



*We have updated our website and have a new web address. Please visit us at [www.NestBuilderFinancial.com](http://www.NestBuilderFinancial.com) to see how we can help you reach your goals.*

### ***“News from the Nest”***

Welcome to our quarterly newsletter. We want to make this meaningful for you, so please call 847-245-7483 or email us at: [Mary@NestBuilderFinancial.com](mailto:Mary@NestBuilderFinancial.com) with your suggestions or comments.

#### ***Recently***

We have updated our brand and want to thank you for your support. Our mission remains helping you achieve your most important goals. Developing a financial plan is about much more than deciding which investments to choose. It's about developing a cohesive strategy to make wise choices to support the lifestyle you desire, both now and in the future.

Our own plan for growth is to continue to earn your trust, one client at a time. We believe in educating you about various aspects of your finances and will offer several complimentary workshops (Roth IRAs, Executor Bootcamp, etc.) over the coming months. Suggestions are welcome!

For convenience, we are also available for meetings by appointment in our downtown space, across from the Willis Tower (formerly the Sears Tower).

#### ***Common Cents***

Two college students clued us in on a new way to save money on text books. They use a web site that rents text books which means no more hassle trying to resell them after the semester is over. They used a site called [www.Chegg.com](http://www.Chegg.com), but [www.bookrenter.com](http://www.bookrenter.com) is another option. If you have used these or other sites for text book rentals, please let us know if it worked out well for you.

#### ***Handy Tip***

The Wall Street Journal recently had an article about saving \$10,000 in college costs by completing the program in 3 years. While that's always been an option for students, only about 3% have done so on their own. Now a number of universities offer a structured program to help students achieve this goal. Is it worth it? With the high cost of college, we think it's at least worthy of discussion. If nothing else, it may help the student complete in 4 years, instead of stretching the costs over a longer period.

#### ***Dear Mary,***

What am I supposed to do with a prospectus? They keep coming in the mail and I have a stack of them now collecting dust; it's almost a fire hazard! Signed, Perplexed Patty

Dear Perplexed Patty,

Prospectuses do seem to proliferate, but after you've perused them for a prognosis of your portfolio, you can generally recycle them. Better yet, institutions like Vanguard and Fidelity allow you to sign up for electronic delivery of these documents for a greener and more cost-effective option.

While a prospectus can be a bit dry to read through, a few items should be reviewed. This time, we'll look at the annual operating expenses which can directly affect your returns. Let's say there are 2 funds, each investing primarily in large companies like the S&P 500 index. On a \$10,000 investment, a fund charging an annual fee of .10% adds up to \$100 in expenses over 10 years. Another fund charging 1% totals up to \$1,000 over 10 years. Like at the grocery store, look for the best value for the particular product you want to purchase.

## Strategies for Waiting out the Housing Slump

Many people would like to sell their homes to either downsize, upsize, relocate, merge – or separate – households, but are holding off until the housing market picks up. In the meantime, regular maintenance and repair are necessary investments; upgrades are optional and most upgrades do not return the full amount of your investment. For example, Remodeling Magazine's web site shows a family room addition may cost over \$82,000 yet only adds about \$54,000 (about 65% of the cost) to the value of your home. On the other hand, there is one relatively low-cost upgrade will actually add more value than its cost – a new steel entry door is estimated to cost \$1,172 and will add about \$1,470 to the value of your home. To see cost and value comparisons for other home projects, such as decks, basement remodels and two-story additions, go to [www.remodeling.hw.net/2009/costvsvalue/national.aspx](http://www.remodeling.hw.net/2009/costvsvalue/national.aspx).

Madeline Kidric, a realtor from Century 21 in Lindenhurst says the first thing most buyers ask about is the age of the furnace, hot water heater, air conditioner, roof and windows. Buyers know that older systems may have to be repaired or replaced at any time, whereas newer systems should not only last for some time but also offer more energy efficiency. Another option for sellers with older systems and appliances is to purchase a homeowners warranty prior to sale. This insurance product will provide buyers coverage, generally for the first year, should the furnace or appliances break down.

When thinking about upgrades it's important to understand why you're making the changes. If you decide to upgrade for resale value consider all the costs and what the real payback might be. Minor cosmetic changes may be better for resale purposes than major upgrades that cost more than they return. However, if you have decided to stay put for the long haul, consider making changes that will make the house more livable by adding living space in existing attics or basements or upgrading the kitchen or bath for your enjoyment.

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***"I can't change the direction of the wind, but I can adjust my sails  
to always reach my destination."***

***Jimmy Dean***

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*Mary Erl, CFP®*

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