

Your Money Your Future

Retirement planning strategies and personal finance tips from HealthSHARE – administrators of your THA Retirement Plan.

Texas Hospital Association Retirement Plan
Fall 2009



Quarterly Update

2009 Update – Third Quarter

Capital Markets Update

In the third quarter of 2009, the markets continued to recover as investors' expectations rose. September marked the seventh straight month of gains. The S&P 500 rose 58 percent from its low on March 9, 2009, though it remained below its peak on Oct. 9, 2007. Led by small-cap stocks, all domestic equity classes posted significant gains for the quarter. Global markets were very strong, with every major sector and almost all regional markets surging into double-digit territory. The recession is still affecting job markets, however, making steady employment hard to find. Home mortgage rates continue to be very low as the Federal Reserve does its part by keeping its interest rate near 0 percent. Fixed income investors also were rewarded with the Barclays Capital Aggregate Bond Index rising 3.74 percent for the quarter.

Master Trust Update

The third quarter gains were beneficial for the master trust's balanced portfolio. Market gains of 12.57 percent pushed the trust's year-to-date performance to 17.47 percent. The overall asset base is allocated among large-cap stocks, small-cap stocks, foreign stocks and fixed income/cash equivalents. Assets were almost \$380 million at the end of the quarter.

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THA Retirement Plan Celebrates 40 Years!

In 1969, Apollo 11 landed the first humans on the moon and 500,000 people gathered at a farm in New York for Woodstock. The Dow Jones Industrial Average closed at 800, and mutual funds were just coming into vogue.

Today, NASA is collaborating on the International Space Station, and various music festivals tour the nation each year. The Dow is hovering around 10,000, and Americans have more than \$9 trillion invested in mutual funds.

And the THA Retirement Plan is celebrating its 40th anniversary.

Established in 1969, the THA Retirement Plan is one of the largest trade association-sponsored retirement programs in the United States with more than 17,000 employee participants. It provides retirement benefits solely for Texas hospitals and health care organizations.

"Throughout its 40 years, the THA Retirement Plan has seen superior long-term performance achieved by taking prudent risks and careful adherence to investment policies and objectives," said Fred Hamilton, vice president of retirement and employee benefits at HealthSHARE, which is the plan administrator. "It's never easy to predict what the market will do, but the THA Retirement Plan has consistently achieved good results for its participants."

Some 1,400 hospital retirees currently enjoy monthly incomes through their THA Retirement Plan accounts, and the plan manages more than \$15 million in annual contributions. ■



New THA Retirement Plan Web Site

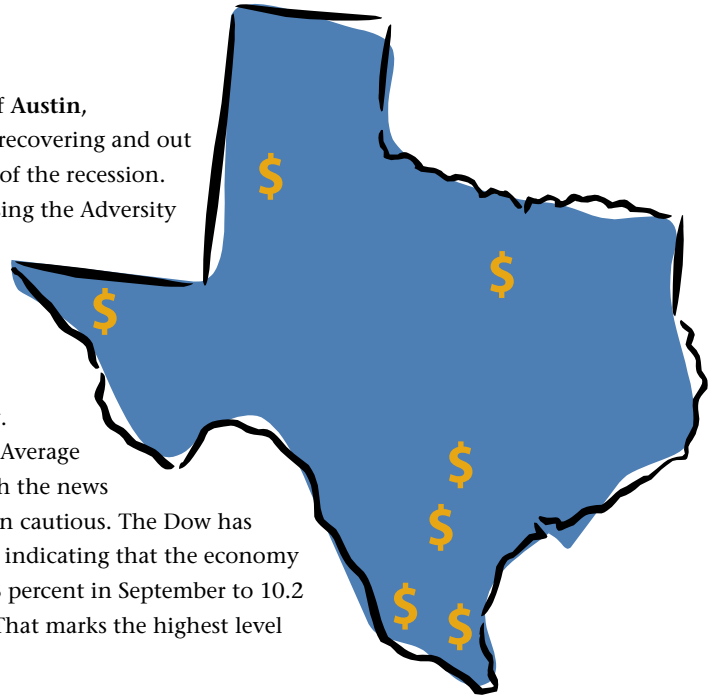
The THA Retirement plan Web site has moved! To read about the plan benefits, learn about the management team and check out quarterly reports, go to www.healthshare-tha.com/tharetirementplan.

Seven Texas Metro Areas Declared Out of Recession

According to Moody's Economy.com and msnbc.com, the metro areas of **Austin, Brownsville, Dallas, El Paso, Lubbock, McAllen** and **San Antonio** are recovering and out of the recession. A total of 79 metro areas nationwide were declared out of the recession.

Moody's Economy.com and msnbc.com made the determination using the Adversity Index, which examines data on employment, industrial production, housing starts and home prices to label each state or metro area as expanding, at risk of recession, in recession or recovering. August was the first month in which the index found that any of the nation's 384 metro areas had moved into recovery mode. In 15 states, including California, Florida and New York, no metro area was declared recovering.

This announcement came on the heels of the Dow Jones Industrial Average hitting 10,000 on Oct. 14 for the first time in more than a year. Although the news helped lift investor spirits, many analysts are urging consumers to remain cautious. The Dow has slipped back under that milestone and then back over it since that time, indicating that the economy hasn't stabilized yet. Furthermore, the unemployment rate rose from 9.8 percent in September to 10.2 percent in October; economists had forecast an increase to 9.9 percent. That marks the highest level since April 1983. **S**



Quarterly Update continued from page 1

Participant-Directed Program Update

The third quarter was spectacular for the participant-directed program as well. All 18 funds experienced significant gains, with the domestic equity funds each gaining an average of almost 18 percent for the quarter and more than 25 percent year-to-date. The international funds continued on record-setting pace, returning an average of more than 52 percent for the year. Overall, the funds enjoyed an average 4-star rating, with several achieving the highest 5-star rating. Fixed income investment fund options continued to provide havens for safety-minded investors. The best-performing bond fund gained more than 16 percent for the year. Total trust assets were more than \$41 million.

The THA Retirement Plan will hold its next board meeting on Nov. 19, 2009, at the Texas Hospital Association headquarters building at 1108 Lavaca St. in Austin. For more information, please contact Fred Hamilton at fhamilton@tha.org or 512/465-1082. Visit www.healthshare-tha.com/tharetirementplan for additional information about the THA Retirement Plan. **S**

Capital Market Returns – Third Quarter 2009 (YTD)

S&P 500 Index 15.61 percent (19.26 percent)	MSCI EAFE Index 19.47 percent (28.97 percent)
Russell 1000 Index 16.07 percent (21.08 percent)	Barclays Capital Aggregate Bond Index 3.74 percent (1.90 percent)
NASDAQ Index 15.91 percent (35.59 percent)	90-Day U.S Treasury Bills +0.04 percent (5.72 percent)
Russell 2000 Index 19.28 percent (22.43 percent)	Federal Reserve Rate 0-.25 percent

THA Retirement Plan	3Q09	YTD	3 Years	5 Years	10 Years
Master Trust	12.57 percent	17.47 percent	-1.36 percent	3.26 percent	2.92 percent
*Custom Benchmarks	13.49 percent	17.63 percent	-1.82 percent	3.10 percent	2.87 percent

**Combined Indices: S&P 500, Russell 2000, MSCI EAFE and Barclays Capital Aggregate Bond*

Fliers Find Relief in Holiday Air Fares

Amid the confusing news surrounding the economy, there's one silver lining: lower air fares. Holiday air fares have run up to 15 percent lower than last year, according to industry experts.

Lower oil prices have helped airlines offer cheaper tickets to passengers this holiday season. Perhaps the main factor in the falling fares, however, is the decline in business travel, which means airlines are offering more competitive rates to try to attract customers.

Airlines have been struggling recently. According to the Air Transport Association, airline passenger revenue fell 19 percent in September year-to-year. The association blamed the decline on lower air fares, noting that the average price to fly one mile fell 18 percent in September, compared with a year ago.

Even with the overall lower fares, however, you must pick your dates wisely when you fly. Recently, U.S. Airways, American Airlines, United Airlines, Continental Airlines and Delta Air Lines added a \$10 surcharge to holiday flights. These include flights on the Sunday after Thanksgiving (Nov. 29), Jan. 2 and Jan. 3.

Although it's difficult to know when to find the best air fare, signing up for free fare alerts from such Web sites as AirfareWatchdog (www.airfarewatchdog.com), Cheapflights (www.cheapflights.com) and FareCompare (www.farecompare.com) can help keep travelers informed as prices fluctuate. **S**

Giving Thanks for Big Savings

From football games to parades, the holidays are all about traditions. Unfortunately, racking up a sizeable grocery bill for the big meal also has become a tradition. The below tips will help you prepare a memorable holiday meal without doing too much damage to your budget.

- **Host a potluck.** Instead of breaking the bank by making a turkey or ham and stuffing and sweet potatoes and green bean casserole and pie, divvy up the duties among friends and family members and invite everyone over for a potluck. Not only will you save a little money, but also you'll see a little more variety on the table and get to try some new recipes.
- **Limit the number of dishes you serve.** If you decide to fly solo and cook everything yourself, don't overburden your wallet or your sanity by making too many dishes. Limit them to what you and your family will eat that day – you'll help prevent wasting food as well.
- **Plan your shopping.** Grocery stores often put popular holiday items on sale in the weeks leading up to the holidays, so keep your eyes out for their advertisements and stock up accordingly. On the other hand, stores sometimes mark up the price of turkeys as the holidays approach, so you may want to buy a frozen turkey during the off-season when the price is a little lower.
- **Make foods from scratch.** Making pie crusts from ingredients you already have in your pantry may take a little more time, but the amount of money you can save is worth the effort. The same goes for broths and stuffing. Don't forget you can always make a pumpkin pie from a real pumpkin instead of from canned pumpkin as well – that would save you money and impress your guests at the same time. **S**

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Healthy, Wealthy and Wise



Picking the Best Fall Produce

It's always cheaper to buy produce when it's in season, and fall has plenty to offer. Whether you want to eat a crunchy, raw piece of fruit or curl up in front of the fireplace with a big bowl of vegetable soup, fall produce is sure to please.

Perhaps the most popular fall fruit is the apple. Apples are a great source of fiber, vitamin C and potassium, and they're versatile and easy to use in salads and desserts. When choosing apples, pick ones that are vibrant and have smooth, shiny skin; avoid the ones that look bruised. Cranberries are another popular fall fruit (which is quite convenient come Thanksgiving Day). They also are rich in vitamin C, which helps enhance the immune system and aids in calcium absorption. Fresh cranberries should be firm, shiny and plump.

Two of the more popular fall vegetables – which also often are seen on the table come Thanksgiving Day – are squash and sweet potatoes. Butternut squash is perhaps the most popular of the winter squash varieties due to its sweet, nutty taste. When picking out squash, look for ones that feel solid and do not give when pressed hard. Butternut squash should have a good-sized neck and a smaller bottom – this will give you more for bang for your buck because the neck is where the solid flesh is. Although sweet potatoes are sometimes referred to as yams, they are not the same vegetable. When choosing sweet potatoes, choose firm ones with unblemished skin; avoid any that have wrinkled skin or are beginning to sprout. **S**




Four Financial Documents You Should Have


Let's face it: it's not fun to imagine unforeseen events such as your death or a major illness, much less plan for them. It is, however, necessary to do so in order to take care of your loved ones. Whether single or married, everyone should seek the advice of an estate attorney to make sure the following papers




are in order in the unfortunate case they are needed. Depending on your particular circumstances, other documents, such as a living trust, may be useful as well.

- **A will.** This is not simply a piece of paper saying who gets what when you die. It does stipulate that, but it also lets you choose who becomes the guardian of your children and the keeper of your pets. Even if you have no children and you think you don't need a will, you do. Many people think that when you die, everything goes to your spouse. This is not necessarily true; if you die without a will, your estate will be distributed according to state law. In Texas, for example, this means your spouse may have to split your assets with other family members.
- **A living will.** This type of advance directive, also called a directive to physicians, describes the kind of medical or life-sustaining treatments you would or would not want if you are qualified as experiencing a terminal condition. If you are in an accident and left in a terminal, vegetative state, for example, a living will helps ease the burden on your family members by specifying whether you want to be kept alive on a respirator. For more information on advance directives, go to www.tha.org/GeneralPublic/AdvanceDirectives/index.asp.
- **A medical power of attorney for health care.** Another type of advance directive, this document helps you control your health care when you become qualified by a physician as incompetent and unable to understand or make health care decisions. Your agent (the person you designate in the document to make decisions for you) then will have the power to decide treatments you should have based on your wishes. You do not have to be experiencing a terminal condition for this advance directive to become effective.
- **A durable power of attorney.** This document is similar to a medical power of attorney for health care, only it specifies who will be in control of your finances and property should you become incapacitated. 

Worthy Web Sites



The Pudding Index

Unsure if you're on the right track with your retirement savings? The Pudding Index (www.puddingindex.com) can help. Simply enter in your date of birth, gender, annual income and defined contribution account balances (e.g., the total of your THA Retirement Plan savings and any IRAs you may have) to receive your Pudding Score, a measure of how your current amount of retirement savings compares to the amount the benchmark account says someone your age and pay should have accumulated by now. Scores of 100 or more say you are ahead of the index at this point in time, and scores below 100 say you lag behind the index's pace. Of course, it's always best to consult with a professional financial advisor for a more accurate personalized report, but the Pudding Index provides a quick and easy way to gauge your progress on your journey to retirement. 

THA Retirement Plan

The THA Retirement Plan, sponsored by the Texas Hospital Association, provides retirement benefits for more than 15,000 health care employees in Texas. The plan is governed by a board of Successor Trustees, which makes investment decisions on behalf of the plan's participants, and is administered by HealthSHARE, a wholly owned subsidiary of THA. www.healthshare-tha.com/tharetirementplan

Your Money Your Future

Your Money Your Future is published quarterly by HealthSHARE for participants in the THA Retirement Plan. Because each person's financial and retirement circumstances are different, you should consult with a financial planning professional before implementing any ideas found in this newsletter. For specific information on your participation in the THA Retirement Plan, contact your human resources department.

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