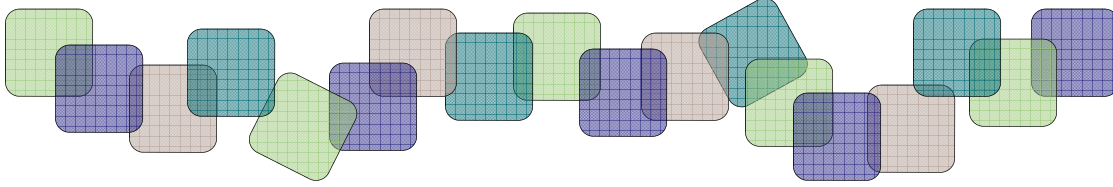


The PERIODIC PONDERANCE

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PRESENTED BY
The CW Health Conservancy, Inc

SPRING 2009

Spring:

To move upward or forward in a single quick motion
To emerge or appear suddenly
To shift position suddenly
To arise from a source : develop
To jump over : vault
To release from a checked or inoperative position : actuate
To cause to be released (esp. from prison)
An elastic device that regains its original shape after being compressed or extended
An actuating force : impetus
Elasticity : resilience
The act of springing
A usually rapid return to normal shape after removal of stress : recoil
A natural fountain or flow of water
Source : origin
The season between winter and summer



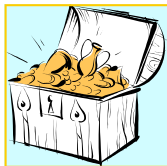
Spring forward/Spring fever/Spring board/Spring-cleaning/Spring up/ Hope springs eternal

Spring is a hopeful word, a hopeful season, a time of re-emergence, renewal, rebirth. Let's take the message of spring—the season and the word—forward and leave the dark cold of winter behind. Let's breathe the air of confidence and gratitude and spring up above the gloomy attitude that has prevailed through the last several months. Let's change the world by changing our perspective. Things may never be the same and likely won't be. But that doesn't mean things won't be wonderful. Let's spring up or forth or forward with gratitude and renewed faith that life is good and we are blessed.

By Barbara Denny

A Golden Opportunity

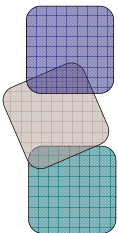
So you've followed Steve Henningsen's sage advice and (c) that this information is secret and not to be shared and now your living room looks like the inside of one of Blackbeard's treasure chests. What next? Most gold gurus agree that your first step should be to purchase a sturdy safe that can be bolted to a concrete floor in an inconspicuous part of your home. The basement is often a popular choice, but there may be other, better locations depending on your home's layout. Once the safe is installed, it should be covered with something ordinary to disguise its presence. If the safe has been mounted in the basement, a cardboard moving box might be an inconspicuous choice. Then place a portable safe with a few hundred dollars in your office or someplace relatively easy to find as a decoy. Once the safes are in place, a private conversation with a trusted relative or friend should be your next order of business. Make sure that the person you call knows (a) where the safe is located, (b) how to access it in the event you are unable to do so,



Gold that is purchased for monetary or investment (vs. collectible) purposes and that is kept in your home usually constitutes an uninsurable part of your personal property. As a result, it's unlikely that you'll be able to obtain coverage on gold coins through your existing homeowner's insurance policy. This is because the price of gold can be very volatile and can change considerably from day-to-day. Insurance companies simply can't price and profitably insure assets that undergo such large fluctuations in value. This makes a secret, stout, and well-hidden safe all the more important.

If you have any questions pertaining to gold ownership, please don't hesitate to contact us or your homeowner's insurance provider.

By Brian Littlejohn



Life Lessons

Enough, already! ComeOnNow! A little perspective seems to be in order. I just cannot help but believe the media is amplifying the malaise and bringing us all down in the process.

I recently read *Man's Search for Meaning* by Victor Frankl. (Granted, most people read this in high school or college, but it wasn't part of my (Chem E) curriculum.) Victor Frankl was an M.D., Ph.D. psychiatrist who spent four years in four different concentration camps, and survived. The first half of the book is about his camp experience, and the second half analyzed his observations regarding the many who died and the few who survived, and the common characteristics inherent in the survivors.

His descriptions of camp life were dismal, gruesome, and brutal, to say the least; but not for a martyr-like demonstration, but rather to illustrate that even under the bleakest, most horrid conditions, man can find meaning in life. This discovery, alone, can dramatically increase his chance for survival. Frankl observed that prisoners who hung onto their past, who deluded themselves into thinking their imprisonment was temporary and that they would then return to their former life – didn't last long. He suggested that those without a meaning have no future and those without a future couldn't survive. So the first requirement of survival and meaning was to accept that their life had indelibly changed, the old order was gone and no longer available.

Besides accepting that one could no longer "go back home," Frankl observed that survivors had a few other common traits: 1 - They had the ability to find humor even in the dullest environment, whether it was to laugh at how a guard limped or how their bread ration tasted like cake on their birthday. 2 – They never lost their ability to find beauty, whether they heard a symphony in a cellmate's humming or took a moment to enjoy a sunset from the slit in their cell. 3 – They found a way to give to others. In Frankl's case that came naturally in the form of just listening to others or being assigned to tend to the infirmed.

Though there are no surprises in Frankl's findings, it is interesting how knowing something intellectually does not necessarily result in application of this knowledge in real life. Only 1-2% of imprisoned Jews survived the death camps. Though Frankl accepted that some prisoners who lived all the criteria above still perished, he had confidence that all survivors had to have accepted that they couldn't go back to their old life, they saw a future beyond the camps, and they were able to find humor and beauty, and to give of themselves every day.

There is no comparison between what Dr. Frankl endured and our situation today. However, we can honor his findings, in a small way, by applying these lessons to our circumstances. Let's first accept that we cannot go back to the old way of investing. Modern Portfolio Theory / buy-and-hold management is the old order of investment management. If your investment managers are suggesting that "things will come back," "don't get off the rollercoaster while it is still in motion" or "patience will be rewarded," your portfolio is not likely to survive. Your investment managers must be looking into the future and anticipating the new rules of the game *before* they are printed in the investment-management textbooks of tomorrow.

When you have found that person(s), take a deep breath, find humor and beauty in life, give of your time or treasure as you are able, and turn off the news. It's just not that bad!

By Myra Salzer



You Gotta be Kidding

From Nina E. Olson's 2009 report to Congress:

Each year taxpayers and businesses spend about 7.6 billion hours complying with IRS filing requirements.

If tax compliance were an industry, it would be one of the largest in the US. To consume 7.6 billion hours, such "tax compliance industry" would require the equivalent of 3.8 million full-time workers.

(Nina Olson is the National Taxpayer Advocate.)



Periodic Profiles: ANDREW SCHULZ



The first time I met Andrew, I didn't really meet him at all, but rather listened to a lecture he gave at a Council on Foundations conference. He made non-profit tax return forms interesting! As the years passed, I made it a point to attend his sessions in myriad venues—no matter the topic. About a year ago, the cousin of a client called me to see if I could refer him to someone who could help him structure a creative philanthropic situation in his estate plan. I immediately thought of Andrew who helped this cousin even though the cousin wasn't a member of the Council on Foundations. Andrew is an unsung hero and the Council on Foundations is truly about philanthropy, and I am grateful Andrew agreed to interview for this quarter's Periodic Profile. (Myra Salzer)

Andrew Schulz is the Deputy General Counsel for the Council on Foundations, a member services organization whose members are grant makers and foundations, both public and private. The Council on Foundations (COF) lobbies on behalf of its members on Capitol Hill and the Executive Office and with various regulatory agencies like the Internal Revenue Service or Treasury. It also provides core member services like publications and answering questions. “But fundamentally,” says Mr. Schulz, “our mission is to educate grant makers to make them more efficient and more effective and to promote best practices in philanthropy broadly.” Myra invited Mr. Schulz for this interview not only because he is a dynamic speaker who can make dry subjects interesting, but also because philanthropy is a core value common among our clients.

Having attended one of Andrew's classes on tax preparation/tax returns for non-profits and been “riveted and captivated for the whole hour,” Myra posed the question to Andrew, “How do you do that?” Andrew began his answer with, “I think part of it is that I really do love teaching—and that's inherently what I do. Lawyers are counselors; they help people with problems, but they're also teachers. They're trained to teach people lessons.

“I'm one of these people motivated by this idea that knowledge is power, and in our society, knowledge about law is something that everyone should have. Some people take the premise that to prove how smart they are they're going to talk in a dizzying blur of words that don't mean anything. But I'm fundamentally interested in having people truly understand, not just what the law says, but where it came from. I think that's true in everything. I love sharing with people what I know. And it's that passion, I think, that comes out—that interest in helping people. It's that whole thing about instead of giving people fish, teaching them how to fish, trying to get them to understand not just what the law says, but why it says what it says, and the passion and the energy and the excitement of it.”

Andrew was born in Chicago, one of three children whose parents were both Ph.D.-educated. His mother teaches

American History at the University of South Carolina, which is how Andrew ended up going to high school in Columbia before moving on to The College of Wooster in Wooster, Ohio, and finally to law school in D.C. His late father was an environmental toxicologist. This combination, Andrew says, led to “open, honest, bold conversations—no shrinking violets” in what he describes as a “very verbally aggressive family which is, I think, a way to say it politely.” Andrew credits his confidence and skill in conveying information to this “sharing how you think and feel in a nurturing environment that really encouraged us all to think out loud and share our thoughts with each other. And to some extent arguments are about persuasion and that sort of thing. But I've always felt very comfortable with that.”

Given that our clients are primarily people with inherited wealth, some of whom have also inherited trustee seats or board seats on their family's foundation, Myra asked, “How would our clients utilize you?”

“One of the things that's both a blessing and a curse about the Council is that we do so much. The primary bread-and-butter that we do is answer the phone and emails when members call and ask questions. And in addition to answering questions, the legal department, where I work, gives sort of the status of the law and regulations and governance. A significant component of what we do is general board governance—trustees, fiduciary duties, conflicts of interest—we typically handle questions in those areas as well. We provide a go-to point for pretty much any question you have about running your foundation, whether it's legal nuances, best practices in grant making or what conferences you should attend.

“We recognize that since our mission is to promote philanthropy and to make it more effective and more efficient, often the most important time to ask questions is at the very beginning, even before you've created a foundation, and so to give people access to the information that they need that will affect the way they conduct their philanthropy at the very beginning, when you're at the outset and thinking through what you want to do to bring this vision you have about what your family philanthropy is going to be, what's the lasting impact you want to have on society. That very beginning time is the most uncertain and a time when you really need someone that you can trust and reach out to with questions like: This is what I'm wrestling with. Where are the resources? How do I do this? What is my vision? What are our family's goals, principles, values, vision? How do we bring those into the foundation as we create it?

“So that the wheel doesn't have to be reinvented every time, we spend a lot of time with non-members, people who are just simply wealthy individuals who are thinking through philanthropy and what they want to do, and I'm hopeful and optimistic that we really help shape a lot of people and give them the guidance they need or even just identify sort of a road map of available resources to them at the outset. And

(See “Schulz” continued on page 4)

(“Schulz” continued from page 3)

then, of course, once they’ve established a foundation and it’s up and running, we can provide that same sort of wise guidance as they strive to get better and better and be more efficient and really do different things.”

Andrew’s path to the non-profit sector was “a little bit odd.” In law school he was very good at contract law, and in picking up a job to help pay his “outrageous” bills, he landed a job at a small boutique law firm in D.C. that was hiring a contract law specialist to work with their 80 or so non-profit clients. He became familiar with the non-profit sector and realized that contract law and tax law in this sector required the use of his problem-solving skills to operate within this environment to bring about societal change.

Andrew sees himself continuing to work in non-profit and for the Council for some time to come and to look back in five years and know that “we’ve really been able to help more people,” especially “the small, family-run operations that aren’t inclined to join a national membership association. To think of ways that we’ve really expanded the information that’s available to people who are

thinking about philanthropy and who are encouraged to consider it as an option.” Another thought he has for his future is to find his passion “in a specific area and take everything I have and have learned at the Council and bring it to bear on a specific issue that resonates with me and that I’m passionate about.”

“One of the things I love about the career path I’ve taken, professionally, is what it means for me personally, which is that I do have a very nice work/life balance. I get to see my kids every day [Andrew and his wife have two children: a son who is just turning six, and a daughter who is 1½.] We tend to eat breakfast together every morning and dinner together every night as a family. [This] is something that is personally very important to me, and my job here allows me to do that—to be a part of my family’s lives and to see my wife and my kids every day and to interact with them. Variety is the spice of life and having all those different balancing things—a rewarding professional career, a wonderful family life, things like kick-boxing for exercise and playing baseball and soccer in the backyard with my son—without sacrificing any one thing for all the others. That’s really, for me, what it’s all about.”

A Time for Everything

Recently, we have been spending more time talking with clients about mortgages. Sometimes clients are interested in refinancing their existing mortgage. Other clients are considering the purchase of a new home and are trying to decide whether to utilize a mortgage to help with the purchase.

While there has been plenty of press coverage regarding the tightening of lending standards and the “drying up” of money for lending, there is money available for people with good credit, and rates are as low as we have seen them in years. Recent rates have been ranging as low as 4.5% for a 15-year fixed, conforming loan to close to 6.3% for a 30-year, non-conforming (more than \$417,000) mortgage.

Also, if you have been keeping up with Steve’s commentaries you know that he is very concerned that, as the government continues to spend to try to stimulate the economy, inflation and interest rates may rise.

If you have an adjustable or balloon mortgage, you may want to look at refinancing to “lock in” low rates. Also, if your existing

mortgage interest rate is greater than 6%, you may want to consider refinancing.

For those who have been considering purchasing a home, the time to act may be approaching. Property values have fallen in many areas and, while we may not be at the bottom, the combination of low values and low mortgage rates may make a home purchase more appealing. (We are NOT recommending the purchase of properties for investments purposes!)

Many clients of The Wealth Conservancy own homes without mortgages, but for those of you who do have one, this may be a good time to review your loan. The decision to refinance or purchase a new home should be considered in the context of your entire financial picture to determine whether it is something that might make sense for you. We would be happy to review your current loan, compare it against the costs and/or possible savings of refinancing and also help you find a reputable lender. If you have any questions about whether refinancing is something you should consider, please contact us.

By Raquel Hinman



Just for Pun!

- I thought I saw an eye doctor on an Alaskan island, but it turned out to be an optical Aleutian.
- A grenade thrown into a kitchen in France would result in Linoleum Blownapart.
- The short fortune-teller who escaped from prison was a small medium at large.
- Atheism is a non-prophet organization.
- No matter how much you push the envelope, it'll still be stationery.

Groan



TWC Hours and Holiday Closures

Normal hours: 8:00 a.m.—4:30 p.m. (Note: From Memorial Day weekend through Labor Day weekend [May 22—September 7, 2009] we will close at 1:00 on Fridays.)

Closed May 25th for Memorial Day.

Closed July 3rd for Independence Day.

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THE WEALTH CONSERVANCY, INC.
 1525 Spruce Street, Suite 300
 Boulder, Colorado 80302
 303-444-1919
 FAX 303-444-1479
 thewealthconservancy.com
 twc@thewealthconservancy.com
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