

JANUARY NEWSLETTER

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The Holiday Effect on Our Economy

We all look forward to the holidays. It brings family and friends together and it also gives us an idea of where our economy lies. Leading retailers reported that holiday and post-holiday sale figures came in lower than expected. It appears the real estate correction, the mortgage implosion, and the credit crunch have affected the economy drastically.

Some of the harder hit retailers include Limited Brands Inc., Ann Taylor Corp, and department chains such as Macy's and Nordstrom's. There were a few positive sale records from low-cost retailers such as Wal-Mart.

It was clear the slowing economy encouraged holiday shoppers to be more frugal, which may lead to an even weaker economy. "A growing concern for retailers — and, in turn, their suppliers — is the weakening of the job market, which had helped prop up spending for most of 2007" according to The Associated Press.

So what is the answer to a weakening economy? To a flailing real estate market? To increased levels of unemployment? Is the answer to lower interest rates as we've done in the past? Or do we need to find a different solution that will really make a difference?



Best Photo of January 2008

Seminars are still being scheduled for the months to come. We'll keep you posted with our updates!

Nordstrom, the Retail Leader in Customer Service

Superior customer service is one of our top priorities at Simpluxe. So we feel compelled to share the story when we hear of others dedicated to providing unique and stellar service as well :



NORDSTROM

It was Christmas 2006 — the stores were bustling and the holiday spirit was in the air. I walked into a Nordstrom and fell in love with their holiday display. A beautiful trio of tiered Christmas trees, burgundy ornaments, silver garlands, and the most beautiful strings of white, delicate Christmas lights.

The lights caught my attention immediately. It had the most unique and delicate sparkle to them. I rushed to customer service to ask if they sold the lights. To my dismay they did not but they took down my contact information in the case they could find it — but why would they bother? I left disappointed, I knew I would get no answer.

To my surprise three days later I received a package in the mail from none other than Nordstrom. Inside I found a package of the lights, free of charge. I was ecstatic and extremely impressed! They did spend money just to make me happy! Now that is not only holiday spirit, that is top-notch customer service.

Conserving Water for Everyone

Water conservation has become an increasingly critical issue as we are facing global warming and diminishing levels of rain. Though the Bay Area we are fortunate in that the weather still brings us a sufficient amount of , other areas have not been as lucky.

Times like these show us that we can all come together as a community and as a people and conserve water for us all.

Some suggested ways?

- = Do full loads of laundry
- = Do full loads of dishes
- = Turn off the water when not in use, i.e. while brushing teeth, while washing dishes by hand
- = Grow hardier plants that do not require as much water
- = Install more water-efficient toilets
- = Repair leaks in the house
- = Water plants in the morning

The Year of Mortgage Industry Losses

It was no surprise that employment opportunities in the real estate and mortgage-related industries boomed as the real estate market boomed. Now that it has all taken a downturn so have tens of thousands of jobs.

2007 witnessed the loss of 86,000 jobs in just the mortgage industry alone. Countrywide, the nation's largest private lenders, shed the most employees by the end of 2007. California is where it was hardest hit. Many mortgage lenders had been headquartered and established in California. Almost 16,000 mortgage-related jobs were lost in California alone.

Although it is predicted that the job loss of mortgage employees will slow in 2008 it is not predicted to stop. The real estate market is still going through some difficult and tumultuous times, which will most likely only lead towards more uncertainty, less profitability, and more job losses.

With employment losses, an economic downturn, does this mean an upcoming recession for America?

What is a recession? A recession is defined as a decline in a country's economic growth for two or more consecutive quarters , which is equivalent to six or more months. This is where the opinions of professional researchers, financial advisors, and forecasting clash. Some say we are quickly heading towards a recession with increasing job losses and stagnant if not a dip in national growth. Others advise us to stay calm, they do not see such a bleak future.

The month of January may give us a bit more insight as to which side to take. Be wary of an upcoming economic downturn? Or spend wisely but do not fear? Stay tuned as we keep you posted in our February newsletter.

“Remember to” Check your Insulation

We have all heard the commercials and the wise words to check our insulation — make sure our heat isn't leaking out of the house and our energy isn't being wasted in the cracks. But how many of us actually do it?

Take the initiative this winter and have your insulation and your home checked to see what you could be doing to better care for your home, your family, and your environment.

- Do you have an attic? Consider adding an extra layer of insulation, especially if the home is an older home that may have more inefficient and less useful insulation installed.
- Check for cracks and crevices in your home. Don't forget to check around windows,

Doors, air conditioners, heaters, and any place that you may feel a draft.

- Take a look at the pipes that run through your home — they can sap the warmth from your home. If you can and it is not hazardous, consider insulating the pipes.
- If there are any cracks, crevices, or holes you can use caulking or weather stripping to patch up the holes and successfully insulate your home.
- Tip : Use something that emits smoke or incense and bring it with you around the house to find cracks and crevices easier. When you get near them the smoke will move towards the holes.

Good luck!