

Making cents

The road to retirement can be a long one, but having a working financial plan is key to success.

by ANNE BROCKMAN

As 2012 draws to a close, many take this opportunity to talk with a financial professional. Perhaps it's part of a New Year's resolution. Maybe it is just time to re-evaluate your financial security.

No matter the reason, Tulsa financial professionals are ready to assist in promoting personal financial success.

"Financial planners have the knowledge to ask the right questions and the expertise to go through the planning process to help you determine if your goals are reasonable and what would be optimal strategies," says **Robert A. McCormick**, executive vice president and chief operating officer of The Trust Co. of Oklahoma. "Since the future is unknowable, it is not the plan itself that is always important but the planning process, so that one can understand the key issues that mean the difference between success and failure."

Financial planning is beneficial at any age, but those beginning their careers can benefit from learning principles such as contributing to a company's matching 401(k), learning about risks and returns involved with investments or understanding debt management.

"If they commit to learning about the principles early, then they will be in a better position to expand their planning with a planner when their financial decisions become more complicated," says **Harvie Roe**, president of AmeriTrust Investment Advisors, Inc. "It is never too late to plan, but starting early and building a base will provide more flexibility later in life."

All ages, backgrounds and income levels can benefit from talking with a financial professional, but a person must be committed and disciplined to live out the plan before success can be attained, says **Gene Bishop**, president of The Family Wealth Consortium, LLC, and president of the Financial Planning Association of Tulsa.

"The main objective of a financial plan is to achieve or maintain financial security," Bishop adds. "The earlier one begins a financial plan, the better."

But as some are just now thinking of their financial future, others are nearing retirement, hoping their nest egg won't crack too soon.

"There are many tools out there today that help you stress-test your retirement goals," says **Corey L. Redington**, assistant vice president and retirement plan analyst with The Trust Co. of Oklahoma. "These tools calculate your chances of successful retirement based on market returns ranging from the '80s bull market to the Great Depression.

"In a weak employment environment like today, you want to know your chances before you retire, since working longer has the greatest impact on your chance of success."

While every financial situation is different, the materials needed to discuss a person's financial future are the same.

"The more a financial planner knows about you, the more realistic the plan will be," McCormick says.

Tulsa financial professionals recommend you bring these seven items to your next financial planning appointment:

1. Current and expected income figures
2. Records for debt, and savings and checking accounts
3. Health and life insurance policies
4. Will and/or trust documents
5. Retirement account statements
6. Timeline desired for retirement, taking into consideration age, income, health issues, family dynamics and charity goals
7. Most current tax return



Before meeting with a financial professional, it also is beneficial to set goals with your spouse or significant other. Roe says several things should be considered and planned before the appointment with a professional:

1. Each person should express their explicit goals and the timeframe in which they'd like to see each accomplished.
2. Discuss the critical issues that may be faced now or later, such as paying for children's college, saving for retirement or downsizing the home.
3. Consider each person's health as any large, non-reimbursable expenses may affect a person's lifestyle, which is defined as the sum of all annual expenses, including taxes.

So, you've set the time and date, done some research and gathered your materials. Now what? Good financial planners are sure to have their own questions and topics they discuss with a new client, McCormick says. These may include: What is your true financial situation? How will your personal life affect retirement? Is the time horizon attainable?

It's also important you ask the financial professional plenty of questions during your first meeting. Here are some suggestions on what to ask before hiring him or her:

1. How are you compensated? Is your pay based on a percentage of assets managed, an hourly fee or a commission-based arrangement?
2. What is your background and experience?
3. Who are some references I can contact about your services?
4. Will you collect compensation from third parties such as mutual funds? If so, how much?

Even if a financial planner is not truly needed, Roe suggests every adult, no matter age or income, do the following to ensure some peace of mind:

1. Get in the habit of saving via company 401(k) plans and/or through an IRA or Roth IRA.
2. Consider executing basic estate documents that may include a will, durable power of attorney and a directive to physicians, regardless of level of assets. Each state has a plan to distribute an estate if someone does not choose to prepare their own plan. By completing these documents, a person knows their estate will be transitioned as instructed. ϕ

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