

Three-step approach



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Effective long-term financial decisions

Creating a solid financial strategy can be a daunting task. Many people, when faced with a confusing array of investment and insurance options, choose to delay preparing for the future “until tomorrow.” But procrastination is one strategy that is guaranteed to fail every time.

We recommend simplifying the process by breaking your needs into separate categories. This can make preparing for the future seem much less intimidating and also help you understand exactly what products and services may fit your needs and goals.

There are three main areas that should be addressed as you develop a long-term financial strategy: savings, life insurance and investments. By paying proper attention to all three, you can greatly increase your chances of meeting your financial needs and goals.

Step#1: Savings

Savings should be the first component of any well thought-out financial strategy. The money that you designate for a savings account should be set aside strictly for the purposes of a ready cash reserve. In the event of a job loss or a sudden personal emergency, this money would be available to help get you through lean financial times. However, while this money should be easily available, it should not be frequently accessed.

Among the most popular savings vehicles are money market mutual funds.* These funds offer much lower returns than other mutual funds that focus on stocks and bonds, but they also carry a much lower potential level of risk. Money market funds often offer check writing privileges similar to a bank account, but are not FDIC insured. Many of these funds also offer you the ability

to transfer money automatically from your paycheck or bank account directly into your money market account. That way, you avoid the temptation of spending money designated for savings.

Having money set aside in a savings vehicle can keep you from raiding your insurance and investment accounts when cash is needed. When savings are available as an emergency fund, the other two components are better able to perform their intended functions. Life insurance may build cash value and help protect your family’s future, while investments can possibly grow in value, helping you prepare for future goals such as funding a college education.

Step#2: Life Insurance

Most individuals seem to realize that saving and investing for the future are important. But what about protecting all that you have worked for and all that

* An investment in a money market fund is not FDIC insured or guaranteed by any other government agency. While a money market fund seeks to preserve the value of your investment at \$1.00 per share, there is no guarantee that it will do so. It is possible to lose money by investing in the fund.

Financial Wellness & Education

you are working toward? What would happen in the event of a breadwinner's untimely death? Would there be enough money for mortgage payments, car loans and tuition payments?

Even if there were enough money available for withdrawal from your savings and investment accounts, what would be left over after outstanding expenses were paid? Would a child's education suddenly become unaffordable? Would a spouse's comfortable retirement still be realistic? These are serious issues but fortunately, life insurance was designed to answer questions just like these.

Your Representative can give you a realistic estimate of how much protection you would need to keep the dreams and goals of the ones you love within reach. In many instances, it is not enough to purchase insurance that only replaces two or three years of income. While that amount might be sufficient to pay a large portion of the breadwinner's outstanding debts and final expenses, it won't be nearly enough to fund future needs like college, mortgage payments and retirement. Those dreams would be destroyed due to a failure to plan. That is why it is so important for people to remember life insurance when they are developing their financial strategies. Protect your loved ones and your dreams, because no matter how much money you're putting away for the future, your dreams can disappear in an instant due to an unforeseen event.

Step#3: Investments

Once an emergency reserve has been set aside, and a sufficient level of life insurance coverage is in place, it's time to review your investment strategy. The investment component of your financial strategy should be designed to provide long-term growth for future needs and goals.

Your Representative can help you determine what investments best meet your goals and tolerance for risk. There are literally thousands of investment options to choose from, and many of them may not be in sync with your goals for the future. Mutual funds are one of the most popular investment options. Mutual funds pool the money of a large group of investors, and are professionally managed to meet a specific goal, such as growth of capital or current income. There are also plans specifically geared toward saving for retirement, such as IRAs, as well as investment choices that are tailored to help accumulate money for education costs, such as Education Savings Accounts and 529 College Savings Plans. Your Representative can explain all of these options and more, to help you find the investments that best suit your needs.

The information contained herein is not intended as a recommendation of a specific security or investment strategy. Rather, it is intended to be general and informational in nature. Speak with your Representative to discuss your specific situation and financial goals.

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- Create retirement income strategies
- Protect the ones you love
- Plan your legacy

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