

THE SUCCESSFUL INVESTOR

A PUBLICATION OF WAYPOINT WEALTH PARTNERS

SPRING 2011



Waypoint Wealth Partners is an independent wealth management firm providing investment management and wealth planning services to individuals and couples. We specialize in working with successful families with school-age children, helping parents plan and navigate the myriad issues and decisions common to this demographic.

We understand that time is your most precious resource as you juggle the demands of career and family. For that reason, we focus on organizing and simplifying all the pieces of your financial life and developing an actionable plan with key success metrics to keep you on track toward achieving what's most important to you.

At Waypoint Wealth Partners, we strive to develop long-term relationships, deliver tangible results and have a meaningful impact on our clients' lives.

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Springing into summer


As the trees blossom and flowers bloom, we thought we'd focus on two other kinds of green: the environment and money.

On the money front, Chuck's partner column offers sound advice around finding teachable moments throughout summer. Just because children aren't in school doesn't mean there aren't loads of opportunities to teach our young ones about money.

And if you are looking to save money, check out our contributed column on green tax tips. As April 15 quickly approaches, there may be some opportunities to reduce your tax bill because of environmental efforts;

see page 5 for more details.

Speaking of effort, WWP partners are making waves in the community. Ed was ranked a five-star wealth manager, Annette is leading the charge to find the next Kiva.org and Chuck has been appointed president of the East Bay chapter of the Financial Planning Association. Check out page 6 for some fun news on the WWP team.

As spring turns to summer and families start planning vacations, check out the Rubens' rules for the road. This dual-income family with teenagers shifted thinking around summer vacations and started planning with intention — with wonderful results. For tips, see page 4. 



Chuck Bowes, Principal



Annette Brinton, Principal



Ed Runyon, Principal

"There are people who have money and people who are rich."

— Coco Chanel

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Keep the learning alive

Tips for tuning into teachable moments during the hot days of summer



Chuck Bowes
Principal

Although the school year ends in June, summer is brimming with teachable opportunities for your family. If you are striving to raise independent, financially responsible children, there are some easy steps to take during the — hopefully — lazy days of summer to guide your children toward success in life, health and wealth.

SETTING THE EXAMPLE

Just because the books are closed at school, doesn't mean they need to be at home. As a parent, you model for your children every day — and believe me, they take note. Do you carve out time to read books? Does your family subscribe to magazines? Do you volunteer in the community? Do you find time to relax?

Everyone knows that actions speak louder than words, so be aware of the messages you are sending your children. This is especially important during summer when they have more time to pay attention to what's happening on the home front.

EARNING AN EXTRA BUCK AROUND THE HOUSE

Each family approaches allowance differently. Some families tie it to chores while others give their children a set amount each week. Whatever works for your family is great, but we suggest giving children extra opportunities to earn money around the house.

Your family could decide together what duties merit money or the parents could take the lead on this. Next you could make a list of "extra earning opps" or make a box with pieces of paper that children could draw from; just be sure to create the opportunities.

So now that their wallets are bulging, give your children the chance to manage their money — and make some mistakes.

Author Nathan Dugan says, "you can't play in the

sandbox without any sand."

Trips to amusement parks, a day at the beach or time at the mall all require money. So here's a chance to have a conversation about what's appropriate to spend money on, set clear parameters and then don't bail them out if they spend all their money before lunch!

Equally important is to not keep a constant dialogue going on every decision; let them navigate and be responsible. Giving children the opportunity to make some mistakes when they are young, and endure the consequences of poor choices will hopefully help them avoid more expensive and challenging money issues later in life.

FINDING A PART-TIME JOB

If you have tweens or teenagers, encourage them to get a job. Whether it's a paid job at the local burger joint or volunteering with young children, it's all good. There are too many reasons to list why a job is important but responsibility, independence and life-long skills certainly top the list — and do not forget the importance having a track record of working plays in the college admissions process!

Be creative and help your children think beyond the strip mall. If transportation is an issue, see if there are opportunities to help neighbors with odd jobs, gardening or dog walking. Look into internships, contact area museums or connect with local nonprofits for ways your children can engage in summer in a meaningful and important way.

PLANNING FAMILY VACATIONS WITH INTENTION

Families often enjoy vacation time together during the summer. Take this chance to engage your children in the planning process. Tweens and teenagers can get

Continued on page 3

involved in choosing the location, planning an itinerary and surfing the Internet for flights or vacation packages. This is a great way for young people to learn how much things cost, from airplane tickets and hotels to meals and sightseeing.

It's also important to talk about why choices are made around vacations. If you are attending a family reunion, you can discuss the value of family. If you travel overseas, you can weave in why this is important to you. If you are participating in a service vacation, you can explore why this matters to your family. The bottom line is to talk to your children about your decision-making process so they can understand and learn.

SPENDING QUALITY TIME TOGETHER

Vacations are a great way to spend time together as a family. But don't forget that family meals are another chance to engage with your children. As hard as it can be, picking at least one night a week as "family dinner night" is one of the highest impact things a family can do. Eating, talking and laughing together can change an entire family dynamic and provide opportunities to communicate about many topics — including money lessons.

Consider inviting your children to meet you at work and then have lunch together; you don't have to wait for "go to work with mom/dad day." A parent's workplace can be mysterious for children so inviting them into your work world is a simple sign of respect and inclusion.

And if your schedule allows, take a Friday off and surprise your children with a day together; go someplace fun and different and just bask in the time together as a family.



BOOK WORMS

Did you know that children growing up in homes with many books get three years more schooling than children from bookless homes, independent of their parents' education, occupation and class?

This gives kids as great an advantage as having university educated parents, and twice the advantage of having a professional father. It holds equally in rich nations and in poor; in the past and in the present; under Communism, capitalism, and Apartheid; and most strongly in China. This is from a journal article in "Research in Social Stratification and Mobility Data."

TO WORK OR NOT TO WORK

Many parents wonder if their children should get part-time jobs. It turns out that just under 44 percent of teenagers work today, the lowest figure since the government started keeping track in the 1940s.

There are many benefits of teenagers working — learning responsibility, gaining independence and understanding the value of money. In a recent University of Minnesota study of 1,000 students, those who had worked steadily during high school were more likely to have earned college degrees by age 30 than students who had not held jobs.

VACATION

According to a recent survey by travelocity.com, 35 percent of consumers will increase their travel in 2011, and only 1 percent said they do not plan to go anywhere, compared to 4 percent last year.

More than a quarter of people said they would spend \$2,000 or more on their holidays this year, up from 20 percent in 2010. While roughly half expect to keep their travel budget largely unchanged from last year, 37 percent said they will dig deeper into their pockets in 2011. Though travelers are planning to spend more, they're also planning to spend more carefully. 60 percent of respondents claimed to have a predetermined travel budget for 2011, up from 44 percent in 2010.



Hopefully your summer plans offer you the opportunity to rest, relax, and spend time with your family outside the normal hectic world that we seem to all live in.

With awareness and planning, you can use your summer vacation time to not only have fun and recharge your batteries but also to take another step forward in transferring healthy money habits and teaching financial skills to children of all ages. ☺

Starting the dialogue

Hopefully your family will enjoy time together around the dinner table or on a family hike this summer. Here are some interesting tidbits to start chatting about family values and money.

Rubens' rules for the road

Summer may bring visions of bright sunny days, relaxing afternoons and long, luxurious vacations — unless you are a dual-working family with children.

This was the case for the Rubens family. Husband David is a tour operator and wife Sharon a founding partner of tax, accounting and business consulting firm Rubens Nunnemaker. When the children, Daniel and Rachel, were young, they were happy to trot off to day activities or overnight camps. But as they got older, summers became more challenging.

"Middle school students are not interested in summer camps and they are too young to get jobs," says Sharon. "This breeds opportunities for wasted time and bad influences."

Also, having teenagers is a big reminder that there may be more family vacations behind you than in front of you. So the Rubens got creative and intentional about how they approached the three months of summer.

"We realized that vacations provided an unstructured and non-stressful opportunity for our family to be together," says Sharon. "It allows us to connect in a more casual and comfortable way."

This is certainly not the case during the jam-packed school year when the children juggle academics, sports and part-time jobs while Dave and Sharon manage careers, family and community.

So the family shifted thinking around vacations and one afternoon Sharon and Rachel started chatting about places they'd like to visit.

"Costa Rica!" exclaimed Rachel. Sharon checked their frequent flier program and learned that their miles wouldn't work for the Central American country. They brainstormed and came up the idea of Greece, and thus a family vacation was born.

After doing research, they decided to zip over to Israel during the trip since it was only a two-hour flight. They planned a



David, Rachel, Sharon and Daniel on their trip to Israel.

three-week itinerary and the family of four ventured overseas.

"It was an fabulous trip!" says Sharon. "Greece was beautiful and interesting while Israel was educational and amazing."

But three weeks of bonding with parents wasn't optimal for the teens, so the next year they decided on a vacation with extended family. This was a great way to get Sharon's mother,

brother and nephew into the mix. The family decided on a two-week journey to Cape Cod and Boston. They learned to plan a vacation around activities that everyone could enjoy.

"My husband and son ventured to Fenway Park while my daughter and I went to Filene's Basement," said Sharon. "We both came back raving that each was a religious experience."

The vacation was dotted with some really special family moments too. David and Sharon celebrated their 20th wedding anniversary on the Cape surrounded by family.

They also had one of those "National Lampoon's" moments when they trekked out of their way to see the famous Plymouth Rock. They all had visions of grandeur and just about fell over when they arrived and discovered it was just a rock about the size of a chair.

"We looked and laughed and took some dumb pictures," remembers Sharon. "The kids were being goofy but it was one of those classic moments I'll always remember."

With two successful and very different vacations under their belts and many lessons learned along the way, the Rubens are going big in 2011. In June they are venturing to Africa with a group of 27 travelers — 13 of whom are young adults. They plan to visit South Africa, travel on safari and see Victoria Falls.

"I don't have to absorb everything when I'm on vacation," reflects Sharon. "Quality time with the family in a new environment is all I need." —

Going Green 101: Introduction to green tax credits

Remember when Kermit the Frog said, "It's not easy being green"? Well, the federal government is trying to make it a little easier on your pocketbook. And unlike most other tax credits, these green tax credits are available to most taxpayers, regardless of income level, so it is a great time to consider making some green energy investments.

Have you been thinking about new energy efficient windows for your home or buying the latest hybrid vehicle? Not only could you reap the environmental rewards of going green, but the government may even help put some of the cost back in your pocket.

DRIVING GREEN

Are you the driver of a hybrid auto? If you purchased your hybrid vehicle in 2010, be sure to take advantage of the hybrid vehicle credit on your 2010 tax return (see IRS Form 8910).

The credit varies per make and model and may be worth up to \$3,000. This credit is limited to the first 60,000 qualifying vehicles sold by each manufacturer. Some of the more popular hybrid vehicles, such as the Toyota and Honda hybrids purchased in 2010 (and Ford hybrids purchased after March 31, 2010), no longer qualify.

For the newer, plug-in electric vehicles, such as the 2011 Nissan Leaf and Chevrolet Volt, you may receive a tax credit of as much as \$7,500. This credit will not expire until each manufacturer has sold 200,000 certified plug-in electric vehicles.

There is even a credit for the cost of converting any vehicle into a qualified plug-in electric vehicle. This credit offers 10 percent of the cost of conversion up to \$4,000. This particular credit applies to property placed in service between February 17, 2009 and January 1, 2012.

HOME GREEN HOME

Have you made energy efficient home improvements?

Energy efficient real estate improvements are broken into two categories: Non-business Energy Property

Credit (NBEP) and, for the "greener types," the Residential Energy Efficient Property Credit.

The NBEP credit is 30 percent of the cost of qualified energy efficient improvements (excluding installation costs). It is capped at \$1,500 in the combined total you claimed on your 2009 and 2010 tax returns.

These energy efficient improvements include insulation material designed to reduce heat loss or gain, exterior windows and doors, and metal and asphalt roofs designed to reduce home heat gain. The 2010 Tax Relief Act extended this credit for improvements placed in 2011, but reduced the maximum credit to \$500 minus any credits you claimed in past years.

The Residential Energy Efficient Property Credit is 30 percent for all qualifying property (including installation costs) and, with an exception for fuel cell property, has no credit maximum. These include properties that are qualified solar electric, solar water heating, small wind energy, geothermal heat pump and fuel cell based. You can learn more about these credits at www.energystar.gov.

We are often encouraged to lessen our carbon footprint and to reduce, reuse and recycle. Living "green" isn't an easy change to make, but these tax credits could motivate you to get moving in the right direction. ☺

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www.dsireusa.org

Database of State Incentives for Renewables & Efficiency is a comprehensive source of information on state, local, utility and federal incentives.

ENERGY STAR

www.energystar.gov

A joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy helping us all save money and protect the environment through energy efficient products and practices.

U.S. Dept. of Energy

www.fueleconomy.gov

The official U.S. government source for fuel economy information.

WWP partners busy at work, home and in community




Ed was recognized in the March 2011 issue of "Orange Coast" magazine as a "Five Star Wealth Manager" for overall client satisfaction based on a recent consumer satisfaction survey. The magazine sent surveys to more than 74,000 high-net-worth households in Orange County. Recipients were asked to evaluate their wealth manager based on customer service, integrity, knowledge, communication, value, quality of recommendations, follow-up and overall satisfaction.

Annette has been busy working on the board of the Financial Planning Association's Northern California regional conference where they lined up Michael Lewis, author of "The Big Short," "Liars Poker" and "The Blind Side," and Neel Kashkari, assistant treasury secretary under Hank Paulson and head of the Troubled Asset Relief Program (TARP), as two of their keynote speakers.

Chuck attended the Financial Planning Association leadership conference in Denver in November. He also was selected president elect for the FPA East Bay chapter.

Annette has been spending many of her weekends this winter snowboarding in Lake Tahoe and learning how to cross country ski. And on those warm, sunny weekends when they stay home, she's out on her bike, training for the Wine Country Century in early May.

In March, Chuck attended the Family Wealth Advisory Council quarterly meeting in Las Vegas. One of the agenda items was a new white paper, which will raise awareness of critical issues surrounding women and money. They are surveying women and would appreciate your participation in this 10 minute survey at www.surveymonkey.com/s/F8GXYYY.

 **Full Circle Fund** Annette has been tapped to lead Full Circle Fund's Global Economic Opportunity grant cycle, which kicked off in January. They have formed four inquiry teams, which will present their top candidate organizations to the greater Circle in April for a preliminary vote. Final presentations and the selection of their next two grantees will happen in June.

Ed attended the winter board meeting for the Center for Investment and Wealth management, part of the Paul Merage School of Business at UC Irvine. This group consists of largest wealth management firms in Orange County and meets regularly to discuss issues affecting the industry and investors alike.

Chuck and son C.J. spent a cold, rainy November day planting native plants for the Beaconsfield Canyon restoration project.

Farm Bowes has four new chickens (one of which turned out to be a rooster!) and is looking forward to farm-fresh eggs this spring. They also are expecting a new batch of bees this spring after losing the hive to a mysterious illness. 🐝

Fascinating Facts: Women and Money

Do you have 10 minutes?

Please fill out FWAC's survey on women and wealth: www.surveymonkey.com/s/F8GXYYY. It only takes 10 minutes and we'd appreciate your participation.

2x

Women are nearly twice as likely as men to retire in poverty.

95%

Percentage of women who are financial decision-makers in their households.

1/2

Today, half the labor force is composed of women, compared to 38 percent in 1970.

51.3%

Women control more than half the personal wealth in the United States according to the Federal Reserve Board. Interestingly 76% of Americans believe that men control more wealth than women, which is clearly not the case.

10 vs. 2

The typical woman spends 10 years out of the workforce for caregiving, while the typical man spends just two years out of the workforce.

Giving back

Women, on average, donate twice as much as men.

Sources: Bureau of Labor Statistics, Federal Reserve Board, National Science Foundation, Prudential, Suze Orman

Does going solar make financial sense?

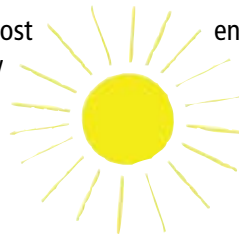
With the generous tax credits available to individuals of all income levels and the growing wave of green consciousness spreading across the state, more and more people are considering a move to solar energy. As we talk to our clients about making this investment, we recommend doing a few important things to evaluate the cost benefit so you can make an informed decision.

Steps to help you determine if you should tap those sunny skies

How energy efficient are you? First, do an energy efficiency audit and take simple, energy savings actions before you decide to go solar. Energy efficiency measures also help reduce the size of the solar system you will need, saving you thousands of dollars in up-front installation costs.

Find out the bottom line. Next, get quotes from three qualified solar contractors in your area. Solar contractors typically provide free site evaluations, comprehensive quotes and should be able to evaluate factors that will affect your system's performance, such as the roof size, orientation (tilt and direction) of the system, shading and other factors.

They are the key to getting the most productive, cost effective solar energy system for your home. The California Solar Initiative Program provides a list of eligible solar contractors online at www.gosolarcalifornia.ca.gov.




energy your system is expected to produce per day, provided by your contractor, and multiply it by your current cost per kWh from your electricity bill.

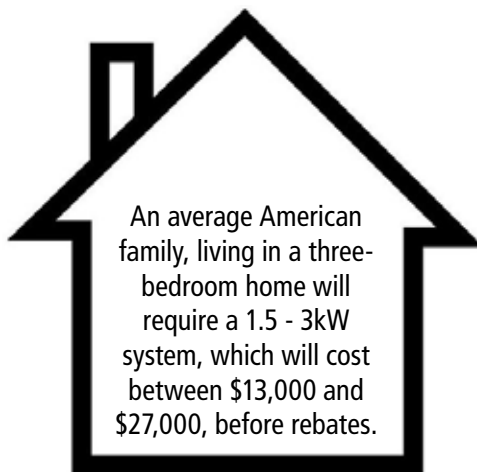
Figure out the break even point. And finally, calculate the break even point of the investment so you can determine if you'll be in your home long enough to recover the cost.

For example, if the quote for your system is \$21,000 and you receive a \$3,000 rebate from CSI and a tax credit of \$5,400, your net investment is \$12,600.

To calculate the break even point, take the cost of the system less applicable rebates and tax credits to arrive at the net cost of the investment. Then take the amount of

If you pay \$.40 per kWh and your system is expect to collect 25 kWh per day, you are saving \$10 per day or \$300 per month. At that rate, it will take 42 months or 3.5 years to recover the cost of your investment. 

69%
Californians have installed 69 percent of all of the grid-tied PV capacity in the United States and have installed about 33,000 out of the nation's 48,000 solar systems.



What's CSI?

The California Solar Initiative (CSI) is the solar rebate program for Californians who are residential or business customers of Pacific Gas and Electric (PG&E), Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E). Together with the rebate programs offered through the dozens of publicly owned utilities in the state, the CSI program is a key component of driving adoption for solar energy in the state of California.

The CSI offers different levels of rebates and incentives based on the performance of the solar panels you install. Consideration is given installation angle, tilt and location as well as system capacity. This approach ensures that California is generating efficient solar energy and rewarding solar energy systems that offer most solar power generation.

The total budget for the CSI program is \$2.167 billion for 2007-2016 and has a goal of installing 1,940 MW of new solar power generation capacity. The CSI program is funded by electric ratepayers and the CSI-Thermal portion of the program is funded by gas ratepayers.

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*Does investing in **solar** make financial sense?*

Find out more inside...