like an old fashioned Tupperware Party. If you host the

party you will receive free Powers of Attorney for Health Care and Finances. How it is different from a traditional Tupperware Party is that we are not selling anything. We simply provide valuable information on "what could go wrong" when you don't have an estate plan in place. I tell actual stories that reflect situations I have experienced. Protecting children's inheritances in the event of divorce or from creditors is often overlooked when planning is done. Most people do not realize the differences between assets passed by will and assets passed by beneficiary designations and least of all the consequences of beneficiaries getting too much money too soon. If you would like to learn more about **hosting a party** please call 262-938-9060 or 888-642-7526.

In conclusion, 2006 is promising to be another great year. I believe the market will continue to "go up" and not surprisingly "go down." The good news is that our clients, through their

asset allocation, will have "**staying power.**" Through rebalancing, we are positioned to take profits when an asset class goes up and our income strategy may offer stability when the market goes down. Income that has been generated from interest earned or dividends that have paid provides overall peace of mind. Our goal is to make investing "stress free." That may sound easy for us to say since emotion tends to drive the market, however, we believe that if you are investing for the long term the best thing you can do is ignore the headlines because they will only distract you from your long-term goals. We believe that as long as your investments remain aligned with your long-term objectives, you don't need to be unduly concerned with the market's day-to-day fluctuations.

This is a great time of the year to refocus and recommit to your financial goals. If you feel stress around your investments don't hesitate to call. The best strategy in today's market is education and understanding. Let us sort through all of the clutter and assist you in planning for your future. We want to take on the responsibility for "quarterbacking" your financial future. **We join you in celebrating a healthy and prosperous year for all of us!**



# 2005 HATS & MITTENS PROJECT *Our Holiday Tradition*



***Giving Back:** We have made it a tradition to give back to the community all year long with our food bin by gathering non-perishable items for the local food pantries and professional clothing for the Bottomless Closet. Please feel free at any time to drop off gently used women's business clothing and accessories or non-perishable food items for our collection bin.*

For the past several years we have adopted Albert E. Kagel Elementary School for the holidays. Our "hats and mittens" tradition began with Barbara Horack, a retired kindergarten teacher from the school. In winter, Barbara would give the children socks to keep their hands warm because they did not have mittens.

Last holiday season, 150 happy and grateful children and 15 teachers watched as one of our employees was interviewed by local news stations. She ended the interview with **"and next year we will treat every child in the entire school to a new pair of mittens and a hat."** As this tradition continues to expand, we at Ellenbecker Investment Group, with the help of many, work with Barbara to coordinate this event for the children.

Anyone that has visited our offices during the month of December most certainly noticed the stacks of hats, mittens, books, toys, crackers and all the donations. With the generous cash donations, we purchased the merchandise needed to complete the project. We sorted the merchandise by classrooms and filled each bag. After we counted and verified the correct number, we were ready to go.

During the week of December 12 we loaded vehicles and delivered our 370 gift bags to each classroom. The teachers and children were so excited and appreciative of each and every gift in their bags. They sang, thanked and hugged each one of Santa's helpers. A surprise visit from Santa this year completed the wonderful Christmas experience. He signed autographs, shared cookies and juice and had his picture taken with the children. They were so happy, and it was hard to find a dry eye with any of the helpers.

We had much to be thankful for this holiday! We would like to thank everyone who helped make this event possible.

**Our goal for 2006 is to continue the tradition** that began many years ago. We have established a non-profit charitable gift fund that will allow you to take a tax deduction for your generous gift. Help us to warm our hearts by warming the hands of hundreds of children. Next year join us in receiving the joy from giving.

Please keep the children in mind as you are doing your end-of-season shopping. We'll be collecting hats, mittens and other donations all year long.



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## COMPLETING *the Circle*



Joleen S. Kane  
Vice President  
Director of Special Products  
**ELLENBECKER**  
**INVESTMENT GROUP, INC.**

Karen touched on our goal to bring value to our clients' entire life in her **News and Notes**. Our new ideas or concepts present themselves to us through our clients as their lives unfold. Often a situation occurs that we have never had to deal with before, sometimes we recognize the marketplace has changed or we find a new beneficial service through a partnership we have fostered.

This year we began discussing end-of-life planning or what we call "completing the circle," after Dawn Lotz's father Jack passed away. We realized that even though Dawn's father had completed his estate plan and investment plan he had not addressed the end of life or funeral planning. Dawn and her sister were faced with many questions and decisions that had never been discussed. For Dawn, having her sister out of state made the planning difficult and draining. Dawn said, "I wanted to spend more time thinking about my Dad and planning what I would say in church, yet decisions had to be made quickly."

Right under our nose was our next opportunity to help our clients. Our first step was to find a partner that could help us understand what we needed to know. We developed a relationship with Mark Krause, President and owner of Krause Funeral Home and Cremations Services. Through many meetings and doing our own end-of-life planning, we discovered that planning could be simple or very complex depending on your personal situation. One thought would be to simply tape record your thoughts, others might want to write a detailed letter or you could see it through to actually making all of your arrangements in advance. I am not going to say it is an easy subject to work through but the question that begs an answer is; "how trouble-free do you want it to be for those left behind when you die?" There is no magic answer; it is all based on how you feel and what you want to do for your family. We also developed a relationship with Bill Toson and his daughter Christine Hentges who represents the fourth generation as Vice President of Pinelawn Memorial Park. This added the final step to our planning for our clients. Many of these conversations have been difficult but the result has been very positive. The dialogues have opened up many thoughts and ideas that most people don't consider because the subject has never been mentioned.

The reason most people plan is to make things easier on those they leave behind. Through our relationships with Krause Funeral Home, Pinelawn Memorial Park and funeral insurance companies, we believe we can offer you cost effective choices and ways that you can leave a loving legacy. These relationships are growing and as a result, we are in the process of developing a program and booklet that will guide you through this process. Depending on your situation, our program can be structured in conjunction with Krause Funeral Home or independently. We hope to have the guide booklet completed by the second quarter of 2006. Our goal for this booklet is to give you a road map for this special planning and also to provide a unique perspective, ideas and questions that become a starting point for discussions with your family. This will be a valuable process to complete because we all know of someone who has experienced it and unfortunately bad things do happen to good people. Today you might choose to do a writing to help guide your loved ones, later on you could add another piece that gives more clarity. End of life planning is a process and our commitment is to follow through with you as we do now with your financial and estate planning...we will help you get it done.

Once you have completed the planning, some people choose to finalize the process by pre-paying for their funeral. There are a variety of products such as insurance policies that you can purchase for this purpose. These policies provide several advantages:

It is convenient for the person planning your funeral. Assets do not need to be liquidated because the money is immediately available. Certain policies with specific funeral homes will guarantee the cost of the items you choose in today's dollars. The assets may be immediately removed from your estate. Dollars above the cost of the actual funeral can be included in some policies to allow for special costs such as travel expenses for out of town family and guests. A residual beneficiary is named in some products so unused dollars can be paid out to the family. These types of policies can be funded in an irrevocable trust so some restrictions apply.

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# IF YOU DON'T KNOW WHERE YOU'RE GOING, *how will you know when you get there?*



Mark Krause  
President  
**KRAUSE FUNERAL HOMES &  
CREMATION SERVICES**

Suppose you decide to take a trip. You load the family in the car and start driving. Sooner or later, probably miles from home, you discover that you have no idea where you're headed. You don't have a destination...and you don't even have a map.

Of course, you wouldn't do that, because you understand the value of defining a goal, no matter what it is, and making a plan to accomplish it. If you try to build a house without a blueprint, you wind up with a pretty odd house.

We plan our vacations, our careers (sometimes), and our investments. We plan for the education of our children, and we plan for the day we don't have to work any more. Yet, oddly enough, there's one critical plan that most of us never make.

We don't plan for our funerals. Strange, when you think about it, we could plan for a vacation and never go.... plan an investment that never happens...but we can't bring ourselves to plan for the one event we know is going to happen ...an event we know will cause disruption, sorrow, and possibly unanticipated expense for those we leave behind.

Yes, it's difficult to think about death, and especially difficult to think about one's own passing. But we promise that pre-planning your funeral is the most loving, compassionate, considerate thing you can do for the ones you love.

There are many good reasons to pre-plan your funeral, and no good reason not to. First, let's consider the emotional aspect. During a time of grief and loss, people are not prepared to make complex arrangements. When you pre-plan, you spare your family the burden and stress of having to make many decisions at the worst possible time. All they will have to do is make one telephone call.

Then, there are practical reasons. When you discuss your preferences with our pre-need counselors, you can specify exactly the type of service you want, down to the last detail. And you can consider your choices in privacy, at your leisure, with no pressure or hurry. Today's contemporary funeral traditions offer many dignified, touching forms of commemo-

ration. Do you know what they are? If not, meet with a funeral director or a pre-planning counselor. They will note all your decisions and keep the information on file at no charge, so your family won't have to worry about it later.

For even more peace of mind, some may consider pre-paying their funeral. Many funeral homes offer installment plans, where the funds you pay in are placed in a trust and protected by law. Prepayment means your prices are guaranteed against future cost increases, and it means your family won't be faced with expenses they didn't expect. Even if you think you may live somewhere else in the future, the plans and funds are always yours and portable to whatever funeral home you desire. Perhaps it's time to think about the one thing we don't like to think about. It's not too late to help your family with many difficult decisions. But someday, it might be.

Krause Funeral Home and Cremation Services has felt that our role in the community needs to be more than just a funeral home. We look at ourselves as death educators; care givers and a resource to the community. Our goal is to be there before, during and after a loss. Contributing information and helping people plan before a death is an important service the public has asked us to provide. During a loss, it is our desire to comfort families, help them to remember, celebrate a life and to say good-bye. So often, the last time a family has contact with a funeral home is at the cemetery. We wish to change that. Many times the most difficult period of a death is the year following the loss. It is our hope that we can remain connected, giving guidance, friendship and hope to those whom we have served.

We are extremely honored and privileged to be working with the Ellenbecker Investment Group, Inc.

*Mark Krause is President of Krause Funeral Homes & Cremation Services, Milwaukee, WI. He can be reached at 414-464-4640 or [www.krausefuneralhome.com](http://www.krausefuneralhome.com).*



# MARKET OUTLOOK *4th Quarter 2005*



*Terence Pavlic, CFA  
President  
PAVLIC INVESTMENTS, INC.*

**Happy New Year!** The pattern of stock returns over the past three years has been normal but the magnitude has not. Generally, the first year of a recovery is the best and that was certainly true of the double-digit gains in 2003. Subsequent years usually see moderation but still returns are near the long-term averages so, using history as a guide, it would have been reasonable to expect 9-12% in 2004 and 2005. While stocks achieved the low end of that range in 2004, last year was substantially below average. In fact, stocks needed a modest fourth quarter to even finish in the black in 2005. The S&P 500, a proxy for large stocks, grew 3.0% and the NASDAQ, a proxy for technology stocks, grew 1.4%. The Dow Jones Industrial Average, which is the narrowest of the major indexes, comprised of just 30 stocks, was the only one to show a loss for the year and a very small one at that, -0.61%.

However, given the determination of the Fed to raise interest rates and the unforeseen impact of the hurricanes, not only on New Orleans, but especially on oil prices, it is impressive that most stocks were able to appreciate at all. It is unprecedented to have the Federal Reserve raise interest rates after every single meeting for eighteen consecutive months. Though Chairman Greenspan has characterized this as a "measured pace," from a historical perspective, there was nothing moderate about it—neither in pace nor magnitude. The economy has endured and there are tangible signs that the real estate market is slowing. Secondly, who would have predicted, first, that we would pay over \$3.00 per gallon for gasoline this summer and second, that such high prices would not lead to an economic calamity? Yet, since past "oil shocks" in 1990 and the 1970's, America's economy has become far less reliant on oil and so we were able to better absorb this latest shock without the attendant recession that accompanied the last two.

The best performing sectors last year were energy and utilities. The performance of energy stocks makes perfect sense given the sharp increase in the price of oil. However, all of the price increase was not driven by supply problems, i.e., the hurricanes. There is a significant demand change occurring in the global oil market and energy stocks should remain a meaningful component of most stock portfolios. That is not necessarily the case for utilities. Though they turned in an excellent year, this remains a heavily regulated industry, subject to lots of public scrutiny, facing the need for significant upgrade and expansion for the next two decades. Though the dividend income and perceived safety of this sector are attractions, many of these stocks are selling at record high valuations and we would be highly selective at this point.

We are reasonably constructive in our outlook for 2006 with a few caveats: the fed stops raising interest rates within the next three months and the price of oil stays below \$70 per barrel. Over the past 20 years, there have been two instances in which interest rates were initially increased but no recession materialized (called a mid-cycle slowdown). Our expectation is that we are currently in the third and stock prices tend to rally when it becomes apparent that the economy is not falling into a recession. However, the slowdown in real estate and historically high gasoline prices will limit any exuberance in the minds of consumers.

In summary then, in 2006, the economy should continue to grow against a backdrop of relatively more stable oil prices and interest rates. Again, my best wishes to you for a happy, healthy and prosperous New Year.



# Code of Ethics

## DOING THINGS RIGHT... *our Code of Ethics*

Business ethics involves making judgments about what is right and what is wrong. In the business world, many ethical issues aren't clear cut. We have developed a **Code of Ethics** — to provide guidelines and expectations about how we should act. This **Code** is an expression of our recognition of **responsibilities** to our clients, associates, business partners, vendors and the community. It reflects our **commitment** to help our clients achieve their life goals.

The principles listed below capture the essence of three of the documents we use for guidance – our *Employee Manual*, *SII's Code of Ethics* and the *Financial Planning Association's Code*. As a successful businessperson said, "**Principles are to people like roots are to trees.**" You can read the complete Code of Ethics on our website at [www.ellenbecker.com](http://www.ellenbecker.com).

### *Our Principles*

#### **INTEGRITY**

*We offer and provide professional services with integrity.*

#### **OBJECTIVITY**

*We are objective in providing professional services to clients.*

#### **COMPETENCE**

*We provide services to clients competently and maintain the necessary knowledge and skill to continue to do so.*

#### **FAIRNESS**

*Our services are performed in a manner that is fair and reasonable to clients, business partners, vendors and employees.*

#### **CONFIDENTIALITY**

*Our information is confidential.*

#### **PROFESSIONALISM**

*Our conduct in all matters should reflect credit upon the financial services profession.*

#### **DILIGENCE**

*We act diligently in providing services.*

*Est. 2005*

### *Our Mission Statement*

*We will maintain a competitive edge. This will require that we build a level of trust competing ethically, aggressively and profitably. As financial advisors our job is to coach our clients on all aspects of their investment portfolios building strong foundations so that our clients feel they can take responsibility for their own lives. Our clients are looking for powerful relationships, the type of relationships in which they can mutually consider not just how to manage their money, but how to make life choices for their children, their parents, their businesses and themselves. Est. 1998*

### *Our Vision Statement*

*Our vision is to support a productive, sharing community honoring each other and fostering trust, creativity and freedom in a spiritually, physically and financially balanced environment. Est. 2002*



## CHOOSING *the Right Exercise Program*



*Chez Misko*  
**WISCONSIN ATHLETIC CLUB, INC.**



In today's society you can't open a magazine, newspaper or even watch TV without hearing or reading about the benefit of exercise. Most people already know that they should be exercising – what they don't know is how to get started.

The excuse that we use not to exercise usually involves time – time taken from family, work, friends, etc – in reality, those are actually major reasons why you should be exercising. Whether it is living longer with loved ones, keeping up with friends at the mall or being more productive at work, exercise can help you feel better and improve your quality of life.

You also have to believe that you are never too old, too busy or too out of shape to begin. You don't have to "get in shape" before you start exercising. What you have to do is make exercise a habit; part of a lifelong lifestyle change. If you look at fitness with a lifestyle approach, you will modify your daily routine making time to exercise.

Exercise has to be a priority in order to make it a habit; remember, your life depends on it. It is important to view exercise as a positive part of life, not as an inconvenience.

So, how do you get started? By starting. Start today; if you push it off until tomorrow you may never start.

Once exercise has become a habit, something that you have made a priority, then you can progressively change your exercise routine. Look for exercises or activities that you enjoy; try walking, lift weights, take a group exercise class or anything else that gets you moving. Making exercise fun helps keep you motivated. Other ways to make exercise fun may include either finding a partner, or joining a group or athletic club.

When beginning an exercise routine, dedicate one day a week to some form of exercise, even if it is only for five minutes. Make sure that on that day exercise is made top priority. Each week you can add or subtract any amount of time, as long as you do some form of exercise that day. Once exercising one day a week becomes a habit you can add more days. Many people read that they have to do cardiovascular exercise 5-6 times a week, weight training 2-3 times a week, etc – that's not realistic for most people nor is it necessary. Someone else's recommendation of how much, how often and how long could be the reason you don't start.

You may experience muscle soreness, or other minor discomfort if you start too fast, so start slowly and do something that is comfortable for you. You can always do more next time, and you know for sure there will be a next time because exercising is now a habit.



The length of time that you exercise when you start should be short. Progression is important in any exercise routine – start out slow, easy, and at short intervals, and gradually increase.

By following these few simple guidelines you can begin your journey to a healthier you. So grab a friend, do it alone, go outside, join a club, whatever the case, look for reasons to exercise – not excuses not to.



# BUYING PROPERTY *Out of State*



Jeffrey S. Syslack  
Wealth Management  
**ELLENBECKER**  
**INVESTMENT GROUP, INC.**

My wife and I have been vacationing in Florida every year for over twenty years. We loved Florida, wanted to buy a vacation home there, but could not get over the hurdles of how to do it.

Our goal was to buy a condominium with a good location. Over the years, we realized that we had a conflict on location. I wanted to be on an island or near the beach, while my wife preferred to be on the mainland closer to shopping, activity and her friends. We also were uncertain about renting it out. We needed cash flow to offset the condo fees, property taxes and mortgage payments. Perhaps we were better off renting a unit for one or two weeks instead of buying.

For many years we were at a standstill. The stock market was doing very well in the late nineties. The market turned against us in 2000 and knocked the wind out of our sails in 2001 and 2002. Our big gains disappeared and with it our confidence. In early 2005, we decided it was time to bite the bullet. Condo prices in Florida were increasing at a torrid pace—nearly 50% in one year alone. Friends and investors who knew the market were “flipping” properties. We asked an experienced real estate agent to help us find properties in our price range. We also reviewed our financing options and became acquainted with an experienced mortgage broker who provided invaluable information on interest rates, credit requirements and loan programs

To avoid higher finance charges and closing costs on a mortgage for property in Florida, we took out a mortgage on our existing residence in Brookfield. This gave us the ability to go to Florida with a pre-approved loan and to make a cash offer with no financial or timing contingencies. Our goal was to offer less than the asking price and then negotiate. Hopefully this strategy would help us to receive an accepted offer.

We went to Florida in July knowing that the number of units on the market had greatly diminished from the year before. Beach and island properties were clearly out of our price range. Nothing was available in the area we really wanted. We were ready to give up or make an offer on something less than desired when a new listing came up in our choice location. We looked at the unit and, thinking it was under priced, immediately wrote an offer

for \$1,000 more than the asking price. Two days later, our final offer for \$20,000 over asking price was accepted. The only contingency in our offer was a home inspection and a mold test, both of which are highly recommended for Florida properties more than five years old.

Once the inspections were satisfied, we needed to secure homeowner's insurance and gain a complete understanding of the condo association rules and by-laws. Homeowner's insurance for a condo is similar to renter's insurance. You need coverage for your property and liability insurance for your protection as an owner. Don't be surprised if your existing carrier does not insure property located in states like Florida or other hurricane/tornado prone areas. The condo association rules will tell you what your association dues will cover in terms of insurance, utilities, common grounds, etc. You will also find important information concerning rental restrictions, home improvements and general usage. Don't throw the condo rules in the “To Read” pile and assume everything will be fine. Read the Declarations Page of your new Homeowner's insurance policy to make sure you have the coverage you need.

What have we learned from this experience? Review your situation with a trusted advisor. In a changing market, talk with someone who is thorough and objective—someone who knows the available options and understands your risk tolerance. Get to know an experienced real estate agent in the locale you want to be in and share your criteria and objectives. Be prepared and willing to compromise. Use the internet and read, read, read. One of the most informative books I found is [Profit From Your Vacation Home Dream](#) by Christine Hrib Karpinski.

We look forward to using and enjoying our new second-home. We have decided to furnish it as nicely as we can because we may want to rent or sell it. We know that Florida does not have any income tax so it could certainly fit into our retirement plans. Will we rent it? What do we have to do to make it profitable and manageable as an investment? How do we establish residency? These and other questions will be addressed in future newsletters. In the meantime, you are invited to call me or any of our associates at Ellenbecker Investment Group, Inc. for more information.



*(continued from page 4)*

## **COMPLETING the Circle**

*Joleen S. Kane  
Vice President  
Director of Special Products*  
**ELLENBECKER  
INVESTMENT GROUP, INC.**

To get you started on this process we initiate questions such as; how do you want to be remembered and what can you do to achieve that goal? Does your spouse know and understand your final wishes? If you are alone, are your children aware of how you want certain special belongings to be distributed? If you have family out of state, would it mean a financial hardship for your loved ones to return home to say their final good-byes? Do you know how much your funeral will cost?

This kind of planning and attention to detail is a valuable gift for your loved ones that remain. It can prevent potential conflicts but will also give peace of mind to the loved ones entrusted with the final planning process. It is important for them to know that this very special final event is the way you want it to be.

Unfortunately, it is not enough to state your intentions in your will or to casually mention your desires to your spouse or children. Wills are read "after" the funeral and family members can either forget or disagree with your choices. Documenting your intentions in detail will make sure your wishes are being carried out. It will also provide much needed guidance during a stressful and emotional time.

Funerals are rites of passage for those still living. Helping them make it a celebration around your life can help your family find closure. It can also give your family the freedom to make the many difficult decisions necessary. Death is a natural part of life that "planning for" can be the ultimate gift.

## ***Ellenbecker Investment Group Moving to Pewaukee in Summer of 2006***

*We will be located in the Foundations Bank office building at N35W23877 Highfield Court in Pewaukee off of Hwy. 164 and Capitol Drive. Foundations Bank is a new community bank with old fashioned ideas of how banking should be done. We are very excited about this new relationship. It offers us the ability to align with a bank that has the same values and priorities as we do. This relationship will offer many new services and possibilities for our clients.*



**ELLENBECKER INVESTMENT GROUP, INC.**

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Look for our billboard located 1-1/2 miles east of our new location on Capitol Drive.



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# RESOLVE TO BE *Financially Fit*



Diane Byrne, CFP®  
Lifetime Planning Financial Advisor  
**ELLENBECKER  
INVESTMENT GROUP, INC.**

*With the start of the New Year, it's a good time to think about the changes we want to make and develop a plan to follow through on those changes. Research shows that people who explicitly make resolutions are 10 times more likely to attain their goals than people who don't make resolutions. It's likely you will find a few items on this list that could be included on yours.*

#### *Do or Review Your Estate Planning*

If you don't have a will or Powers of Attorney for Health Care and Finances, this should be the number one priority on your list. If you already have the documents, review them to see if you would like to make any revisions. Review your beneficiary designations on retirement accounts and insurance. Make sure your adult children have these documents. To get started, contact our office and we'll connect you with an attorney.

#### *Manage Your Debt*

If you use credit cards, make it your goal to pay off your bill each month. Put your cards away if you can't afford to make the full payment. Check out the calculator at [www.bankrate.com](http://www.bankrate.com) to see how much you are losing by carrying credit card debt.

#### *Organize Your Papers*

Use a safe deposit box for the important items you want to store outside of your home and a fireproof box for the important items at home. Throw away junk mail when it comes in. Clean out your files or create a new set for 2006. File your statements and bills after you have paid them. Colorful file folders, a label maker and a shredder may give you some incentive to start this project.

#### *Track Your Spending*

Pay bills as they come in and balance your checkbook each month. Don't use the ATM unless you track how you spend the cash. When you use a credit card, enter the purchase in your check ledger. Consider using personal financial software such as Quicken or Microsoft Money to help you organize your financial life. Pack your lunch – eating out is the number one drain on budgets.

#### *Save and Invest*

In order to do this you need to spend less than you make. Commit to saving a certain percentage (10% or more, if possible) of your income and set it up so the money is automatically deposited to an account other than your checking account. Once you've committed to save, you need to invest the money wisely. If your company offers a 401(k) plan, contribute at least enough to get the company match. If your income limit allows, invest in a Roth IRA. There's no up-front tax break but qualified withdrawals are tax-free.

#### *Be Prepared for the Unexpected*

Organize a personal emergency kit to take with you should you have to leave your home quickly. Include a list of contacts, medications and financial accounts. Do a home inventory and keep the information outside of your home with your other important papers. Make sure a trusted person knows where your important papers are. Review your insurance policies with your agent to ensure you have appropriate coverage.

*We wish you much success with your resolutions. As we meet with clients throughout the year, we will do our best to provide encouragement, direction and support to help make your goals become reality.*



## 2005 Hats and Mittens Project

Our "hats and mittens" tradition began with Barbara Horack, a now retired kindergarten teacher from the school.

Don't forget to listen to  
**"MONEY SENSE"**  
on WISN AM 1130

— since 1991 —  
Saturdays 2-3 pm  
Sundays 12-1 pm

Hosted by Karen J. Ellenbecker



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