

Everyone needs a plan.

In January, Mary and I spent a weekend with our daughter and her family in Tallahassee, where they have lived for more than 15 years. As the state capital and home to Florida State University (where my son-in-law works), Tallahassee appears to be a prosperous city, and it's a nice place to visit.



Mary and I make that five-hour drive every few months so we can spend time with our two grandsons, Rex and Maxwell. Here's a picture of Maxwell, who just made 7. He's a cute little kid who never stops talking – or moving. It's fun to be around him. We also celebrated Rex's 13th birthday while we were there, so our trip was even more special.

But, enough with the grandsons. I was particularly excited about our trip this time because my daughter had asked me a few weeks before to sit down with her and her husband Robby and “make a financial plan” for them. YIPPEE!! As a financial advisor, I had been trying to do that for years, but to no avail, probably because it was me who wanted to do it, and not them. At any rate, eager to strike while the iron was hot, I spent that weekend at their house getting their financial documents in order, entering the information into my really cool software, and laying out the basics of a plan that will get them started. I had a blast. You probably think it's weird to have a blast doing this, but this is the kind of stuff that gets me really excited, especially when I am helping my kids.

A big plus is that, now, after the work we did together that weekend, Heather and Robby have a plan, and that is a great place to begin. I can't share the details with you, but their plan has many of the elements of what most of us should be doing to work toward achieving financial security. For example:

- 1. Protection.** A single, unplanned, nasty event, such as a disability that stops your income, a premature death that deprives your family of its breadwinner, a car accident that leaves you at the losing end of a lawsuit, or a long term care expense that goes on for years can cause irreparable damage to the best of financial plans. A carefully-designed insurance program can help you deal with these risks, and I can show you how.
- 2. Saving and investing.** When it comes to potentially growing wealth, time can be our friend. I don't care if my clients spend their money on comic books and Cheez Whiz, as long as they save and invest 15% to 20% of their gross income, year in and year out until they are ready for retirement. Yeah, 20% is a lot, but that's what it might take to potentially amass enough money for retirement. I can't guarantee this, but simple math tells us that small amounts of money can eventually grow to big sums. Just for fun, I like to show clients that \$5,000 a year, invested over 30 years in a tax-deferred account at 8% per year, will grow to \$611,729.34. I also show them that, if they increase that \$5,000 by only 5% a year, the total will be \$1,033,328.61.¹ If you would like to figure out something that might work for you, call me.
- 3. Managing debt.** One of the biggest roadblocks to making financial headway is debt, and short-term, high-interest debt can be a killer. When I put together a financial plan for clients, we spend a lot of time on how to manage debt.

As a financial advisor, my passion is to help people work toward financial security. Unfortunately, many of us take a haphazard, cross-your-fingers, wishful-thinking approach to financial management. My experience has been that it's not likely to work.

On the other hand, if you are ready to take control of your money and your financial life, give me a call. Let's put in place a financial plan that has your name on it.

Mike Rich, CFP®, Pontchartrain Investment Management, 2065 1st Street, Slidell, LA 70458 985-605-5066

¹These are hypothetical examples and are not representative of any specific situation. Your results will vary. The hypothetical rate of return used is not guaranteed and does not reflect the deduction of the fees and charges inherent to investing. Investing involves risk, including loss of principal.

Securities and Advisory Services offered through LPL Financial, a Registered Investment Advisor, Member FINRA/SIPC.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.