

# COMMUNITY CONNECTION

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► *Thank you for a most interesting 2009! By Jack Longert*

2009 has been a very interesting year at WisPACT. More and more people are discovering the advantages of our Special Needs Trust program. This year, we have signed up 20% more new beneficiaries than we had in 2008, and more than 15 new beneficiaries per month now join our program, despite the bumpy economic news we all face. Due to this demand, we re-hired a second Beneficiary Specialist on a part-time basis and increased her hours during the course of the year.

The year began with the State of Wisconsin deciding that beneficiaries over age 64 could put their assets into WisPACT without loss of Medical Assistance benefits. It has ended with me just returning from my own taste of disability, which gave me new and greater respect for all that our beneficiaries and their loved ones endure. We have had to take some actions that some of you are concerned about in the area of payments for domestic caretakers. We have discovered that our program is admired nationally for the services we offer beneficiaries and our

willingness to work with each person on their own terms. We are very close to expanding the Allow Card specialized debit card program and have asked the State to allow us to approve rent and grocery distributions to SSI beneficiaries. Our Board of Directors held its first Strategic Planning session and ideas from that session are starting to be used on a daily basis.

We are expanding the scope of our outreach to new communities of disabled people throughout the State of Wisconsin. And we hope to be of greater service to you in 2010.

Thank you again for the opportunity to enhance the quality of our beneficiaries lives and may 2010 be as interesting and rewarding for all of us. We have sent our annual survey with this issue of the newsletter and look forward to hearing your views on our program. Please feel free to call or write me with any comments or concerns. Have a good Holiday season.

► *Another WisPACT Success Story by Becky Anderson*

I would like to say thank you to Karen Milstein, one of the **many** very enjoyable beneficiaries I get to talk with in my role at WisPACT as a Beneficiary Specialist..

My reason to highlight Karen as a WisPACT success story is based upon Karen's forethought when it comes to requesting funds from her trust. Karen uses her trust for classes to hone her writing skills. She also has purchased an extended warranty from Apple PC's to ensure that if her laptop is in need of repair, she can use this warranty which will save her the frustration of finding an individual to repair her computer plus the work on the laptop will be guaranteed. I think Karen would agree taking the writing classes is enjoyable and being prepared for computer break downs is a stress eliminator. It is satisfying to see our thoughts on paper and to know Karen's writing skills will help open many avenues through Karen's life. Thanks Karen.

► *Holiday Schedule*

The WisPACT office will be closed the following:

Thanksgiving	Thursday November 26 <sup>th</sup>
	Friday November 27 <sup>th</sup>
Christmas Eve	Thursday December 24 <sup>th</sup>
Christmas	Friday December 25 <sup>th</sup>
New Year's	Friday January 1 <sup>st</sup>

► *Can the Trust Pay for Holiday Gifts?*

Social Security rules forbid the Trust from paying for anything for a non-beneficiary. So, holiday gifts to the Beneficiary can be paid for from the trust, but not holiday gifts **from** the Beneficiary to others. If you ask for distributions for holiday gifts, be sure to include receipts and state that the gifts were **for the Beneficiary**.



**IMPORTANT: IF WE DON'T FOLLOW THE RULES, YOUR BENEFITS COULD BE AT RISK. IF WE PAY YOU DIRECTLY, SOCIAL SECURITY COUNTS THAT AS INCOME TO YOU AND IT COULD REDUCE YOUR MONTHLY BENEFITS.**

► *Holiday Schedule Cont.*

Other 2010 holidays our office will be closed include:

- Birthday of Martin Luther King – Monday January 18<sup>th</sup>
- Memorial Day – Monday May 31<sup>st</sup>
- Independence Day – Monday July 5<sup>th</sup>
- Labor Day – Monday September 6<sup>th</sup>
- Thanksgiving Day – Thursday November 25<sup>th</sup>
- Day after Thanksgiving Day – Friday November 26<sup>th</sup>



► *WisPACT Market Comments By Lisa Olson, Vice President, Associated Trust Company*

The progress of the stock market since the March lows was a welcome break from the difficult markets experienced since the market high in October of 2007. After a particularly strong third quarter- often one of the weakest- almost every sector of the market is up year to date .

In March, the market started to anticipate the economic recovery that began in the third quarter. GDP was 3.4% for the third quarter, a welcome gain following four quarters of contraction. The economy benefited from the massive amounts of stimulus thrown at it, everything from “Cash for Clunkers” to tax credits for first time home buyers, to massive amounts of stimulus for job creation to the Fed attempting to keep interest rates low by purchasing ten year Treasury notes.

Since the March lows in the stock market, investors have become reacquainted with risk and more comfortable in taking it on. Some of the financial stocks they spurned when it looked like large banks might fail became some of the best performing names when investors became more confident in the companies' financial future. Almost every sector of the market had strong third quarter results. The S&P 500 rose almost 16%, mid and small cap stocks were up almost 30%. Even the “safe” world of bonds rose over 3%. Financial stocks were up 25%, material stocks were up 21% and consumer discretionary stocks were up over 19%.

Investors growing confidence in economic recovery was supported by the generally better than expected third quarter earnings reports. While company after company reported little or no gain in revenues, many were able to show earnings gains on the strength of cost control and margin expansion. Inventories are lean, processes are streamlined, and employment (unfortunately) is down. With any whiff of an increase in demand, corporations are poised to expand sales very profitably having taken care of the cost side of the

business in the downturn.

Although developed economies are weak, the emerging markets remain the engine that will help lead us out of the doldrums. Governments in China, Brazil and India continue to spend to create jobs for growing economies. As the standard of living of these economies rises so does their appetite for western style shopping, luxury brands and media- all of which the US is happy to supply! The decline of the dollar has made imports more expensive for the US, but also has made our exports more attractively priced. Expanding economies need expanding quantities of raw materials to create the infrastructure to support their growth. Caterpillar and Joy Global, manufacturers of mining and earth moving equipment, sell into those markets with competitively priced products in part because of the weakness of the dollar.

Because the stock market has dazzled investors as it exploded off the March lows, it is easy to overlook the steady positive performance of the bond market. A year ago when the financial markets appeared to be in danger of not functioning at all, investors fled to the safety of Treasury notes. As a result the price on corporate bonds that carried some risk declined and the price on Treasury issues, which are essentially risk free , rose and Treasury yields declined. We are in the process of reversing that move with investors becoming willing to accept the higher risk of corporate in order to obtain the higher yield. The volatility of the markets over the last twelve months highlights why the Wispact accounts with a balanced objective have chosen to use a balanced mutual fund, the Vanguard Wellington fund. Investing in a fund that contains both stocks and bonds helps buffer the investor against the ups and downs of the markets and leads to a less volatile investment experience.

► *Annual Consumer Survey*

Enclosed with this newsletter is our annual survey – please take a few minutes to answer the questions so that we know how we are doing, and what we can do to improve. You may fold the questionnaire so that the WisPACT address is showing – add a stamp and return it to us. Thanks for your assistance.



► *Winter Driving Tips*

Have you remembered to get your trunk or back seat of the car prepared for winter emergencies? A flashlight, warm blankets, jumper cables, shovel and warm footwear are just a few of the things you should carry. Car emergency sites on-line have good ideas to help keep you safe and warm in the event you are stalled or stuck when out on the roads this winter.

Many car insurance companies have road emergency service for a minimal cost and the fees can be paid by your trust funds.

*Happy Holidays!*

