WORTH MAGAZINE · W · ESTABLISHED 1992

MAKE
The Power of Partners: Why some partnerships survive and succeed—and some never last.

GROW
Year in Review: 10 steps to financial recovery in 2010. Also: How to buy a sports team.

LIVE
The best hospitals for heart surgery. Plus: Vaccines customized for your DNA.

Worth®

THE EVOLUTION OF FINANCIAL INTELLIGENCE

WORTH.COM

03

VOLUME 18 | EDITION 03

Christenson Wealth Management LLC
Jeff Christenson, President

"As state budget troubles worsen, what is next for munis?"

By Jeff Christenson

A new crisis, that has not yet been addressed, exists within state and municipal budgets. According to the Center on Budget and Policy Priorities in Washington, D.C., an unprecedented level of state fiscal problems have been brought on by the worst decline in tax receipts in decades, and these revenue declines show no signs of letting up. At least 48 states are addressing budget shortfalls, totaling $168 billion for fiscal year 2010, and an unusual number of these states were still struggling to adopt a budget for fiscal year 2010, months after the July 1 start date.

These fiscal problems are expected to continue into fiscal year 2011 and likely beyond. At least 36 states anticipate significant deficits for fiscal year 2011, and these shortfalls are estimated at an additional $180 billion. Combine the shortfalls for the 2010 budget and those estimated for 2011, and the estimated total is at least $350 billion.

Unemployment, which peaked after the last recession at 6.3 percent, has already exceeded 10 percent, and many economists expect it to continue to go higher. This continued rise in unemployment would further reduce state income tax receipts, thereby significantly increasing demand for Medicaid and other state-provided services. Also, sales tax receipts have fallen more severely than during the previous recession due to a reduction in the consumer's access to sufficient lines of credit. This reduction in state revenue has forced states to implement a combination of spending cuts, withdrawals from reserves and use of federal stimulus dollars. When combined with falling property tax receipts caused by rising residential and commercial delinquencies and defaults, state and municipal revenues may continue to decline for some time.

Although we see a high level of risk in the municipal bond markets, with equity markets rallying, municipal bonds trading at premiums, and more cash moving off of the sidelines and into the markets each day, market conditions may stay positive through early next year. Investors who cannot afford to lose their current unrealized gains from the recent rally should be cautious and mindful of the increased risk to capital and strongly consider moving out of municipal bonds.

During last year's financial crisis, municipal bond prices fell by an average of 20 percent. The current rally has led to a recovery in pricing, with many municipal bonds again trading at premiums. This recovery in pricing is concerning, given the increasing budget shortfalls and the most extensive expense cuts by states and municipalities in history. Considering the relatively low yield of most municipal bonds, the ratio of risk to reward seems out of balance. In fact, this may be one of the greatest selling opportunities in history.

Source: Center on Budget and Policy Priorities, "New Fiscal Year Brings No Relief From Unprecedented State Budget Problems," September 3, 2009. Full report: www.cbopp.org/cms/?fa=view&id=711

The views are those of Jeff Christenson and should not be construed as investment advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. Past performance does not guarantee future results.

THE POWER OF A "DEEP BENCH"

For wealthy individuals and families, it is important to have a team of advisors that you trust and that is equipped to handle the complexities that wealth creates. Equally important is the need for your team of advisors to work well and communicate with one another in an effective manner to ensure that each member is on the same page and working toward the same goal. In order to provide our clients with the highest level of service possible, we have partnered with a best-of-class group of advisors specializing in providing counsel and solutions to successful individuals, families and businesses. This team's area of expertise includes:

- Estate planning for the exceptionally wealthy
- Business valuation and succession planning
- Executive compensation
- Life insurance
- Investments
- Asset protection

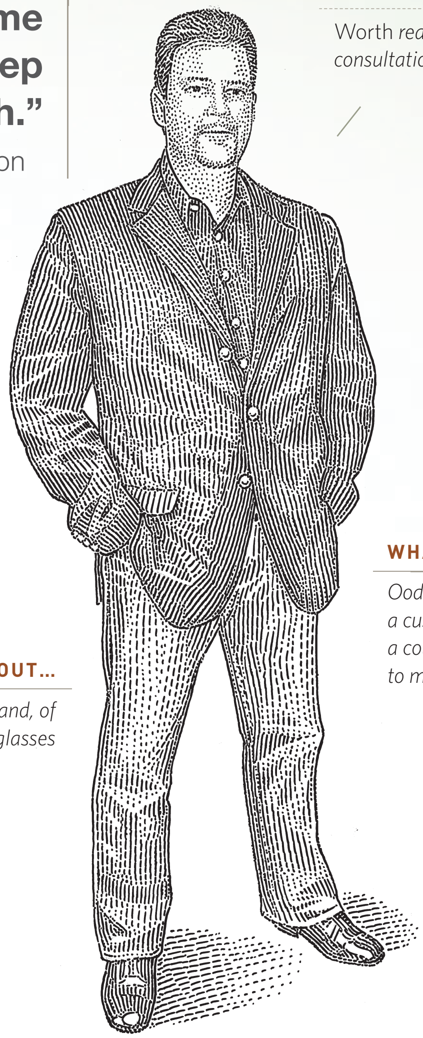
Securities and advisory services are offered through Multi-Financial Securities Corporation, member FINRA, SIPC. Christenson Wealth Management is not affiliated with Multi-Financial Securities Corporation.

"Our clients don't come to us to make them rich. They come to us to help keep them rich."

– Jeff Christenson

How to reach Jeff Christenson

Worth readers may schedule a complimentary consultation with Jeff by calling 602.808.5580.



MY HOBBIES ARE…

My beautiful children and wife, travel and music; I play several instruments and have a band called the All-Star Garage Band

WHAT'S ON MY DESK…

Oodles of family photos and kids' art, a custom humidor, financial reports, a couple dozen music CDs to transfer to my iPod and business magazines

I NEVER LEAVE HOME WITHOUT…

BlackBerry, iPod, a sense of humor and, of course in Arizona, sunglasses

About Jeff Christenson

Jeff Christenson is a Phoenix-based financial advisor with more than 15 years of high-level industry experience. He is the president/founder of Christenson Wealth Management, a private wealth management firm that deals exclusively with high net worth individuals and families. His clients primarily include successful business owners, entrepreneurs, entertainers and real estate professionals. Mr. Christenson is also the president/founder of the Wealthy 100, a national network of independent wealth managers. In this capacity, he provides practice management, technical and business-development coaching to the Wealthy 100 affiliate advisors. Mr. Christenson and his wife, Sharon, live in Paradise Valley, Ariz., with their two small children.

Assets Under Management
Confidential

Minimum Fee for Initial Meeting
None required

Minimum Net Worth Requirement
$5 million

Largest Client Net Worth
$400 million

Financial Services Experience
15 years

Compensation Method
Asset-based fees and commissions (investment and insurance products)

Primary Custodian for Investor Assets
Pershing LLC

Professional Services Provided Planning, investment advisory, money management services and asset protection

Association Memberships
FPA

Website
www.habitsofwealth.com

Email
jeff@habitsofwealth.com

Christenson Wealth Management LLC | 2575 East Camelback Road, Suite 700, Phoenix, AZ 85016 | 602.808.5580

Jeff Christenson

President

Christenson Wealth Management
2555 East Camelback Road
Suite 780
Phoenix, AZ 85016
Tel. 602.808.5580

jeff@habitsofwealth.com
www.habitsofwealth.com

CHRISTENSON
WEALTH MANAGEMENT, LLC

REPRINTED FROM

Worth®

THE EVOLUTION OF FINANCIAL INTELLIGENCE

Christenson Wealth Management is featured in *Worth*® 2012 Leading Wealth Advisors™, a special section in every edition of *Worth*® magazine. All persons and firms appearing in this section have completed questionnaires, have been vetted by an advisory group following submission by *Worth*®, and thereafter paid the standard fees to *Worth*® to be featured in this section. The information contained herein is for informational purposes, and although the list of advisors presented in this section is drawn from sources believed to be reliable and independently reviewed, the accuracy or completeness of this information is not guaranteed. No person or firm listed in this section should be construed as an endorsement by *Worth*®, and *Worth*® will not be responsible for the performance, acts or omissions of any such advisor. It should not be assumed that the past performance of any advisors featured in this special section will equal or be an indicator of future performance. *Worth*®, a Sandow Media publication, is a financial publisher and does not recommend or endorse investment, legal or tax advisors, investment strategies or particular investments. Those seeking specific investment advice should consider a qualified and licensed investment professional. *Worth*® is a registered trademark of Sandow Media LLC. See "About Us" for additional program details at http://www.worth.com/index.php/about-worth.