



CARE Chronicles

Quarter IV, 2011
December

Thankful and Thoughtful

By C. Richard Hearn
Year End 2011



For reasons I don't really understand, this time of year brings out a more soulful, somber and reflective me. My indispensable assistant, Celeste, suggests I simply get depressed this time of year because I can't solve all of the world's and the market's problems. I need to be more nuanced than that, so I present it as me searching through my feelings to get more in touch with my sensitive self (AKA Chick Side).

So, I'm stuck in my review and preview mode of *Thankful and Thoughtful*. Indulge me for a moment if you will. Hopefully, I can share two ideas:

1. That each of us, especially me, has so much to be thankful for; and,
2. That each of us needs to thoughtfully address our emotional relationship with our financial resources and what is and may well happen to them in the coming days and years.

I've written this letter for 35 years. I know I get the greatest, positive feedback when my outrageous, often inappropriate humor drives the train. Success tempts me to become more mainstream and appropriate. Fortunately, for all of us, those moments pass.

Sometimes our light goes out but is blown into flame by another human being. Each of us owes deepest thanks to those who have rekindled this light.

Albert Schweitzer

But, it is that time of year and I would ask your indulgence for a very few minutes. If the journey ends up not being worth your time, I apologize. I can help you position yourself in a relationship with your investments that negates some of your angst and anxiety, that's a holiday gift for us both.

Let's dive right in, shall we?

First, for the **Thankful**.

It's a numbers game! I've had some great numbers this year: 1, 6, 10, 20, and 35. Not a lottery pick, but all of these numbers revolve around anniversaries I care about.

① This is the first year of STARCARE's *Financial Literacy for Children* Program. Simply stated, we want to teach young kids (ages 5 to 8) two things: good financial habits and the importance of helping others. We do this by providing our clients with *The Money Savvy Pig* that teaches them about spending, saving, investing and donating. We also provide workbooks for kids, parents and teachers to enhance the learning experience. You can learn more at msgen.com or contact us if we can help your kids or grandkids.

⑥ The number of *Women of Power* luncheons STARCARE has sponsored. Well over 100 women gathered this fall to be inspired by our speaker, Manisha Thakor and our philanthropist, Sefie Garcia.

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Like a proud Papa I've watched as the event has grown beyond women who attend because they know me into one that that has fostered new friendships and charitable activities shared among one another. It's still my favorite day each year and I love the problem it presents: "How do we top it next year?" We'll keep trying because you tell us it matters to you. Check it out on the website starcare.net.

⑩ The number of years the STARCARE Foundation has been serving the causes of women and the disabled. This year, we've helped more organizations than ever before. We all know that, when you give, the biggest beneficiary is *you*. Ask us how to help you set up your own charitable foundation and let us know how you are helping make the world a better place with your giving.

⑳ The number of years we've shared my home for the Newport Beach Boat Parade Party. It's uniquely California and a wonderful coming together for the holidays. The crowd is always eclectic, the food good, the fellowship memorable and the charitable cause worthwhile. I hope you can join us this year. Call our office or me for details.

③⑤ The number of years I've been licensed as a financial advisor and how long I have actually worked for some of you. There's a purpose in serving and believing I can help you towards your dreams. Thank you for that opportunity.

Now for the Thoughtful.

In all the time I've worked as a financial advisor, I've always *believed*. Believed in the markets, believed in America, believed in capitalism, and believed in a brighter future. I still believe, but my belief system is challenged more than ever.

I'll leave it to other writers to frame the causes in more eloquent terms, but two simple reasons strike me:

1. We have lived beyond our means far too long. It doesn't matter if you're an individual, a corporation, or a country. Arithmetic will ultimately find you. There is no quick fix, no magic bullet, no Hail Mary pass that solves decades of financial foolishness. We need to acknowledge and occupy reality.
2. We are warring in toxic ideological quick sand. Political events are driving markets more than I have seen before. No one is willing to give an inch. Greed and a sense of entitlement both brought sides here. Neither holds a moral high ground and quick sand is still quick sand.

These problems will ultimately be resolved, but it will take a prolonged period of time and more pain inflicted on more people. Ultimately we will get through this together.



*If "thank you" is the only prayer
you say, that will be enough.*

Meister Eckhart



My wish for you is that you make it a priority to get into a reality relationship with your financial resources. As we've said countless times, "How you feel about your money is more important than what you know about your money."

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Volatility will continue to take your money on a wild ride, made worse by a 24-hour electronic news cycle and political stubbornness. Signs at theme parks say, "You have to be this tall to go on this ride." Maybe we need a note from our therapists saying, "You need this much emotional security to stay in these markets."

Now would be a good time to be honest with yourself, your family, and your advisor about your financial comfort zone.

If your investment horizon is long term (five, ten years or more,) and you can stomach the volatility, you are probably where you should be. If, however, your budget calls for more spending than saving, your time frame is shorter than 5 to 10 years, or if the ups and downs are keeping you down, please talk with us about that. We have recently added several models that seek to lower risk and volatility. If they work as they are designed, they could produce less loss or gain. If peace of mind is a priority for you, they may be a worthwhile trade-off. Let's talk it through, together.

Thank you for another year of your trust and of your support of STARCARE.

Sincerely,
STARCARE®



A handwritten signature in black ink, appearing to read "Richard Hearn".

C. Richard Hearn
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Chair of CARE and TEAMCARE
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