



What Does Financial Security Mean To You?

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Financial security means something different to everyone. Financial security is a deep rooted emotion giving individuals a psychological hall pass saying, “It’s going to be okay.”

As we move through the stages of life, our definition of financial security morphs as do the behaviors that help us gain that positive feeling. We asked people in different stages of life, “What does financial security mean to you?” and “What concerns you about the future?” While there are some common threads to their responses, each one has specific ideas. Here’s what they had to say.

Living debt-free not only gives people freedom to have a more enjoyable lifestyle, it also increases their feeling of financial security. There is something empowering that comes from knowing you do not owe money to anyone. As young business owners raising a family, Randon and Cami of Bountiful, Utah, face unique challenges. They said, “Being debt-free allows us to weather the ups and downs often experienced by business owners.” After being retired for many years, Phil and Reesa of Highland, Utah, said, “We spend our retirement years doing the things that we want.” They cited their ability to live responsibly in their early years as the method to reaching what they consider to be financial security. “Getting out of debt and saving for retirement, while also raising a family, was often a trial but always a goal,” Phil said.

Managing income during our working years is

important. Managing income during retirement is crucial. Retirees do not have the luxury of working more hours or increasing their sales to offset additional spending. A retiree’s income is often fixed and compresses over time. Tom and Laura of Hingham, Massachusetts, retired early. Laura explains, “Paying the bills – being able to create and maintain an enjoyable lifestyle – is important to us. Tom retired early and health insurance premiums were eating away at our monthly income.” Laura has gone back to work to help offset the impact. Now she values the health insurance benefits as much as her paycheck.

Defining sources of retirement income is essential. Having a plan that addresses your future income needs and the sources for that income can help create financial security. While saving money is the action behind reaching goals, identifying how and when your retirement nest egg will be converted into income is the end result. For Rod and Jodene of Alpine, Utah, retirement is on the horizon. Rod states, “Knowing that a portion of our income during retirement is guaranteed by a pension is comforting to us. Our nest egg will help provide the extra income to make our retirement lifestyle more enjoyable.” Retirement pensions are becoming a benefit of the past. It’s evident that future retirees will be responsible for supplying a greater portion of their retirement income.

Preparing and following a plan can make the difference between getting by and living comfortably in retirement. In the early years, plans typically focus on getting out of debt, college planning for children, and some retirement planning. As we move through the stages of life, retirement planning becomes the main focus. Carol of Salt Lake City,

Utah, is on the cusp of retirement. Carol said, "As a lay person, making good financial decisions is hard. Having a plan to follow and reviewing it often helps me deal with the changing investment and economic landscape."

Carol also believes, "At this season of my life, keeping my nest egg intact is vital."

Maintaining self-sufficiency is a growing concern among boomers. Living longer comes with greater expenses and an increased probability that we may need assistance as we age. Another common thread that was shared in our discussions was that no one wants to be a burden to their children or family members as they age. Phil and Reesa said, "Our biggest financial concern for the future is making sure our assets are sufficient should we have a long-term care need." Covering the growing costs of long-term care is a challenge. Amazingly, long-term care planning is often overlooked as an essential part of a retirement plan.

Concerns for the future also vary with the stages. Some of those we visited with were concerned about the future of government programs such as Social Security and Medicare. Others were concerned about the volatile economic situation in the U.S. and throughout the world. Rod said, "I am concerned about the role government plays in stabilizing the nation's economy and even the world's."



While expressing these concerns, the conversation generally circled back to the importance of continuing the behaviors that had helped these individuals feel they were on the path to financial security.

Now ask yourself, "What does financial security mean to me?" What am I doing to create a plan of action that will help me reach that emotional state of "it's going to be okay?" As the new year begins, we encourage you to contact one of the wealth management consultants at Smedley Financial Services to discuss your vision of financial security and let us help you put a plan into action. Call us at (800) 748-4788, visit us at www.smedleyfinancial.com, or email us at info@smedleyfinancial.com.

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