Financial Basics for Everyone

With 37+ years of helping people with their money, I often am asked for suggestions toward building a more successful financial future. Below are some core basics. Some of these may need to be implemented over time. Many require self-discipline and delayed gratification. All should help you create a plan for your future, and move toward greater financial security and stability.

- Start saving as early as possible. Your first goal would be to build emergency reserves to cover unexpected financial needs. If necessary, look for ways to cut your expenses to be able to accrue more.
- Live within your means and understand and manage your credit score. Be careful with debt. Use credit cards and loans wisely.
- Keep the money you will need in the next 1-5 years in readily accessible cash reserves such as savings accounts, CDs, Treasury bonds/bills, and more conservative or moderate risk equity investments.
- Start investing assets as early as possible, with as much money as you can. Compounded growth over time is the strongest tool you have to build wealth. Pay yourself first, and don't take money from those assets along the way.
- Make full use of company sponsored retirement plans, such as 401(k)s, especially if there is matching money involved – *it's free money*!! Invest as much as you can, as early as possible. Avoid company stock investments within your 401k, and diversify amongst the funds available. Again, growth is an important tool to increase your assets. Seek guidance on your allocations, and periodically review and adjust your selections, if appropriate. Avoid taking money from these assets, including when changing jobs.
- We recommend the money you do not intend for spend for the next 5+ years be invested in equity investments, with the goal of achieving long term growth on your assets. Most investors should avoid individual company stocks entirely because of the added risk. Diversification is the goal. This is where the guidance of a financial professional can be most impactful.
- Beware of the tax impacts on your investments. Seek a variety of tax-deductible, tax-deferred, and potentially income-tax-free investments; such as Roth IRAs or Roth 401ks.
- DIVERSIFY your investments over multiple asset categories and within an asset category. I recommend everyone include at least one-third international investments in the mix. Invest in industries outside your work industry – in other words, if you work in real estate, invest in something outside of real estate.
- When investing, as a general rule, you should always "***buy low, sell high***". Do not panic and sell out when the market is low. Wise investors add to their holdings when the markets are down. And when everyone is wanting to buy something, it's usually too late to jump on that bandwagon – you'll be buying high.
- Have a plan for the withdrawal of your assets (a "harvesting" plan) during retirement or times of need. Where and when you withdraw may make a major difference in how long your money lasts. Some situations may benefit from considering investments with insurance protection options for a portion of your IRA, if you need income or death benefit protection from market loss, but want to keep your assets in stock market investments for continued potential for growth.
- Maintain adequate life insurance, disability insurance, health insurance, long-term care insurance, and liability insurance to protect your assets and your family. Many wait, and then find health issues prevent them from qualifying for coverage. The best retirement plan, *and families*, can be devastated without adequate protection in these areas.
- Seek guidance before making major purchases such as a car, home, or a rental/vacation property. Avoid co-signing for any type of loan for non-spouse family members.
- If married, stay involved and knowledgeable on family finances. Do not delegate this fully to your spouse.
- Plan for illness and death, no matter your age. Keep your retirement plan and life insurance policy beneficiaries current. Make sure you have a valid will. Put a Power of Attorney (POA) in place to allow you to decide who will take over your finances if you become unable to do so – even temporarily.
- Give to charity and enjoy the good feeling you get from helping others through your own hard work.

My last piece of advice would be to educate yourself and find a professional to help you with these major life decisions. Call our office at 770.931.1414 or log on to www.RogerSGreen.com for a complimentary consultation. We're here to help!

Note: Investments in securities do not offer a fixed rate of return. Principal, yield and/or share price will fluctuate with changes in market conditions and, when sold or redeemed, you may receive more or less than originally invested. Additional risks are associated with international investing, such as political and economic instability, currency fluctuation, and differences in accounting standards. A diversified portfolio does not assure a profit or protect against loss in a declining market. Roger S. Green is an Investment Advisor Representative offering securities and advisory services through Cetera Advisors LLC, a Registered Investment Advisor and Broker/Dealer, member FINRA, SIPC. Green Financial and Cetera Advisors are not affiliated. Since 1997, Roger's office is located at 3700 Crestwood Parkway, Ste. 140, Duluth, GA 30096.