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DID YOU KNOW...

Homebuyer Credit Not Just for First Time Home Buyers

By Jenn Reddinger & David Gardner- Realtors RE/MAX Select Realty

Thinking about upgrading or downsizing your home? Now is a good time to make that move. Not many people are aware of the newest change signed into law in



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COMMENTARY

IMPORTANT CLIENT ALERTS:

You should be receiving your 2009 tax statements via U.S. mail from Pershing in January or early February of 2010. Please contact us with any question or concerns.

Don't forget that your annual **Financial Planning Fees** and **Advisory Fees** paid in 2009 may be tax deductible. You can find these fees on your quarterly performance reports (Advisory Accounts) or your quarterly statements. If you have paid a flat financial planning fee, you should have record of this in your check book ledger. Please do not hesitate to call us with any questions or concerns regarding this matter.

Don't forget that we are here to work with you and your tax advisor hand in hand!

*Please note that neither Multi-Financial Securities Corporation nor Stein Wealth Advisors, LLC. give legal or tax advice. For complete details, please consult with your tax advisor or attorney.

Comments:

I would very simply like to say, Happy New Year! We are looking forward to a happy and prosperous 2010 and we want to wish you the same! Looking forward to talking with you this year and working towards your financial goals...

A few facts that may interest you:

1. **NOT THE FIRST** - One of President-elect Obama's campaign pledges is to implement universal health care, an effort first undertaken by President Theodore Roosevelt more than 100 years ago (source: Newsweek).
2. **PAYBACK** - Every \$1 billion spent to upgrade the country's infrastructure creates an estimated 18,000 jobs according to an economist from the University of Massachusetts at Amherst (source: BusinessWeek).

November 2009. The Worker, Homeownership and Business Act of 2009 (WHBAA) as part of the economic stimulus package now allows current home owners that have resided in their current home for 5 consecutive years to get a \$6,500 credit. The deadline for qualifying is that purchase agreements must be signed by April 30, 2010, and closings must be final by June 30, 2010. To qualify for the credit the purchase price must be under \$800,000. Income limits are \$125,000 for a single person; \$225,000 for a married couple. Other exclusions include, non-resident aliens and properties acquired by gift or inheritance.

Military serving outside the United States on extended duty beginning or after January 1, 2009 have an additional year to buy a primary residence. In addition, no repayment is required for members or federal employees if Government orders are received for extended duty. Those who sell their new home or stop using it as their main residence, foreclose, or convert the home to a rental or business within three years would have to repay the credit.

3. PRECURSOR TO AN UP YEAR? - The Pittsburgh Steelers won their 6th Super Bowl when they defeated the Arizona Cardinals 27-23 in Super Bowl # 43 on 2/01/09. In the 5 previous years that the Steelers won the Super Bowl (1975, 1976, 1979, 1980 and 2006), the S&P 500 has been up an average of +25.6% on a total return basis. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the US stock market (source: BTN Research).

4. GLOBAL BUSINESS - The annual revenues of the companies in the S&P 500 stock index are almost evenly produced from both inside and outside the USA, i.e., a 50/50 split. Eight years ago (2001), just 30% of sales for the S&P 500 companies came from outside the USA (source: Financial Times). 2/16/09 issue, bullet # 4.Chief Investment Strategist Corner

Until next month...

Very Truly Yours,

Melissa J. Stein

*The views are those of Melissa Stein and should not be construed as investment advice. All information are believed to be from reliable sources; however, we make no guarantee as to its completeness or accuracy.

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ARTICLES OF INTEREST

Universal truths or ...

Chief Investment Strategist Corner

**by James Swanson, CFA
November 19, 2009**



Misconceptions about the state of the economy abound. So, I set off here to debunk some myths and separate

To claim the First Time Homebuyer Credit, you must file Form 5405 with your federal tax return. You can get a copy of Form 5405 from <http://irs.gov/pub/irs-pdf/f5405.pdf> or call the IRS at 1-800-829-3676 and ask them to mail Form 5405 to you. You may also visit: http://www.realtor.org/home_buyers_and_sellers for additional information.

With mortgage interest rates remaining at historic lows, combined with current incentives, now may be the best time to “make that move!”

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truth from conjecture.

1. It is a truth universally acknowledged that the world is in a synchronized recovery.

True

As evidence I would point to the following conditions:

- U.S. rail loadings are rising.
- Chinese production is accelerating.
- German exports are surging.
- World car registrations are increasing.
- Brazilian and Mexican economies are expanding.

2. It is a truth universally acknowledged that the U.S. consumer is dead and unable to lead the U.S. economy out of recession.

False

The U.S. consumer has not even left the building. U.S. GDP fell 3.8% from peak to trough during the current recession, the worst economic decline since the 1929 to 1938 period, but consumer spending fell only 1.8%. That is because during the period wages continued to rise and the population kept growing.

3. It is a truth universally acknowledged that the V-shaped recovery is the result of government spending on houses, jobs, and cars and will peter out.

Partially true

The government stimulus efforts have helped to prevent a more devastating collapse; however the following is also true.

Only 21% of government money that was allocated to the stimulus has been spent.

Pent-up demand trumps stimuli deals. Since housing prices peaked three years ago, construction of new homes has fallen, while some 5 million new families have been created. That leaves more demand than supply at a time when affordability has risen to near 30-year highs. At the same time the average age of an automobile has reached record highs despite the “Cash for Clunkers” incentive.

4. It is a truth universally acknowledged that bubbles are already being formed.

Not in the stock market

Large-cap stocks do not display historically high valuations on a trend earnings analysis, dividend yield to cash/bonds model, or on a price-to-book model. Stocks have not yet returned to their peaks on many measured levels.

Yes in gold and oil markets

Gold has broken its barrier record price of \$1,100 per ounce. However, history tells us that gold prices rise when the federal funds rate is below 2% and fall when rates rise above that. What will happen to gold if the expansion continues and rates rise?

Yes/maybe in commodities markets

There is rising demand for natural resources especially from emerging economies as economic growth improves. However, stockpiles are high, so I think part of the frothy rise has been driven by speculation.

5. It is a truth universally acknowledged that the recent depreciation of the U.S. dollar means that the United States is in decline.

False

The dollar rose during the recession of 2008 to 2009, demonstrating the dollar's role as a safe haven. That appreciation would not have been possible if the United States were in decline. Declines are relative. There are only two other world currency blocs big enough to support the piled up reserves of China, Japan, and the Middle East - the yen and the euro. A quick analysis of the fiscal affairs of the eurozone and/or Japan would show an equivalent or worse decline, leaving the dollar and mountain of U.S. debt, the best of a bad lot.

6. It is a truth universally acknowledged that the compounding effect of reinvesting dividends and/or income streams is one of the most underrated investment tools.

Truth

This investment tool should be emphasized more universally to the patient investor.

7. It is a truth universally acknowledged that the technology sector has gone too far.

False

The tech sector has both value and growth elements, and by many valuation metrics has not come close to previous high valuation points.

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The investments you choose should correspond to your financial needs, goals, and risk tolerance. For assistance in determining your financial situation, please consult a financial advisor.

Past performance is no guarantee of future results.

Source: MFS research

