2009 SDA St. Louis Board

PRESIDENT
Jean Tedesco
Tarlton
5500 W. Park Ave.
St. Louis, MO 63110
(314) 633-3300
jat@tarltoncorp.com

VICE PRESIDENT
Cindy Risman
Health, Education + Research Associates Inc.
14 N. Newstead Ave.
Suite 200
St. Louis, MO 63108
(314) 289-9202
cindyr@herainc.com

SECRETARY
Karen Dahl
Mackey Mitchell Architects
800 St. Louis Union Station
Suite 200
St. Louis, MO 63103
(314) 421-1815
karen_d@mackeymitchell.com

TREASURER
Pat Brown
KAI Design & Building
211 N. Broadway, Suite 1900
St. Louis, MO 63102
(314) 241-8188
pbrown@kai-db.com

SDA – St. Louis Chapter

Monthly Meeting Minutes

Wednesday, June 24, 2009

"401K & The Economy"

Engineer's Club, St. Louis, Missouri

Members Present:

Pat Brown - KAI
Karen Dahl – Mackey Mitchell
Stephanie Gauthier – McClure Engineering
Katheryne Morschl – McClure Engineering
Mary Neimeier – PNM, Ltd.
Bob Staed – Ames & Gough
Cindy Risman - HERA

Guests Present:

James Stinson (Speaker)

The Chapter meeting began at 12:00 pm

Chapter Meeting:

- Informal networking.
- Cindy Risman - General informational presentation.
- Program Committee formed and asked for volunteers.
- Presented speaker James Stinson, US Bank. Commercial real estate business before financial industry.
- State of the Union of the economy.
- He offered to help people regarding their finances by looking at their situation.
- People count on company's 401K and the firm will hold it as long as they work for that firm.
- Stinson stated that annuities a good planning mechanism. His job is to find the best opportunity. Annuities are a mutual fund with an "insurance wrapper."
- Annuities are taxed deferred and guaranteed floors. Will guarantee an amount to be withdrawn. If the contract is for $200,000 but market is down to $100,000. Contract says they have to pay you $200,000. The financial institution guarantees this amount. When market is bad, they will hedge that the market will go down.
- Three or four year annuities – surrender value.
- For example, Hartford and John Hancock has never missed a payment.

- Different strategies on how to use money.
- Present economic condition - How we got to this point. Based on his reading, we almost had a financial meltdown. For example, AIG was intertwined with the market (worldwide) – 180,000,000 customers; 74 countries.
- Greed and leverage – is the same condition now as it was in 1929. In 1929, JP Morgan gave "Wall Street" $20,000,000 to save the economy.
- Homes - $1,000,000. Don't have the money for the down payment so borrow that also because people are coming up with the "exotic" mortgages – borrow 105%.
- This all started a while ago. One of the main problems was Fannie and Freddie not being regulated and packaging bad loans – was criminal. What happened was people are leveraging themselves and spreading themselves too thin. Commercial real estate was one of the areas.
- People would also take out home equity loans to take vacations, buy cars, second homes, etc. Banks became creative by giving loans with no money down. This was okay as long as the market was booming.
- AIG – one of the smallest areas in their company was called "Reinsurance". That was the group that really got AIG into trouble. They were buying bad loans.
- One of the good outcomes is that regulations will be put in place to try to keep this from happening again.
- Many of the big banks and financial institutions are not around any more.
- As far as moving forward with your own personal finances what advice would you give. If you can do more than your 401K match, you should take out an IRA After that, take out a Roth IRA, which is pre-tax. The good thing about a Roth IRA, is that it is not taxable when you withdraw money. Mutual Funds will bounce around.
- There was quite a bit of discussion regarding different investment opportunities.

Meeting adjourned at 1:00 pm. Next meeting is July 22, 2009 at Engineer's Club.