



DETERBECK WEALTH MANAGEMENT

A Division of DWM Financial Group, Inc.

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Issue 20

Sherpa Snapshots

*"Preparing you for the
financial road ahead"*

-Ask DWM-

You told me that now is a great time for my family and friends to move to Schwab. Could you please give me the details?



Answer: Thanks. Yes, there's never been a better time for your family and friends to "Make the Move" to Schwab. Schwab has a new program that will make the transition seamless and cost-effective.

Schwab will reduce the cost of moving assets by

In This Issue

- Ask DWM: Schwab New Client Program?
- Business: NYC Taxi Medallions Worth Hailing
- Jobs: Job Situation Weighs on Recovery
- Consumer Spending: Looking for a Different Kind of Vacation Next Year?
- Market Update

Quick Links

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reimbursing transfer fees and waiving commissions on electronic equity (including ETFs) trades through June 30, 2010 for new-to-Schwab clients who open an account between July 1 and December 31, 2009.

Most of you know, we have been using Schwab as our primary custodian for our clients since we started in 1999. First and foremost, they are financially strong and focus on providing responsive custody, trading and operational support. They are not the typical "wirehouse" which not only custodies funds but also creates and sells products. As a result, they have had virtually no negative fallout from the financial crisis in the last eighteen months. They currently have \$4.6 billion in equity capital, with their long-term debt only 34% of equity. In addition, Charles Schwab Bank has an excellent Tier 1 Capital Ratio of 16.8%.

Schwab accounts are covered by SIPC® protection for up to \$500,000. In addition, Schwab provides additional brokerage insurance through underwriters at Lloyd's of London. This coverage provides protection up to \$150 million per customer, including cash up to \$1 million, with an aggregate of \$600 million.

Generally, DWM clients pay no transaction fees on mutual funds (in the Schwab NTF platform). Those set up on e-delivery for statements and transactions, pay \$8.95 or \$12.95 per equity (including ETFs) trade, which is very competitive. Even so, Schwab's new offer to waive those fees until June 30, 2010 is quite a good deal.

So, if you've been meaning to tell family or friends to consider working with DWM and/or Schwab, the new Schwab program is just one more reason for them to "Make the Move" in the next couple of months. Please let us know if you or they have any questions.

Thanks.

-Business-

NYC Taxi Medallions Worth Hailing

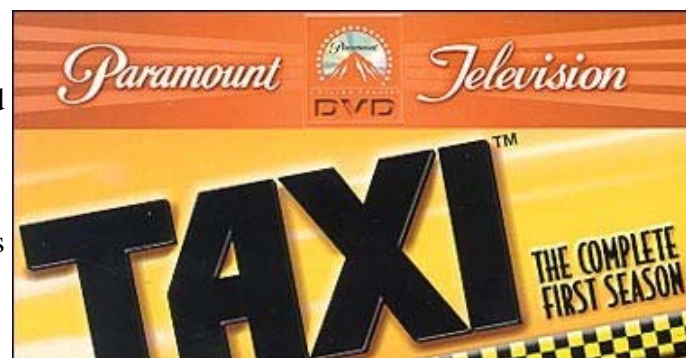
Forget the stock market. If you're in the possession of a NYC taxi medallion, you're sitting on a gold mine. The medallions - which license owners to operate yellow cabs - are small metal disks affixed to the hood of New York's yellow cabs, the only ones authorized to pick up passengers



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who hail them on the street. In Manhattan, where only one in four families owns a car, taxis carry about 240 million passengers a year.

Prices have been steadily rising in recent years, and at the last city-held auction, medallions fetched upwards of \$500K. The average rate in July for a corporate-licensed taxi medallion in NYC was a record \$766,000. Experts feel that the city could bring values down to a more realistic level - around \$300,000 - if they added 5,000 new ones to the pool. Until that happens (if it happens at all), expect to see more astronomical sale values as medallions change hands. "It is an industry that has always gone up. It has outperformed every index you can think of-the Dow, Nasdaq, gold, you name it," says Andrew Murstein, President of Medallion Financial.

There's a limited number of these medallions out there, and right now, the demand appears to be off the charts. In a ratio set by law, 40% of New York's 13,257 medallions- a number strictly controlled by the city- are designated for individuals, as opposed to corporate, ownership. The price of a corporate medallion has risen 28%; the price of an individual medallion has risen 33% since the start of 2008. Matthew Daus, chairman of New York's Taxi and Limousine Commission, credits the steady rise in medallion prices to the record numbers of taxi drivers looking for shifts. Currently, there are more than 46,000 cabbies licensed in New York, which is big competition for the 13,000 plus medallions.

A retiring Pakistani driver who'd been driving a cab in New York for the last 25 years sold his medallion for a staggering \$600,000 - an all-time record for such a sale. The medallion, which gives cab drivers the right to operate legally in the city, cost \$30,000 when it was purchased in 1981. The new owner is a taxi fleet operator who already owns somewhere around 100 medallions. Who knew the taxi would be the urban cash cow of the 21st century?

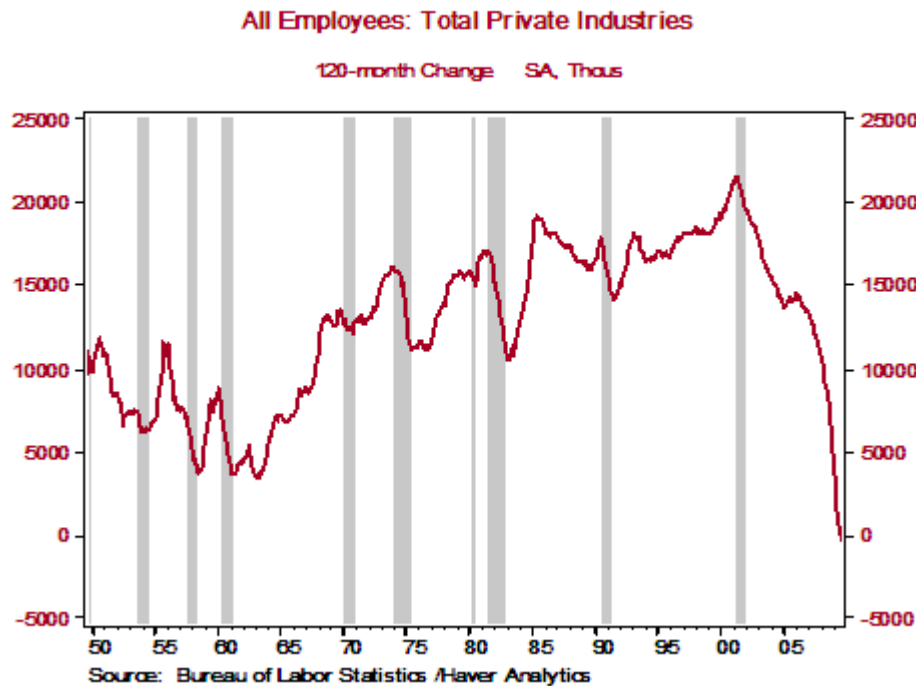


For additional information in USA Today's August 7 article [click here](#)

-Jobs-

Job Situation Weighs on Recovery

Total 10 Year Job Gains: Negative 203K



Employers cut jobs in August at the slowest pace in a year, but unemployment still rose to a 26-year high of 9.7%. This reinforced worries that a weak labor market could weigh on consumer spending and the vigor of the economic recovery.

Let's face it: Most of our readers are not "average" Americans; you have safe jobs or are in retirement. But, for the average worker, it's really tough out there. 1 in 10 is officially jobless and 1 in 6 is "underemployed".

Over the past decade, the U.S. private sector has lost 203,000 jobs net. That's right. Zero job growth for 10 years. In the 1940s, we created 10 million jobs. In the 1990s, 19 million new jobs. Even during the much-maligned 1970s, we added almost 16 million jobs. The 2000s might be zero. Fortunately, government created 2.1 million jobs in the 2000s (mostly teachers), but that's the weakest government job growth in two decades.

For the jobless, Labor Day was hardly a holiday. Nearly 15 million unemployed Americans weren't relaxing as a respite from work. They were building up their courage to hit the pavement this week in their seemingly futile job search. And, even those fortunate to have jobs fret about keeping them.

Worse yet, there are millions of casualties of this "Great Recession" who are not even counted in the unemployment rate because they have stopped looking for work. It's not

that they do not want to be employed; they desperately long for a job. However, their inability to find one has left them with so much frustration and pessimism that they are no longer looking. The Bureau of Labor Statistics calls them "discouraged workers". If we add these folks to those not looking because they have gone back to school, or have health or family reasons, there are 2.3 million that have given up on getting a job.

The really sad situation is the plight of the young and unemployed. Teenage unemployment was 25.5% in August. Recent college graduates, unable to find higher-paying jobs are working part-time at Starbucks or Gap. Half of college graduates under age 25 are in jobs that do not require college degrees. And, of course, most older workers won't be able to retire anytime soon. So, the younger people are just at the bottom of the totem pole. Hopefully, the fact that more younger people are returning or continuing in college may be the silver lining of the recession.

In summary, many experts envision a jobless recovery, in which the economy grows but job losses persist. With the total underemployment rate (jobless plus those working part-time or can't find work) currently at 16.8% and consumer spending down, the "recovery" may be meek indeed.

For additional information in The New York Times' September 5th article [click here](#)

For additional information in The Wall Street Journal's September 5th article [click here](#)

-Consumer Spending-

Looking for a Different Kind of Vacation Next Year?



If you enjoy a little hard work and education on your vacation, this might be the perfect escape for you. Known as a "haycation", city dwellers can learn where their food comes from for around \$125-\$300. While the idea of sleeping and eating on a farm is more common in Europe, it is not unheard of in the U.S.

Of the 2.2 million farms operating in the United States, about 8% to 10% offer some kind of agritourism, such as apple picking, school tours, a farm store, or letting hunters on the land. Only a few do farm stays, but those who have opened their gates to it find business to be growing.

Kevin McNaught, a former chef from Boston, bought Trevin Farms in Vermont with his partner six years ago wondering, 'why would somebody want to come to a farm?' He says he was pleasantly surprised when he realized that a lot of people out there want to see vegetables as they grow, learn how to milk a goat or simply learn the basic rules of farming.

These new farm stays are fairly profitable, too. Trevin Farms charges \$500 for a two-day cheese-making package that begins with milking goats and hanging cheese. Outside of Portland, Oregon, \$125 a night at Leaping Land Farm includes feeding the animals, bringing in hay, picking vegetables for the owner to sell as well as add to your dinner and breakfast comes with fresh eggs from the farm's very own chickens. Owner Scottie Jones says she brings in seven times what she makes on her meat business, plus a little free labor. Not bad.

For a more luxurious experience, a Dutchman named Luite Moraal created Feather Down Farm, a high-end European farm-stay chain. Stony Creek Farm, owned by Kate and Dan Marsiglio, is among the first three farms in the U.S. of its kind. By next year, there will be 20, says Feather Down's manager for the U.S. Kate says some friends and neighbors were worried for her because the overhead will be steep, but she is confident that there are people out there that want to see that meat starts with a little cow. People are looking for a new kind of vacation that brings you back to nature, and farm-stays may be just what they are looking for.

For additional information in The International Herald Tribune's August 27th article [click here](#)

-Market Update-

What's Hot - and Not How different investments did last week.

INVESTMENT	PERFORMANCE	
	Last week	52-week
Gold	4.0%	24.7%
Emerging-markets bonds	0.7	6.4
U.S. corporate junk bonds	0.3	5.8
U.S. investment-grade bonds	0.1	8.2
U.S. dollar, trade weighted	unch.	2.3
Nasdaq Composite Index	-0.5%	-10.5
Dow Jones Industrial Average	-1.1	-15.9
S&P 500-stock index	-1.2	-18.2
Emerging-markets stocks*	-1.2	-12.1
Global stocks	-1.5	-13.5
European stocks	-1.5	-14.1
Russell 2000 (small stocks)	-1.6	-20.6
Commodity futures	-3.8	-31.2
REIT stocks	-5.7	-35.1
Crude oil	-6.5	-36.0

Notes on data: European stocks: Dow Jones Stoxx Index; emerging-markets-stocks: MSCI price index for free markets; corporate-bond prices: Merrill Lynch Global Bond Indexes; U.S. dollar and U.S. Treasuries: J.P. Morgan; REIT stocks: Dow Jones Equity REIT Total Return Index; emerging-markets bonds: J.P. Morgan EMBI-plus price index, in U.S.-dollar terms; commodity futures: Dow Jones-UBS Commodity Index; global stocks: Dow Jones Global Stock Index *Data as of Thursday, September 4, 2009

Sources: WSJ Market Data Group; Dow Jones Indexes; Reuters; Merrill Lynch

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