

• Firm Update by Jim Steffen, CFP®, President



It is -26 degrees outside as I write this from our family cabin in NW Wisconsin. Too cold to XC ski...the dogs don't even want to go outside! But as I sit by a roaring fire, it's a good time to reflect on the year that has just ended. 2013 will go down as a record year for Trott Brook. We are blessed with amazing clients

that make it fun to come to work every day. Twenty-two families joined our Trott Brook family this past year...thank you to those that provided the introductions. One of the best parts of my job is meeting new people, making new friends and hopefully making a difference in their financial lives along the way.

The build-out of our new office is nearly complete. It has been exciting to see what was a pencil sketch on a piece of paper come to life over the last nine months. In the next few weeks we'll be moving upstairs to our new home in Suite 310. Hundreds of hours of thought and design time have gone into this project (thanks to my wife and Sandy Franzman Design!). The space will create new efficiencies for staff, be more conducive for client meetings and will be awesome for client events and entertaining. We look forward to showing it to you and hope you'll join us for our Grand Reopening in March? Please watch for your invitation.

We are thrilled to have added a new face to our team (see back page)...Krisandra French joined us in October. Krisandra will be the face and voice of Trott Brook Financial, taking over the reception desk and all the "front of the house" duties. She is fantastic and a welcome addition to our family, not to mention an exceptional baker! If the office smells like cookies and treats, you'll know why! Please introduce yourself the next time you call or stop in. Nikki will be moving to an office in the "back of the house" with Ted and I. She will now be solely dedicated to supporting our clients. We hope these changes continue to enhance the experience for our clients and friends.

As you may know, Trott Brook is very involved in our local community. Chamber, Rotary, economic development, education and serving those less fortunate are areas we feel compelled to serve. The Trott Brook Benefit Bash is an example of how we raise money and provide scholarships to graduating seniors. Lisa and I also awarded the first Trott Brook Scholarship at the Anoka Technical College last year. We also established a Donor Advised Fund named "Trott Brook Gives Back" to make impactful gifts throughout the upcoming year and beyond. Winston Churchill said, "We make a living by what we get. We make a life by what we give."

• Commentary by Ted Erhart, CFP®, Financial Consultant



I recently read a great book, *That Used To Be Us: How America Fell Behind in The World It Invented and How We Can Come Back*, by (Minnesota's own) Tom Friedman and Michael Mandelbaum. The authors make the case (and I think a good one) that globalization and the information technology revolution have fundamentally changed the world we live in. These trends pose significant challenges in particular to current and future members of our workforce.

As a future parent (and no, my wife's not pregnant), it's become increasingly evident that my children will have to work harder and be more prepared than ever if they want a chance at the American dream.

The best way to think about it is this: globalization and technology have basically completely leveled the playing field. Today, some guy at an internet café in Bangladesh has access to about as much information as anyone in the developed world. Not only does this guy (or gal) have access to the information, because of things like social media, he can share ideas and collaborate with people all around the globe. This also means he can work for a company that may be headquartered halfway around the planet (perhaps Minneapolis). In other words, today and in the future, Americans are not only competing against their fellow graduates from high school or college, they will be competing for good paying jobs against the entire world who also wants a shot at their own version of the American Dream.

To put some numbers around this idea, consider the following. According to the CIA World Factbook, in 2010, the United States had a workforce of about 155 million individuals. That's a lot of people to compete with for work if you're just coming out of high school or college. But remember, that is just the workforce of the U.S. The CIA World Factbook further estimates the 2010 workforce of China, India and all of Europe as 780 million, 650 million and 225 million each respectively. That increases the size of the labor force that Americans are now competing with by over ten-fold and we didn't even mention the continents of Africa or South America.

The point is, competition for jobs is as fierce as ever and to make things harder, technology continues to allow businesses to do more with less. Thinking about the future, it's safe to assume that anything that can be automated and run by a computer will be. In a global economy, businesses have no choice but to follow suit because if they don't, their competition will and they will be out-of-business.

So what's the takeaway here? To be successful in the future will require advanced skills and education. Unemployment statistics during the great recession highlighted this. The numbers are staggering. According to the Bureau of Labor Statistics, when unemployment peaked in 2009, the rate of those unemployed who only had a high school education was approximately 11%. Those without a high school diploma suffered unemployment rates in excess of 15%! Those with a bachelor's degree or more never saw an unemployment rate beyond 5%.

Upcoming Event...

State of the Markets

January 28th

Call Nikki to reserve your spot today!



Jim & Lisa Steffen

The Steffen's capped off the summer with a great family visit to Chicago and Labor Day in Ely, MN. We fell in love with Ely and enjoyed our days kayaking, fishing, hiking and biking. Lauren came out of retirement from soccer this fall and joined the Legacy team. She had an amazing comeback and received her first Varsity letter and was voted most improved! She just finished up a great 8th grade basketball season and will continue to train with the Varsity team. Tommy loved his summer and fall season of traveling baseball and is ready to start another winning season on his Andover basketball team! The kids continue to enjoy their piano lessons. This fall Lauren accomplished acing her piano theory test through the MN Teachers Association. We made our third annual trip to Chamberlain, SD for the pheasant opener. As always, we had some great hunting along with catching some walleyes in the Missouri River. The holidays finished off the year with many blessings, peace, joy and a week of relaxation by the fire at the cabin. This is just what we all needed to get ready to kick off the new year of fulfilling new hopes and dreams!



Nikki Cellette

2014...wow time has flown by! We had a fun filled holiday season spending time with family and friends. We spent a few nights in beautiful Cross Lake celebrating and then back home for more family time. We rang in the New Year with a bang visiting with all of our neighbors. It's always amazing how you lose touch with those so near in the dead of winter! The kids enjoyed their extended Christmas vacation due to the extreme frigid weather. I wonder each year why we still live in Minnesota! George is the first to remind me we can move to Florida at any time. I think he selfishly would love to golf 365 days a year! Zachary, on the other hand, would never allow us to leave the State of Hockey. He is on the Elk River Bantam A team and is keeping us busy with late night hockey games and weekend tournaments. We are looking forward to attending Hockey Day Minnesota in Elk River this coming weekend. What an honor for our community! Brooklyn turned seven in October and certainly keeps us on our toes. She loves shopping trips, play dates and playing teacher. Her favorite gift of an easel has become a permanent fixture in our living room!



Ted Erhart

The last half of 2013 was a busy one, especially for my wife Kelly. In November she completed her Certified Nurse Anesthetist program and in December passed her board exams. The program was 27 months long. In the end she received a Master's degree from St. Mary's University of Minnesota and is now licensed to practice anesthesia. Earlier in the year she was hired by an anesthesia group out of St. Cloud. She starts working the first part of January. The program was very intense and she worked incredibly hard. I couldn't be more proud! On the personal side I spent the end of summer fixing stuff. Starting in August it seems like we couldn't catch a break between car troubles, a broken down lawn mower and failed water softener. You might be surprised to know that I do a lot of my own repairs partly because I enjoy it and partly because I'm cheap! In my spare time this fall I spent a ton of time in the woods. My dad owns some hunting property in Pine County. I purchased several game cameras that I had an absolute ball with. I placed the cameras in the woods in late September and left them out through year-end. Some of the highlights were two large bucks, a bear, bobcat, turkeys, fox, coyotes, raccoons and |possible wolf.



Krisandra French

I am new to the Trott Brook family this year. I was hired in October and have enjoyed these past few months learning everything there is to know about the financial industry. I have nine years of accounting background. As the year progresses, I look forward to continuing to learn more and to grow with Trott Brook. I have four children and one son-in-law and will be blessed in April with our 1st grandchild. Which we found out is a boy!! I am looking very forward to being a grandparent and starting a new chapter in our lives. My husband is excited as well so he can teach our grandson how to golf. My husband enjoys golfing anytime he can. If he could, he would golf 24/7. My husband and I enjoy traveling as much as we can. We took a cruise in January to celebrate our anniversary and look forward to when we can travel more and not have to worry about schedules. We still have two boys in school, so they keep us busy with their sports and different activities. Our youngest son is very active as an Anoka Bantam B2 hockey player. We had a tournament in Alexandria in January and their team took Consolation. I enjoy watching my son play hockey as it is my favorite sport to watch.