



My pilgrimage to Omaha

As published in the Racine Journal Times | June 11, 2014 | by Justus Morgan, CFP®

Last month, I had the opportunity to travel to Omaha, Neb., for the annual shareholders' meeting for Warren Buffett's company, Berkshire Hathaway. So what did I learn (besides the need to pack a blue blazer next year to fit in better with all the investment folks)?

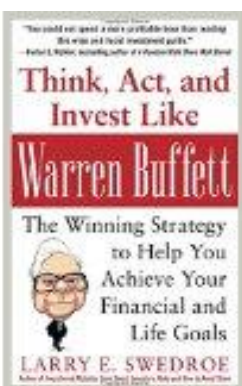
At age 83, Warren Buffett is still mentally sharper than the vast majority of professional investors, which gives hope to all of us that 20 (or 50, in my case) years from now, there's no reason not to continue to pursue what you love the most and do best.

Buffett and his partner, Charlie Munger, spent most of the day answering questions from shareholders and reporters about various aspects of the business and their opinions on topics ranging from financial literacy for children (it's the responsibility of parents) to the state of the economy (better than you think).



Despite his demonstrated investment prowess, Buffett commented several times on the difficulty inherent in investing and the benefits of using low-cost index funds. In particular, he admitted that he's never been able to figure out the bottom of a stock market decline (including 2008-9), which raises serious questions about whether anyone else can do this consistently.

In regard to using low-cost index funds, Buffett has put his money behind his recommendations. He has instructed that upon his death, 90 percent of the money left for his wife should be invested in a S&P 500 index fund. Buffett also provided an update on a 10-year wager he made at the beginning of 2008 with a group of hedge funds (supposedly the best of the best) that the S&P 500 would beat them. So far, he's been right, based on the 12.5 percent return for the hedge funds versus the 43.8 percent for the S&P 500.



Perhaps the best takeaway was not necessarily something new, but rather an affirmation that the basic reason for investing in stocks is to be an owner of a company. This requires a long-term perspective and patience, as owning stocks is less about getting rich quick and more about sharing in the growth of businesses and the economy.

Larry Swedroe takes some of Buffett's investing principles and expands upon them with a comprehensive investment strategy in his book "Think, Act, and Invest Like Warren Buffett," which I highly recommend for its ease of reading. While its 134 pages bypass many of Buffett's strategies, the book provides an excellent primer for someone looking for a place to start



Save August 1 for First Friday Fun

FSG is excited to be hosting our third get together for clients and your guests as well as friends of FSG at Uncorkt during Racine's First Friday festivities.

Mark your calendar with a "save the date" for Friday, August 1 and plan to join FSG for an evening filled with wine, food, friendship and good cheer! Watch our July newsletter for more details.



August 5 workshop – Understanding Long-Term Care Planning

One of the key components to your estate plan is having a long-term care plan in place. Long-term care is defined as "care needed for a period of greater than 100 days," according to Allen Hamm, author of "How to Plan for Long-Term Care."

In this unique workshop delivery, Allen Hamm will join the discussion via webinar and provide an overview of the long-term care planning services he offers through his partnership with Financial Service Group. Allen will address your questions and concerns about long-term care and augment the interactive discussion on this topic. Also, Jack Louks from BrightStar Health Care will be with us to talk about local home care options.

Seating is limited. To register please call our office at **(262) 554-4500** and speak to Lori.

Read Mike Haubrich's new book!

"This is the clearest guidebook we have in one of the most complex
of personal finance and financial planning."
-Bob Veale, Investopedia.com

CAREER ASSET MANAGEMENT

Getting Ahead, Staying Ahead and Using Your Head
to Maximize Your Career Value

MICHAEL HAUBRICH, CFP®

In his recently published book *Career Asset Management: Getting Ahead, Staying Ahead and Using your Head*, Mike Haubrich shares how he has worked with others in helping them view their career as a vital, thriving asset on par with other financial asset classes.

In his book, you'll learn how others have extended the earning power of their career asset and achieved work+life fit and career satisfaction. This is a definitive read for anyone who wants to develop, manage, and optimize their career asset.

FSG summer hours in effect

FSG has started our summer office hours. The office will be open Monday through Thursday 8:30 a.m. to 5 p.m. and Fridays 8:30 a.m. to Noon through Labor Day.