



# TRUST WORTHY

Financial relationships built on trust

Summer 2011

Welcome to the Trust Worthy newsletter, designed to bring you the most relevant, current, and local financial investment content. Please let us know if there are topics you'd like to see covered in future issues. Email [info@heartlandtrust.com](mailto:info@heartlandtrust.com)

## Consider Pension and Retirement Plan Change Carefully

There is no shortage of change. One change that affects many in the area is the merger between Merit Care and Sanford—and in ways you might not expect. For instance, the retirement plans also need to merge and the old pension will end. These employer changes whether through merger, retirement or layoff can leave you with decisions to make about your retirement plan or pension.

Like the decisions facing many area doctors, nurses, medical technicians, and administrators you may also have to consider options for retirement funds when you are no longer associated with the employer or the employer changes their plan. Many retirement plans allow you to rollover the funds either to a new employer's plan or to an Individual Retirement Account (IRA).

We feel this should be a careful decision—there are advantages and disadvantages to each option. We also want people to consider how one decision can affect other pieces of their financial life. You have worked hard and long to be successful. Now living with that abundance requires continued diligence.

“Retirement plans are great for accumulating assets,” according to Doug Melby, retirement specialist. “Managing investment income and making money last for years is a lot trickier.” Most employer plans aren't set up to offer advice on withdrawal strategies or more complicated subjects such as estate planning, gifting strategies and other topics.

If you have assets with a former employer or someone you know is affected by this type of change, call us to discuss your best options.

Whether a merger, a layoff or retirement we can help people consider options to keep them on target. You may still be building toward retirement or living with abundance after a successful career. Heartland Trust Company is experienced at helping people work through options and consider the effects on all parts of their planning. “I know many people move their funds with little or no thought given to the matter,” says Steve Halverson, president of Heartland Trust. “We are always looking at the big picture. How does this fit with other issues? For our clients that's important.” Decisions about rollovers and employer retirement plans are areas that deserve professional attention.



## North Dakota expands tax credits for charitable gifts

Now, you can have greater impact on the causes closest to your heart. A North Dakota resident who donates \$5,000-\$10,000 to a qualified N.D. endowment may be eligible for a 40% tax credit. A couple can donate up to \$20,000.

In addition to the tax credits, this legislation:

- Promotes philanthropic giving in North Dakota
- Preserves long-term sustainability for nonprofit organizations
- Under certain circumstances, includes planned gifts such as charitable trusts and charitable gift annuities

If you're considering a gift to a ND charity, Heartland Trust will work with you and your accountant to find the best way to meet your philanthropic goals and benefit from the available tax credits.

## Heartland Trust Happenings

- Doug Melby attended the semi-annual Federal Reserve Bank Advisory Council meeting held April 2011 in Minneapolis.
- Steve Halverson attended the annual MOKAN Midwest Trust & Financial Services Conference held May 2011 in Kansas City.
- Denise Lies and Doug Melby attended Sunguard Relis 401(k) workshop held May 2011 in Minneapolis.
- Heartland Trust hosted its Annual Golf Outing May 2011 at Pelican Lake.
- Heartland Trust sponsored Youth Entrepreneurship Academy at the NDSU Research & Technology Park June 2011.

## Our apologies...

The last issue of our newsletter had some wires crossed. In the final step of the process, names and addresses are printed. The printing company mismatched many of the names with the wrong address. Thanks for understanding.



## Meet Doug Melby

Doug Melby has the heart of a teacher and the traits of a leader. He incorporates those qualities as he guides his clients in retirement planning, investment strategies and other financial services.

Doug joined us last summer as part of the Heartland plan to bring in the right mix of character, business acumen and professional experience to service Heartland Trust clients. Doug meets all those criteria with a background that includes:

- Degrees in political science and economics from the University of Minnesota
- Retail business ownership
- Graduate studies at University of North Dakota
- Administrative leadership at the N.D. Department of Human Services
- Financial advising at a national brokerage firm
- Teaching about investment strategy at the university level

A Fargo native, Doug and his wife, Beth, currently live in Hillsboro where he is active in service clubs, his church, the Hillsboro Medical Center's Board of Trustees and the Economic Development Corporation Board. He recently joined our Investment Committee and Trust Committee and was appointed to the Minneapolis Federal Reserve Bank Advisory Council on Small Business and Labor.

Help us make Doug feel welcome. He'll definitely make you feel that way.

## Market Perspective

Fear-provoking news of inflation, higher interest rates and unemployment top the headlines. And it's not surprising, those three economic indicators travel in tandem.

Ironically, the problem with inflation is that there's been too little of it. Even though you see inflated prices on things like gas and groceries, overall prices have declined. For example, when a house sells now for \$100,000 less than it did a few years ago, value is removed from the economy. And so it goes with electronics and a long list of other items.

A healthy economy averages a 2% inflation rate, according to the Federal Reserve. One way to get there is to decrease interest rates. When rates are low, people buy things for which they borrow money—things like cars, houses, business expansion, etc. Those big-ticket purchases create increased demand for goods, which in turn creates jobs and price increases.

The question is, how does this cycle affect your investments? Increasing demand and higher prices should translate into corporate profits and higher stock prices. That's good news if you're in the stock market. Eventually interest rates will rise and that's good news for those who rely on interest income.

It has been a slow process because of the breadth of the financial meltdown, but we anticipate signs of a gradual, upward drift in interest rates beginning this autumn. We'll all be watching.

## Neil and Nancy Jordheim are on their way to Norway!



Weddings are always exciting, but when they take place in the native land of your ancestors, the excitement is even greater. On June 18, Erik Jordheim, son of our colleague Neil and his wife Nancy, will marry Norwegian native Lena Leinig.

The couple met while teaching together at an international school in Stavanger, Norway. They'll exchange vows in the small town of Granvin surrounded by

Neil, Nancy and several other family members who've decided to make the trip. Post-wedding plans include connecting with Norwegian relatives at the Jordheim family farm in Hemsedal.

An open house for the newlyweds is being planned for December at the Hjemkomst Center in Moorhead.