



Time & Money

A NEWSLETTER FOR THE CLIENTS OF JOHNSON BIXBY & ASSOCIATES, LLC

Time to Talk

Continued Learning:

In November, Debbie and Heidi attended a conference in Washington, DC where they had the opportunity to listen to several leading economists and other noteworthy speakers, including Dr. Alan Greenspan. Kim, Karen and Megan traveled to Seattle for a seminar on the Washington state probate process, and Nicole went to an educational session in Seattle on human resources and labor laws.

Travels:

It doesn't seem like there would be time to squeeze in any more trips than this, but we did! Heidi spent a week in Ecuador, Vicki visited New York City, and Megan headed off to Washington, DC and then to New York City as well.

Capital Gain Distributions:

It looks like we'll see some significant gains in December 2006, for the first time in several years. For taxable accounts, please be prepared for large distributions that can potentially increase your tax liability for the year as you prepare for filing your 2006 tax return.



Megan Woodard, Kim Baker,
Deborah Johnson, & Heidi Bixby

Observations From Debbie's World Travels

This past year has provided many opportunities for the team at JBA to enjoy both overseas and domestic travel, and I would like to share a few of my personal reflections and perspectives on global economics.

I began the year in Vietnam and Korea and recently returned from a month touring China and Tibet. I was struck by how quickly the world is changing, and how overflowing with contradictions and complexities it is. A visit to the beaches north of Saigon found humble families sorting the night's catch just paddled ashore in round single-fisherman wicker boats, followed later by young blond citizens from the former Soviet republic of Estonia flying their hi-tech kite boards at the very same spot.

In Korea we witnessed the heavily-armed, opposing military forces maintain the 50-year-old armistice of an unfinished war across Korea's De-Militarized Zone (DMZ), while gleaming Seoul lies 50 miles south. What a paradox between maintaining the old order of the DMZ and the economic miracle of Seoul, produced by an incredible work ethic and relentless optimism regarding the future of its world-class corporations, universities and (hopefully one day) unified country.

Watching China's annual rice harvest provoked images of timeless continuity over thousands of years, while a forest of gleaming skyscrapers erected since 1990 in Shanghai screamed unprecedented rates of growth, change and hopefulness for the future. And yet, the Chinese are aware of the challenges they face: environmental (pollution is really bad); cultural (integrating runaway capitalism with communist governance and traditional Confucianist values); feeding 1.4 billion people; future water & energy needs; human rights; and international relations with the rest of the world.

I appreciate the opportunity to visit and experience these places that play a vital role in our global conversation. Many of the world's children are studying English and learning about the US and the rest of the world. Many countries and rich cultures are increasingly accessible for us. Global awareness continues to inform both our **financial** investment strategies at JBA, and our work helping clients to plan and realize their **life** goals and dreams.

College Planning Corner

Paying for college is a major financial goal for many of our clients. Kim recently completed coursework to earn her Certified College Planning Specialist designation (CCPS), so we thought we'd pass along some of the tips she learned about in her studies.

Completing the FAFSA

The Free Application for Federal Student Aid (FAFSA) is required by all public & private colleges to determine financial aid eligibility. The FAFSA may be submitted by either filling out a paper application or filing online at www.fafsa.ed.gov.

Parents often tell us that they didn't submit a FAFSA because they didn't think they'd get anything. Even if family income or assets are too great to qualify for need-based aid, **everyone** should complete and submit a FAFSA. Many other types of aid are awarded based on the FAFSA application, including work study, school and state grants, PLUS loans (loans in the parent's name) and Stafford loans (loans in the student's name).

The FAFSA can be a daunting form to fill out if you've never done it before. Only list the values of assets requested, using the values as of the date of signing the FAFSA. Keep in mind that there are some assets that don't need to be reported, such as retirement accounts, annuities, personal residence, siblings' assets, cash value of life insurance, personal items, a family farm, and value of businesses with less than 100 full-time employees.

There is also quite a bit of tax-related information requested. Do not wait until your tax return is filed to complete the FAFSA! Because much of the aid is awarded on a first-come, first-served basis, you'll increase the chances of receiving financial aid by estimating your tax information on the application forms and later reporting the actual figures as corrections to the Student Aid Report. Use year-end paystubs and previous year's tax return to estimate amounts, adjusting for any big changes that have occurred in the meantime (change of job, bonus income, etc.)

The earliest that a FAFSA can be submitted for the 2007/2008 school year is January 1, 2007, and the latest is June 30, 2007 (many colleges have financial aid deadlines of February 15th or earlier). Start getting your records in order now, and be one of the first to apply in order to maximize the type of aid you may receive.

Holiday Greetings

We are very grateful for the relationships that have developed with our clients. We appreciate how much of your lives you share with us and value the richness it adds to our lives – thank you for partnering with us. Wishing you and yours a joyous holiday season and bountiful New Year.

JBA's Holiday Spirit

It's that time of year again! For the past several years, we've participated in a couple of traditions that really raise our holiday spirit. In case any of you are looking for inspiration, here are some of the things we've been involved with that we've particularly enjoyed:

Gift wrapping – we learned that some charitable organizations have limited resources available to get donations wrapped and tagged for recipients. We provide paper, ribbon, bows, tags, bags and boxes and wrap over 100 individual gifts for ARC of Clark County. With all of us helping, it only takes a couple of hours, and is a lot of fun!

Sponsor a Family – the staff at Hospice Southwest nominates a few families each year who they think would benefit from some extra TLC at Christmastime. It warms our hearts to be able to bring a little happiness to a couple families who have gone through a difficult time.

Helping Children – we have donated a variety of classroom supplies for the YWCA Y's Care Children's Program. This program provides homeless children (aged 2½ - 5) with preschool education & childcare while their parents attend to family needs and seek housing, financial assistance, and employment. Shopping for the supplies is fun for some of us – others really enjoy making the delivery and playing with the kids!

Longview Dates –

(1128 Broadway — corner of 12th & Broadway)

Every Wednesday - Kim

January 16 – Heidi	March 8 – Heidi
January 23 – Debbie	March 20 – Debbie
February 15 – Heidi	March 27 – Heidi
February 20 – Debbie	

Please note – although Kim is typically in Longview every Wednesday, on days when no appointments are scheduled, the office will be closed.