

Do you want to be an FSP?

Recently, I had a rather exasperating meeting with a client. Frankly, it was one of many such meetings. He's been retired for a while, and, for years, I had been working with him to decide what he wants to do with his money: spend it all, give it to his kids, hoard it, whatever. He can't decide, which makes it impossible to plan and to invest his money properly.

On the other hand, I have many clients for whom I have built financial plan that are suited to their goals, temperament, and risk tolerance. I can't guarantee that their plans will work, but I'm confident that we have thought things through carefully and that we are reasonably prepared for both the expected and the unexpected. I call these folks my Financially Successful Persons.

I can't guarantee that you, or anyone, will succeed financially. But, I can tell you that the folks who have reached a level of financial comfort – however they might define it – generally have habits and behaviors in common. Here's some of what my FSPs are doing:

- 1. They set goals.** And their goals aren't limp-wristed, "I hope" drivel. FSPs have sat down with me and said something like, "We want to retire completely from work at age 68 with an annual income of \$83,000 that keeps up with inflation. If one of us dies too soon, we want a \$500,000 death benefit to replace what we've spent. And, we want to spend down our money over 25 years because we don't feel compelled to leave an inheritance for our kids. Period." If you want to set goals like that – in other words, if you want a specific target that we can actually make a plan for – call me, and I'll sit with you to get some things down on paper.
- 2. They understand that a nest egg does not grow by magic.** FSPs know that time is their friend and that getting rich quick is a fairly tale. They know that saving means paying themselves first. They understand the power of compounding. They know that nothing is guaranteed, but that small amounts of money can eventually grow to big sums. They know that \$5,000 a year, invested over 30 years in a tax-deferred account at 8% per year, will grow to \$611,729.34. They also know that if they increase that \$5,000 by only 5% a year, year in and year out, the total will be \$1,033,328.61.¹
- 3. They protect their assets by letting someone else take the risk.** A single, unplanned, nasty event, like a disability that stops your income, a premature death that deprives your family of its breadwinner, a car accident that ends up in a losing lawsuit, or a long term care need that goes on for years can cause irreparable damage to the best of financial plans. FSPs know that "stuff happens" and that the benefits and confidence that come from planning far outweigh the costs of insurance.
- 4. They work with me.** Hands down, my most successful clients have said to me, "You know my goals. Tell me what I have to do to get there. I don't want to think about it. You know what you're doing. I trust you to do the right things with my money." My FSPs use me as the Chief Financial Officer for their families knowing that, if it has a dollar sign in front of it, I probably know something about it, or can find an expert who does.

My core belief is that anyone can be an FSP. The relative scale in terms of money might be different, but the confidence factor is not. There is no magic wand, it takes commitment and discipline on your part, and I cannot make any promises to you. However, I've seen a lot of my clients succeed by doing the things that FSPs do. If this sounds intriguing, if you want to explore the possibilities for yourself, and if you want a trusted advisor to take financial affairs off your plate, call me for a complimentary meeting...and join the FSP club.

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

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