

NEWSLETTER

February 2020



TRUEWEALTH

My Trip To Africa

Early in January my daughter, Josie, and I went to Africa, to the country of Malawi. Our family is helping an orphanage in the town of Salima.

A friend had approached me at church, asking if we could help the lady running this orphanage, whom my friend had met on Facebook. The children were in dire need of food and just about everything you can imagine. Thirty-eight children who never knew if they would get to eat on any given day, and each travelled a mile or two to the river to gather a pail of water for their daily needs. I now know that most of the people in Malawi are “in the same boat.” It is a country ravaged by malaria, AIDS and malnourishment, etc. I don’t know of a single orphanage in Iowa. There probably is one, but none that I know of in Western Iowa. Yet, there are at least two in the small town of Salima.

Malawi has very little industry. The people get by mostly by farming a few acres. Generally, those who raise corn plant the corn one kernel at a time. If they fertilize the crop, they fertilize each plant by hand. In two trips to the country, I have yet to see a tractor or skid loader or combine. There are a lot of roadside stands from which people sell their crops or other merchandise, such as wood-carvings or charcoal. Since people live in small houses and cook inside without a stove, they buy or make charcoal to reduce the smoke.

In Malawi, a school teacher can make US \$125 per month. A full-time employee to manage a hog herd can earn US \$50 per month. The dollar in Malawi is called “Kwacha.” It takes 780 Kwacha to buy one US dollar. Few people can afford a car. The main highway through town is full of bicycles every day. But, many can’t afford a bicycle, either. Many men make a living using their bike as a taxi. It is not unusual to see a man riding a bicycle, with another man or woman on the back, and carrying charcoal, firewood or groceries.

As of today, there are 116 kids at the orphanage. Their diet consists of corn meal mush morning, noon and night. It is supplemented with rice and beans, if available. Also, they get meat once or twice a week, if available. Not a 16-ounce T-Bone, mind you. Maybe, one ounce of goat meat or pigeon or chicken, all raised on campus. They do raise hogs, but they are too valuable to eat. The hogs are sold and the proceeds used to buy corn and rice and beans.

Theft is so common that the orphanage had to put up a fence to deter the thieves. The children set to work to make about 25,000 cement blocks from scratch to cover the perimeter of the approximately 10-acre compound.

I asked Blessings, the Director, to give us a tour of the local hospital. I was appalled at the condition of the facility: crowded, dingy, desperately in need of repairs; no air-conditioning; no medicine. In the USA, it would have been condemned a long time ago. The rafters were in view, and some were broken and split, and in danger of collapse.

Blessings told me a story about a trip she took to a village about 15 miles away, to buy some breeding stock. The village is about 3 miles off the highway on a dirt road back into the bush. She noticed a home missing a wall, a front door, and a roof. (This is the rainy season.) As she walked by, she noticed a very old lady laying naked with some cloth draped over her on the dirt floor. She stopped to talk to the lady. The woman was 90 years old. Blessings asked why she had no clothes on. The answer, “I don’t have any.” She asked why there is no roof on her home and why no front door and why no wall on one side? She told her the storm last year blew off the roof and wall. When did you eat last? “A few days ago.” When did you last have a bath? “About a year ago” she replied.

Blessings talked to the children about it. They decided to go back and remedy these issues. They took back some of their food to share, some clothes and some building materials and put a roof, a wall and a front door on her home. I felt the need to go meet this old lady. So, we went back to her village with more food, so I could meet her. I asked the 90-year-old woman why her village had not helped her. Her answer was that all of the people in the village were very poor. My guess is there are about 40 people in the village.

This place has changed my life. At the ripe old age of 68, I am learning what my purpose in life really is about. I encourage all of you to spend some time thinking about your own life. We only get one life to live. Remember, the more you give of yourself, the more you get.

~ John Sklenar, CPA, PFS, CFP®



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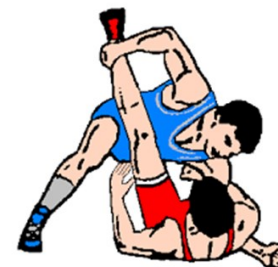


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Whose voice do you hear?

High school wrestling season is in full swing. In mid-February states across the country will be holding their state wrestling championships. I never took an interest in wrestling during my school years, but when my son was going through school, he wanted to wrestle. In fact, he came up one point short in his final match from qualifying for Iowa's state tournament. I'll never forget the first time I went to a wrestling tournament to watch him. The best words I can find to describe it are: Chaos, Confusion, and NOISE!



Let me paint the picture for you: Most of these tournaments have 2 or 3 side-by-side wrestling mats with matches happening concurrently and constantly. Coaches and teammates are yelling at their wrestler on the mat. Referees are blowing whistles. The announcer's voice booms over the PA. Cheerleader squads from all the teams are pounding on the mats and chanting. Parents from every angle of the gym are shouting out to their child. And there is a frenzied roar and fervor from the crowd.

Many different people are barking instructions at the wrestlers. For example, "Put in the half!" or "Lift your head!" or "Shoot! Shoot! Take a shot!" are common expressions. With so many people shouting various things from different sides and viewpoints, what do you think the wrestler hears? Or more importantly, who do you think he listens to?

I asked my son once about this, and his response was this: He listens to the voice of his coach. All the other shouting is just background noise that he is able to filter out. As I think more deeply about this, I realize something that makes perfect sense. A wrestler is with his coach for hours of practice every day. He is accustomed to his coach's voice. He knows how his coach talks, the sound of his voice, and familiar words that his coach uses. And most importantly, he trusts his coach to give him the right advice that is going to help him succeed. As spectators, we only see the six minutes of the match on the mat, but that coach has literally spent hours with that child preparing him for this moment.

I think investors can learn a lot from this story. When it comes to your investments, there is so much noise out there in the world today. Ads on television. Ads on the internet. Family or co-workers giving you tips. Your buddy bragging about a stock. 24-hour cable channels devoted to business topics. Television shows telling you what to invest in. Workshops. Books. Magazines. Billboards. Newspapers. Everything yelling out to us. Everything competing for our attention. Noise. Noise! Noise!!

What is an investor to do? Who should you listen to? The answer is simple: Your coach!

Your coach has devoted hours upon hours educating you, working with you, developing your plan and choosing your portfolio. We don't just shout out the hot trend that seems good in the moment. We rely on academic fundamentals that have been proven to work long-term. Just like learning the fundamentals in a sport, there are fundamentals to investing, such as: own equities, diversify globally, rebalance, and buy-low sell-high.

But investing fundamentals also go deeper into Nobel-prize-winning economic theories, such as Modern Portfolio Theory, Efficient Market Hypothesis, and the Three-Factor Model. Your coach believes in these theories, puts these theories into practice, and works to impart these fundamentals to you. We do this so that when the moment comes that noise is coming at you from different directions and all shouting different things, you will be able to filter out the destructive noise and hear the voice of your coach reassuring you to remain disciplined and don't panic. Your coach has prepared you for these moments of confusion. Now it's up to you to trust your coach and rely on your coaches' advice that will help you succeed.

~ Bryan Jimmerson, CRPC®

College Savings

- ◆ For 2020, College Savings Iowa account owners who are Iowa taxpayers can deduct the first \$3,439 they contribute to each of their beneficiary accounts from their state taxable income.
- ◆ Iowa taxpayers still have until April 30, 2020, to contribute for the 2019 tax year and deduct up to \$3,387 per beneficiary account from their state taxable income.
- ◆ Example: a family of four (2 parents with 2 children) could deduct up to \$13,756 in 2020.

Call or visit us today to get the answers to your questions.

Upcoming Events

The Returns Paradox
Thursday, February 20
3:30 p.m.—5:00 p.m.

OMG! Global Economic Armageddon
Monday, March 16
5:00 p.m.—6:30 p.m.

American Dream Experience
Saturday, March 28
in Ames