

So What's Your Plan?

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When I come up with a new goal, or something I want to accomplish, my wife will invariably ask me, "So what's your plan?" At first I stammer as I try to put together a coherent sentence so it doesn't sound like I just pulled this idea out of thin air. To the average male the question appears straight forward. She wants to know how I am going to create the time in my schedule that will allow me to work toward my new goal. But for those of us who have been around the block, so to speak, we've learned that what she also wants to know how it is going to impact her. Did I consider her when I had this brilliant idea? After all, as a mother of five, she is always weighing her resources. How is she going to get kids to piano lessons, cub scouts, basketball practice?

So here we are. It's a new year and your goal is to put your financial affairs in order, but you have been putting your financial future on the back burner for some time now. You have been asking, at what age am I going to be able to retire? Will I be able to help my kids with college? What's the best way to transfer my estate to my family when I die?

So what's your plan?

Don't be surprised if you don't have the answer to that question right away. But if you don't have one, get one. If you don't know how to create a plan, find someone who can give you some instruction. When I wanted to learn how to fly a helicopter, I had to go to flight school and learn. It was helpful that the instructor was not trying to sell me a helicopter at the same time he was teaching me how to perform an autorotation. (An autorotation is a maneuver a helicopter pilot performs to keep from crashing when his engine stops running.) My instructor needed to teach me the process of flying. Once I got the big picture, I then could focus on the details such as the right combination of switches that needed to be set to produce the best result.

If you choose to get some help creating a plan, look for someone who will go through the process of helping you create a plan before recommending what investment ideas might be appropriate for your circumstances. Planning is a process. It starts with basic ideas and may become more complex in its later stages. Just like learning to fly a helicopter, you start by learning how to use the controls before you spend any time in the air. If your instructor started selling you a Huey or an Agusta before knowing where and why you wanted to fly, or even before showing you how, you would certainly get your lessons elsewhere. Likewise, if the investment professional jumps right to the product they think you should use, then maybe they are not be the right match for you.

It's a new year. This year don't just rattle off all of the things you would like to accomplish. Get a plan, so that your journey to retirement – or wherever your financial goal may take you – could end with a safe landing instead of a startling crash.