

[« Back](#)

 [Print](#)

You are receiving this email from FSFP either because you have inquired about our Fee-Only financial planning or investment management services, or because you are a client/friend of the firm. To ensure that you continue to receive emails from us, add pwinter@fiveseasonsfp.com to your address book today. If you haven't done so already, click to [confirm](#) your interest in receiving emails from us. To no longer receive our emails, click to [unsubscribe](#).



Seasonal Musings

January 2007

Musings In This Issue

[A Tuition Mission](#)

[Avoiding "Extraordinary Popular Delusions and the Madness of Crowds"](#)

[Free Financial Advice Comes to Those Who Wait](#)

[Join our list](#)

[Join our mailing list!](#)

[Join](#)

Hi Paul,

Welcome to another issue of "Seasonal Musings", the online newsletter from Five Seasons Financial Planning (FSFP). This month we're announcing a new client service initiative and discussing some of the benefits of working with an objective investment professional. As usual, if there are financial planning or investment topics you'd like us to cover in future issues, please drop us a line.

[A Tuition Mission](#)

[Announcing Our New Education Funding Initiative](#)

College funding is one aspect of financial planning that receives too little attention, both from parents and their advisors. On the one hand, many financial advisors drop the ball either because effective education planning requires knowledge of both the tax code and the financial aid process, or because it's difficult for commission-based advisors to pitch products to pay for college. To make matters worse, the CFP exam curriculum barely touches on tax-effective strategies to pay for college. Education funding isn't even one of the 6 modules of so-called "comprehensive" financial planning, even though parents always cite it as one of their top two or three financial concerns.



On the other hand, many parents fall into one of 2 camps: (1) those who feel that they're struggling enough just saving for retirement without worrying about college tuition, or (2) those who feel that their education funding options are limited since they don't expect to qualify for financial aid anyway. In either case, many parents don't even consider bringing up the matter with a financial planner. That's a shame because the tax code offers a wide variety of potential strategies for parents, students, grandparents and small business owners to reduce the after-tax cost of college.

In response to this need, I've made a concerted effort since the summer to learn more about these techniques. Even so, I've been underwhelmed with the software packages available to tackle clients' education funding issues in a customized and comprehensive fashion -- until now.

We're pleased to announce that we'll be collaborating with Collegiate Funding Solutions (CFS) to offer tax-effective education funding strategies to our clients. Basically, they're providing the analytical software, we'll be generating and presenting the recommendations as usual on an hourly, Fee-Only basis, and our clients will be saving money on tuition by using "tax scholarships".

You can read more about the service on our website by clicking [here](#) or you can even generate a free report from CFS outlining the money-saving possibilities based on your specific circumstances by following the directions [here](#). (Hint: it should take about 15 minutes and you may want to have last year's 1040 handy.)

Avoiding "Extraordinary Popular Delusions and the Madness of Crowds"

The Value of an Experienced Investment Advisor

In 2002, Daniel Kahneman shared the Nobel Prize in economics for his work on behavioral finance, a fairly new field that basically assumes investors act irrationally and attempts to explain market anomalies in that light. Since then, behavioral finance has attracted a lot of attention among other researchers, the financial industry and the press. Several new studies have been published in the last few months that highlight the value of an experienced and objective investment advisor to essentially protect investors from their own irrational, emotional selves.

Morningstar has started to make available dollar-weighted mutual fund returns in addition to total returns. Dollar-weighted returns are a reflection of the returns the average investor actually experiences according to when they invest in, and divest from, a given fund. The Morningstar study and several similar academic pieces find

that dollar-weighted returns consistently underperform mutual funds' published total returns. The inevitable conclusion: individual investors hurt their own investment performance by buying high, selling low, and overtrading.

This tendency for investors to chase hot performers near the top and to bail out near the bottom is even more pronounced in the most volatile mutual funds. So a financial plan based on your time horizon and risk tolerance, and recommended by an objective investment professional can keep you feeling level-headed and on target to achieve your financial objectives through heady times and bad.

"When we're faced with an unknown problem — whether it's choosing a retirement plan or buying a stock — many of us are driven to seek advice from others. It turns out that's a good instinct to follow."

Bođaçhan Çelen, assistant professor of finance and economics at Columbia Business School.

Free Financial Advice Comes to Those Who Wait

This Friday, the National Association of Personal Financial Advisors (NAPFA) and Kiplinger's magazine are co-sponsoring a free nationwide hotline to address callers' retirement issues and to promote Fee-Only financial advice. I'll be helping to man the phones in the morning, and if you're interested in talking to some of the best financial planners in the country, the toll-free number is 888-919-2345. (Warning: It can be difficult to get through, but if you're willing to be patient an advisor will return your call within 3 days.) FYI, here's a [link](#) to a news release about the event.

Thanks to the miracles of modern technology, the interview I gave to Fox 13 TV's Sandy Riesgraf on the demise of the traditional pension plan is now loaded on our website. If you're interested in seeing my 2 minutes of fame, this [link](#) will get you to my Bio page and you can follow the directions from there.

Five Seasons Financial Planning is a Fee-Only financial planning and investment advisory firm registered with the state of Utah. Five Seasons offers financial planning services on an hourly basis, as well as discretionary investment management.

One of the benefits of working with a Fee-Only investment advisory firm is full disclosure. To receive a copy of our Form ADV, which details a variety of information about Five Seasons, or our Privacy Policy, please use the contact information below.

Best wishes,

Paul N. Winter, MBA
Principal, Five Seasons Financial Planning

Email: pwinter@fiveseasonsfp.com

Phone: 801-272-0902

Fax: 801-439-0000

Web: <http://www.fiveseasonsfinancialplanning.com/>

[Forward this Newsletter](#)

 **SafeUnsubscribe®**

This email was sent to pwinter@fiveseasonsfp.com, by pwinter@fiveseasonsfp.com
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).

Powered by



Five Seasons Financial Planning | 2120 E. 3900 South, Suite 200 | Holladay | UT | 84124