

Beyond Numbers

What are you going to do when you retire? How much do you spend per month right now? Are you married? What is your life like now? Will your retirement life be the same? What else do you have coming up financially that could put a “wrench” in this plan? What is an ideal retirement to you? Some of you may have never been asked these questions before stepping into my office.

The truth is, my psychology degree has come in handy in this profession. How I understand my clients, and what kind of life they want to create, are very important matters that really do not have anything to do with the “numbers”.

For example, someone who grows up believing “money is the root of all evil”, or that, “all rich people are greedy”, is unlikely to have a healthy money life. People who experienced the deprivation of the Depression tend either to save every last nickel or spend extravagantly. Neither script is healthy.

We spend a lot of time with our clients discussing life transitions and their impact on planning. This helps you zero in on issues that may impact your future and you can then determine how much energy and money you wish to devote to preparing for these events. Transitions that usually have a significant financial impact include retirement, job loss, new job, sending a child to college, a newly empty nest, divorce, or a death in the family. Considering these transitions helps you focus on your more important issues, and put other things aside when there is not enough money or resources. If you are prepared for this, the impact is not as devastating.

Many of you will remember the questionnaire that I gave you when you first came to our office. A professional may answer, “All I want to do is pay my bills every month”. I wonder out loud and say that it is interesting that this is exactly what they were accomplishing and wouldn't it be nice if you thought of money in a more positive way. Think about money as abundant, and decide what it can do for you and your life. Times have been hard for many of us, and many of you have really scaled down on your spending and what you really need every month. Now that the economy is picking up, I hope you decide that you really don't need all of these material possessions, and spend your money on things and experiences that really matter to you.

Make sure you take the time to decide what is important to you. The decision can be quite easy after a good conversation. Good luck!

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