



*“Preserving the Past while Building the Future.”*



*Celebrating 127 Years of Service*

*A note from the Siewers Family...*

*Happy New Year!*

All of us at Siewers Lumber & Millwork hope you and your family had a wonderful holiday season and are now looking forward to 2012 with great enthusiasm!

As a way of giving back to the larger Richmond community during the upcoming year, Siewers Lumber & Millwork will partner with Richmond’s First Baptist Church to sponsor several meals through “Grace Fellowship,” a community service ministry at the church. Siewers recently provided such a meal. With many of our co-workers present, we served a hot meal and shared in a time of food and fellowship with some of our community’s homeless and disadvantaged people. Certainly, it was an eye-opening experience, and afforded us all the opportunity to pause and appreciate the blessings in our own lives. As a part of this on-going community effort we look forward to the opportunity to participate again later in the year.

Something new to our news letters will be a "Made in America" section. We are excited about this and hope you enjoy the articles.

Past election years usually boost the economy and we are very hopeful that this year is going to bring more business to our industry. Hoping 2012 is your best year yet!

*-The Siewers Family*

### *Economy News*

#### *What could happen to all these tax breaks?*

In some cases, Congress may extend them – but they just haven't gotten around to it or they can't agree on what should be included in a proposed law. So on some tax breaks, there is a good chance that preferential tax treatment will be retained or extended, even retroactively after the new year.

*Reduced Social Security Tax Rate:* For 2011, the withholding rate for employee's share of the SS tax was temporarily reduced by 2%, from the usual 6.2% to only 4.2%. For self employed individuals, the SS tax component is also temporarily reduced by 2%.

*Zero Percent Tax Rate on Future Gains from Qualified Small Business Stock:* For the calendar year of 2011, a 100 % federal gain exclusion break is potentially available. That equates to a 0% federal income tax rate on future profits from selling shares down the road. You must hold the stock for more than 5 years to be eligible. Also C corporation shareholders are ineligible.

*For the complete list, contact your accountant..*

#### *Housing Market Predictions for 2012*

While we're not out of the woods yet, as we end the year it is clear that the nation's real estate balance sheet is slowly turning around.

The unemployment dropped to 8.6% and the U-6 measure of unemployment fell below 16% for the first time since the Great Recession started.

The November Fannie Mae National Housing Survey found that homeowners believe that their home value will rise 2% over the next year. This is the first time in 6 months that home price expectations moved from negative to positive territory.

Another boost to the housing market is that mortgage interest rates remain under 4% for a 30 year fixed-rate mortgage. These interest rates are bouncing around at a historic low level, saving homeowners who can refinance hundreds or thousands of dollars per year.

Looking forward, the biggest indication that the housing market might begin to normalize is that the number of homeowners who are seriously delinquent in their loan payments is shrinking. *This article is from [www.cbsnews.com](http://www.cbsnews.com) December 7, 2011.*

#### *In other predictions*

NAHB predicts that single family construction will increase by 7%, multifamily by 17% and commercial building by 8%.

Former President Bill Clinton speaking in Las Vegas on January 7<sup>th</sup>, 2012 stated that the quick fix to the economy problem, “Is as simple as fixing the mortgage business, cleaning up banks’ books and letting them start loaning again.”

### *Contractor issues in the news....*

#### *Energy Performance Label for Homes Proposed*

The EPS (Energy Performance Score) is a miles-per-gallon-style rating system for homes that allows buyers to compare estimated annual energy costs and energy consumption among different homes. It also provides an incentive for homeowners to undertake energy upgrades. Currently more than 1,900 homes have been rated in the Northwest, and pilot programs are underway in Massachusetts, Virginia and Alabama. The EPS offers energy efficiency metric for appraisers, lenders, insurers and other sectors providing services for the home industry. *Article found in the August 2011 Qualified Remodeler.*

#### *Effective Cash Flow Management*

A common problem affecting small businesses is cash flow. If you are expanding or even doing less business, it will be a major factor. It is common to find that even though successful companies made money in the preceding year, they still don't have sufficient capital to pay their bills on time, pay adequate compensation to the owner or expand their business.

Here are simple, effective methods to correct this:

1. *Decrease your “turn time.”* This is the amount of time it takes you to complete & collect payment for a contract once it has been approved. For example, if a contract takes 6 weeks to complete, you have 8 turns per year (48 weeks\* divided by 6 equals 8 turns). The more times you can turn your money in a year reduces the amount of cash necessary to operate your business. (\*52 weeks less lost time and holidays)
2. *Pay your bills on time and ask for a discount for prompt payments.* A 2% discount for prompt payment on the 10<sup>th</sup> of each month will earn you 37% when compounded annually. You could borrow money at 6 to 8% to pay bills on time, and that loan would earn you big dollars in return.

*Each month we will include additional suggestions to help your cash-flow management.*

**Note:** Some websites are time sensitive. If you have any problems opening the site or you wish to recommend an idea for a future story contact [Lauren Fields](#) at 358-2103.

*New to you....*



*Made in the USA!*

There is a movement among builders in the U.S. that are only using American made products in their new homes. This was featured on the ABC Evening News with Diane Sawyer; the segment highlights a builder in Bozeman, Montana who is building a new home with only American made products. All of the products used to build the house were manufactured from 33 different states. The segment claims that if every builder in the U.S. purchased 5% more American made building products, this slight increase would create approximately 220,000 new jobs. The builders have accumulated and are circulating a growing list of over 20 pages listing these American made products.

The “Made in America Challenge” is encouraging builders across the U.S. to purchase American made products to help our economy and produce more jobs. At Siewers’, a majority of our building materials and lumber are locally produced in America. Our “Framers Series” framing lumber is grown and manufactured in North Carolina. The yellow pine, Douglas fir and Ponderosa pine mouldings and trims are all domestically produced as well. To further see this news segment from ABC news, see the following [http://cdnapi.kaltura.com/index.php/kwidget/wid/0\\_04vzdsr5/uiconf\\_id/5590821](http://cdnapi.kaltura.com/index.php/kwidget/wid/0_04vzdsr5/uiconf_id/5590821).

*You see the glass as half empty.*

Looking on the bright side isn’t just about improving your mental state; it’s also a boon to your heart. In a groundbreaking 2009 issue of the American Heart Association journal Circulation, researchers found that not only did optimism seem to protect against heart disease and death but also that pessimism seemed to increase the risk. Furthermore, subjects with the highest degree of hostility and cynicism were also more likely to die from all causes than those who had more upbeat attitudes. Pessimists were more likely than optimists to have diabetes, high blood pressure, high cholesterol and suffer from depression (which has also been linked to poor heart health). Cynics are also more likely to be overweight, smoke and avoid exercise. All reasons to start focusing on what’s good in life, right?

*Quick Contractor Tip*

To start each project with a perfectly clean bench top, I use a roll of kraft paper, a knife and a stapler. Roll out and cut the paper so that it overhangs the bench on all sides by 3 to 6 inches (for a wider bench, join two overlapping sheets with masking tape). To fasten the paper, fold the corners into triangles on the ends, like wrapping a present, and staple the folds in place. A side benefit is that you can write notes and measurements on your bench top. Mike Wittenstein, Marietta, GA

**How would you like to be published in a future issue of Siewers Newsletter?** Be sure it is a quick tip that can help another contractor and one that is simple to understand (“Even I need to understand it!”) It also must be economical to create. Submit your tips to [laurenf@siewers.com](mailto:laurenf@siewers.com) or in person.

**2012 Mental Feng Shui**

**Start 2012 with a few Lotus Touts, that can help you kick off the new year with some good Karma:**

- **Give people more than they expect and do it cheerfully.**
- **Don’t believe all you hear, spend all you have or sleep all you want.**
- **When you say “I’m sorry”, look the person in the eye.**
- **In disagreements, fight fairly. No name calling.**
- **Don’t judge people by their relatives.**
- **When you lose, don’t lose the lesson.**
- **Remember the three R’s: Respect for yourself, respect for others; and responsibility for all your actions.**

**Feng Shui is the Chinese system of geomancy believed to use the laws of both Heaven and Earth to help one improve life.**



**Economy Snap Shot**.....

	<u>Unemployment Rate – Entire U.S.</u>	<u>Consumer Confidence (Indexed to value of 100 in 1985)</u>	<u>Total Housing Starts /Seasonally Adjusted Annual Rate</u>
December 2011	8.5%	64.5	657,000
Prior Month –November 2011	8.6 %	55.2	685,000
Prior Year – December 2010	9.4%	63.4	526,000
	<u>Gallon (\$) Of Gas</u>	<u>Existing Home Sales (SAAR)</u>	
December 30, 2011	\$3.28	N/A	
Prior Month – November 2011	\$3.29	4,420,000	
Prior Year – December 2010	\$3.07	4,450.000	

**Market Summary**

	<b>8:30 A.M.</b>	<b>Beg. Of Year</b>	<b>Year Ago</b>
	<u>January 19, 2012</u>	<u>1/01/12</u>	<u>1/1/11</u>
DOW	12,579	12,217	11,577
NASDAQ	2,770	2,605	2,653
S&P 500	1,308	1,257	1,257

Company Mission

To operate and maintain a genuine state-of-the-art lumberyard and mill for Richmond remodelers, with service that is second to none.



**“Intelligence is something we are born with. Thinking is a skill that must be learned.” Edward de Bono**

**Siewers Lumber & Millwork  
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**Visit our website for product and general information.  
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**Hours:  
Monday – Friday  
7:30 a.m. – 4:30 p.m.**