

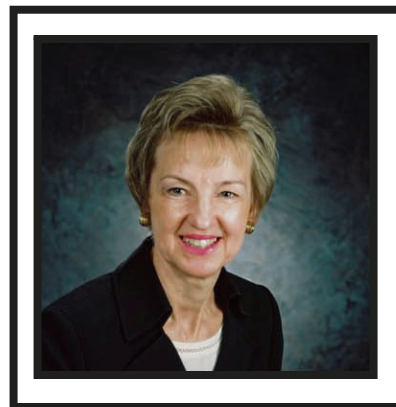
Focus *On* Finances

your personal financial newsletter

Fall, 2009

Inside This Issue

- A Note From E.T.** Page 1
- Practical Living** Page 2
- Credit Reports** Page 3
- Financial Tidbits** Page 4



***“Money is a better servant
than a master.”***

Due to a recent personal experience, this is a reminder to request your free annual credit report from all 3 credit reporting agencies. This is important to help prevent identity theft and to confirm that your report is correct. One out of every five people has had errors on their reports. See the next page for the website.

Sincerely,

A handwritten signature in black ink that reads "Edna".

Edna J. Thompsen, CFP[®], AIF[®], CSA

*Unbiased financial advice
for informed decision making.*

12707 North Freeway
Suite 465
Houston, TX 77060
(281)873-5850

E-Mail: e.thompsen@att.net
www.ethompsen.com

CREDIT REPORTS

Recently I was notified that as a result of a purchase I made via the web, that my credit card may have been compromised since the company used to process the credit card transaction had reason to believe that an individual/organization had access to the info. Rather frightening since I received the letter 3 months after the transaction.

Your credit report can be an asset (or a liability) and you should request your **free** annual credit report which is available at www.annualcreditreport.com or 1-877-322-8228. Please be aware that there are many companies that encourage you to get your credit report through them however they are not free and you will be charged a fee. The 3 credit reporting agencies are TransUnion, Equifax and Experian and it is recommended that you request an annual report from a different agency every 3-4 months since they can vary. If the info is not correct you will need to prove that there is an error.

Requesting your credit report is considered a “Soft Inquiry” and has no impact on your credit score. Please be aware that your free credit report does not include your credit score which is available for a small fee (\$12-\$15).

For your information, there are 5 factors that affect your credit score which can range from 350-850.

1.Payment history	35%
2.Amount owed compared to credit limits	30%
3.Length of credit history	15%
4.New credit within 2 years	10%
5.Type of credit (revolving or installment)	10%
	100%

Your credit reports and credit scores matter more than ever. Make it a priority to maintain and protect.





AMERICAN FAMILIES TODAY

As the economy has changed over the past few years, families have made adjustments. The following information which may be of interest has been taken from a study compiled by Harrison Group Inc., a leading market research and strategy consulting firm headquartered in Waterbury, Connecticut.

“The Survey of Affluence and Wealth in America: 2009 was sponsored by Neuberger Berman, a mutual fund and wealth management company. Families responded to the following topics:

PLANNING & BUDGETING:	Percentage <u>Agreed</u>	
• I have done a good job of making my household more fiscally responsible.		88%
• My household has a monthly household budget to which we try to stick to.		61%
• I am buying fewer big ticket items now than I did a year ago.		73%
HOUSEHOLD DECISIONS SHARED EQUALLY (Between Husband and wife)	<u>Him</u>	<u>Her</u>
• Buying homes/real estate	77%	93%
• What we watch on TV	82%	84%
• Buying cars	63%	82%
• Major household purchases	78%	79%
• Important matters concerning children	84%	78%
• Planning vacations	68%	62%
WOMEN RUN THE HOUSEHOLD:		
• Cooking/Getting food on the table	15%	71%
• Interior Decorating (layout and colors)	5%	61%
• Scheduling household activities	7%	60%
MEN OWN THE TOOLS:		
• Hi-tech product purchasing (computers and televisions)	65%	11%
• Gardening/lawn maintenance	47%	20%
IMPACT OF FINANCIAL MARKET ON INVESTMENT APPROACH:		<u>Total %</u>
• No effect		45%
• More conservative		44%
• More Aggressive		11%
CONCERN FOR CHILDREN:		<u>Agreed</u>
• I make it a point to discuss finances with children.		73%
• I have taken specific steps to educate my children about financial decision making.		68%

FINANCIAL TIDBITS

- The Pension Benefit Guaranty Corporation (PBGC) offers a Pension Search directory at www.pbgc.gov/search as a tool for people who may have lost track of a pension earned during their careers. Texas has 1,987 participants who have pension funds to be claimed. The unclaimed dollar amount is approximately \$6.86 million.
- Since people are living longer, the life insurance industry has adopted new actuarial tables as of January 1, 2009. All policies must be issued with rates that extend through 121, replacing tables that end at age 100.
- Historically, the market is weakest in the first calendar year of a presidential term and strongest in the 3rd year. The average market return for the first term is 5.3%. The average for Democrats is 10.8%. Source: Morningstar
- Are you aware that financial pain and loss can increase addictive and compulsive behavior? Be aware of any habits taken to the extreme.
- To assist with college funding, check into the following websites:
 - Scholarships: www.collegeboard.com, www.scholarships.com,
www.fastweb.com
 - Student Loans: www.simpleretuition.com, www.studentloanmonkey.com

Note: Articles written by local professionals have been obtained from resources which I feel are reliable. However, their accuracy or completeness is not guaranteed. They are included as a service to share information and are not paid advertisements.

Any information in this newsletter should not be acted upon without professional advice.

©2009 Edna J. Thompsen, Fee Only Financial Advisor

Focus on Finances

Edna J. Thompsen, CFP®
12707 North Freeway
Suite 465
Houston, TX 77060
www.ethompsen.com
