RETIREMENT
INVESTMENT ADVISORS, INC.

3001 United Founders Blvd.
Oklahoma City, OK 73112
(405) 842-3443
(800) 725-4530

9555 Lebanon Road
Suite 302
Frisco, TX 75035
(972) 377-2850

left to right: Brenda C. Bolander, Joe Bowie, Randy Thurman, Chad Rudy, Carol Ringrose Alexander, and Andrew Flinton

Financial Briefs

FEBRUARY 2015

Caught in the Middle

At a time when baby boomer couples should be saving for their own retirements, many feel squeezed by competing financial needs. Having started families later than past generations, their children may just now be entering college or still living at home. At the same time, aging parents may need financial assistance. It is a dilemma that is likely to become more common.

Caring for Parents

As life expectancies continue to rise, it becomes increasingly likely that you may need to help an aging parent. Some financial precautions you should consider now include:

- Investigate long-term-care insurance for your parents. If they can't afford the insurance, you may want to purchase it for them.
- Have your parents prepare a listing of their assets, liabilities, and income sources, including the location of important documents. This can save time if you need to take over their finances.
- Make sure your parents have legal documents in place so someone can take over their financial affairs if they become incapacitated. They may also want to delegate health care decisions.
- Understand the tax laws if you provide financial support to your parents. You may be able to claim them as dependents if you provide more than half of their support. Additionally, you may be able to deduct medical expenses paid on their behalf.
- Find out of if your employer offers a flexible spending account for elder care. This may allow you to set aside pretax dollars to pay elder-care expenses for a dependent parent.

Assisting Your Children

For many families, college costs are significant. While you may want to pay all college costs for your children, it may not be feasible with competing needs to save for retirement and to assist parents. Some strategies to consider include:

- Shift some of the burden to your children, requiring them to work part-time during college or take out student loans.
- Understand the financial aid system, investigating all financial aid sources. Search for scholarships that are not based on need. Apply to several different colleges, looking for the best financial aid package. Negotiate with

Continued on page 2

A Financial Plan Is a Living Document

If you've ever completed a financial plan, you know how much work it is to prepare. So, after all that work, you're done, right?

Wrong. The world is constantly changing, the markets are constantly fluctuating, and so is your life. If your plan for the future is going to be of any real use, it has to reflect those changes, too. Instead of a static document, your financial plan needs to be like a dramatic series, a script that changes with times.

How often should you revise your plan? The easy answer is this: whenever there's a major change in your life circumstances — a birth or a death, a promotion or the loss of a job, or a wild gyration in the stock or real estate markets. The truth is, though, even without those major events, an annual review is a good idea. Let's take a closer look at what you'll need to pay periodic attention to:

Family changes. These include the births or adoption of children, marriage or divorce, and changes in your health or that of your partner or spouse. It could also involve changing those you name as heirs, for any number of reasons, including deaths, births, or simply a

Continued on page 3

FR2014-1010-0049

Caught in the Middle

Continued from page 1

your child's preferred college to see if you can increase the financial aid package.

- Look for ways to reduce the cost of college. Your child can start at a community college, which is often cheaper than a four-year college, especially if the child commutes from home. Or consider a public university in your state, which will generally be more affordable than a private university.

Once your child graduates from college, don't assume your financial responsibilities are over. Adult children may return home for a variety of reasons — they can't find a well-paying job, they have too much debt to live alone, or they divorce and need financial support. If your child returns home, realize there are increased costs — additional food, phone bills, utilities, etc. Consider charging rent and imposing a deadline on how long he/she can stay.

Don't Forget Yourself

When faced with the competing needs of children and aging parents, it's easy to neglect your own need to save for retirement. But don't feel guilty about your retirement needs. One of the best gifts you can give your children is the knowledge that you will be financially independent during retirement. Consider the following:

- Calculate how much you need for retirement and how much to save on an annual basis to reach that goal. Don't give up if that amount is beyond what you're able to save now. Start out saving what you can, resolving to significantly increase your saving once your parents' or children's needs have passed. Also consider changing your retirement plans, perhaps delaying your retirement or reducing your financial needs.
- Take advantage of all retirement plans. Enroll in your company's 401(k), 403(b), or other defined-contribution plan as soon as you're eligible. Also consider investing in individual retirement accounts. All provide tax-advantaged ways to save for retirement.
- Reconsider your views about retirement. Instead of a time of total leisure, consider working at a less-stressful job, starting your own business, or turning hobbies into paying jobs.

Please call if you'd like to discuss this in more detail.

4 Steps to Boost Financial Confidence

Below are four simple suggestions that can help you increase your financial confidence so you know you're making smart decisions.

1. Get organized. Not too long ago, it didn't take much work for the average person to organize their finances. Money matters were fairly straightforward — you might have had checking and savings accounts, an insurance policy, maybe some stock investments and bonds, and a mortgage. If you were lucky, you had a pension. You could easily store all your financial information in a single accordion file.

Today, things are more complicated. Credit cards, home-equity lines of credit, student loans, 401(k)s and IRAs, 529 plans for college expenses — the list of things to keep track of seems endless. It's easy for things to get lost or overlooked. Getting organized will give back a feeling of control.

There are numerous strategies for getting organized. The best approach for you depends on your specific situation and your personality. Some people stick with that old-fashioned accordion file. Others go completely digital, taking advantage of apps and online document storage to keep everything straight. Whatever solution you choose, you need to know all the details of your finances.

2. Get educated. Basic financial literacy isn't really covered in most school curricula, so many otherwise savvy adults are clueless in this area. Fortunately, increasing your financial literacy is not hard; it just requires a little bit of effort. Many community colleges, churches, and nonprofit groups offer classes, or you can sign up for a class online. If you don't want to go back to school, consider watching videos or reading articles that review financial concepts.

3. Get a financial plan. Making financial decisions on a day-to-day basis with no larger purpose or focus in mind may work for some people, but it's not likely to help you become financially confident. To achieve true financial confidence, you need a plan. Setting goals and making meaningful progress toward those goals will do wonders for your financial self-esteem. Having a financial plan will also help you prepare to cope with an uncertain world.

Why is a financial plan so important? It brings together all the threads of your financial life. Having a solid financial plan in place that covers everything from preparing for emergencies to planning for retirement is key to boosting your financial confidence.

4. Get help. A recent survey found that nearly 75% of American adults thought they could benefit from seeking professional financial advice. Yet relatively few people actively seek out financial assistance. That's a shame, because getting reliable advice from an outside expert can do wonders for your financial confidence. Just like a doctor supports and guides you in making decisions about your health and a personal trainer is there to encourage and motivate you to get fit, a financial advisor is there to make sure you're sticking to your financial plan. Even if you're organized and financially savvy, there are many decisions that are difficult to make on your own. If you're unsure about what to do next, please call.

A Financial Plan

Continued from page 1

change in your preferences.

Career and income changes. For most people, their lifestyle today and the one they plan for retirement is closely related to their current income. If you're promoted and your income increases, or you change careers or lose your job, your current lifestyle is likely to change; and you might need to reset your goal for your retirement too. In fact, anything that dramatically changes your asset values — like an inheritance, the sale of a business interest, or uncovered medical expenses — could also mean it's time to reset the scope of your retirement lifestyle.

Changes in tax rates and tax laws. Over the past decade, taxation has been a particularly volatile subject, with federal and state income and investment taxes changing and big swings in estate tax provisions. These can have a major effect on the value of any strategy you may have in place, from the types of retirement accounts you have, to your strategy for harvesting taxable gains and losses, to your estate plan for minimizing taxes.

Potential changes in Social Security and health insurance. The Affordable Care Act, passed in 2010, is restructuring the health care insurance market. As for Social Security, to date its benefits are linked to the rising cost of living; so it's important to stay on top of your projected benefits year by year. Meanwhile, it remains to be seen whether benefits will be restructured in the future, given the concerns over the long-term solvency of the program.

Market returns. Market volatility can wreak havoc with your plans for the future. But even without major gyrations in the markets, it pays to review the investment and asset components of your financial plan at least once a year. Even the best plans are based on estimated future rates of return, applied on a straight-line basis. As a result, it's more often your actual returns will vary than they'll hit your projections exactly.

What's important is to check your progress toward your long-term goals and remember that you're more likely to be in a marathon toward your goals than a sprint. On the other hand, wide divergences from your trend line may mean you need to save more, devote more of your income to other needs or goals, or change your asset allocation strategy.

It can be a mistake to let your financial plan sit unattended too long. Much can change in just a few years. Keep your plan up to date so that you stay on track.

Cut the Financial Clutter

Financial clutter can cause more than stress. It can also cause you to lose money because of missed contribution deadlines, forgotten accounts, overlooked tax savings, and more. Below are six tips to help you cut the financial clutter.

1. Prepare an inventory. Set aside time for a financial inventory. First, make a list of all your financial accounts. Then, gather all your financial paperwork in one place and organize it into three piles: One of things to keep hard copies of, one of things to keep digital copies of, and another of things to get rid of.

2. Shred, shred, shred. Much of the paperwork you've been hanging onto for years can be thrown away. Tax returns can usually be disposed of after three years, though in some cases (like if you're self-employed) you'll want to keep them for a longer period. Credit card statements can typically be shredded once you've confirmed there are no erroneous charges, and most receipts can be pitched right away, unless they're for a large purchase or for an item you plan to deduct from your taxes. Loan documents can be shredded once the debt is paid off.

3. Get a scanner. These days, there's no reason to keep hard copies of most financial documents. Invest in an affordable scanner and make digital copies of records you want to retain but don't need originals of.

4. When possible, consolidate accounts. Having numerous financial accounts is a major source of clutter. Do you really need multiple savings accounts at different institutions? Do you have several different 401(k)s from old employers? Do you have half a dozen credit cards, but only use one or two? When possible, streamline and consolidate. Not only will this make things easier to manage, but you'll reduce the risk of forgetting accounts and eliminate extra fees.

5. Automate your finances. Reduce the amount of clutter coming in by signing up for online bank account and investment statements. However, because some banks may only allow you to access the past several months of statements, you may want to download the records and save them elsewhere. When possible, automate bill payment and paycheck deposits. You'll minimize the risk of late payments and avoid problems with lost checks.

6. Get an online vault and home safe. Personal computers can be compromised or stolen, so you may want to add an extra layer of protection by storing your financial information in a secure online vault. An added bonus? You'll be able to access your financial information from anywhere. Of course, not everything can be stored online. A fireproof home safe is a good place to store original documents. Marriage and death certificates, deeds to your home, car titles, Social Security cards, and copies of your will are all items commonly stored in home safes. One word of caution if you have a safe — make sure your family will be able to access it in the event you die or become ill.

News and Announcements

From the Thurman Household

Levi is doing well coming off a 3.8 GPA semester. Woo Hoo!! He is into swimming, and we are hoping he will qualify for state in the breaststroke. He started late in the year practicing this stroke, but he's getting better quickly. As for after high school, he is thinking about going to Oklahoma City Community College for a year or two, then to Oklahoma State University. It seems like yesterday when he was just going to kindergarten. My, how time flies. As my dad would say, "It don't take long to live a lifetime."

I just came back from the American Institute of Certified Public Accountants (AICPA) Advanced Personal Financial Planning Conference in Las Vegas. It was a four-day conference with 1300 CPAs, CERTIFIED FINANCIAL PLANNER™ professionals (CFPs®), economists, and actuaries. Doesn't that sound like a fun crowd? I spoke in two sessions; one talk was on success and significance. If you would like a copy of the conference notes and/or my speech, just give us a call and we'll send them out.

We're looking forward to another great year of serving. Thank you for your referrals of friends and family. We know there is no greater compliment. Again, thanks!

Make it a great month,

Randy Thurman, CFP®, CPA/PFS

From the Flinton Household

"Always remember that you are absolutely unique. Just like everyone else." ~*Margaret Mead*

After seven months of driving 50 miles three days a week to take the girls to school and back, we are looking forward to having the girls in schools close to home. Thankfully, I enjoy audio books, but I'm not entirely sure that my wife finds the drive quite as cathartic.

Our daughter, Samantha, completed an evaluation for a new school nearer our home; and we were told by the observer that at the end of the hour she gasped, "All these numbers are starting to wear me out!" Out of the mouths of babes. I, for one, will miss dropping the girls off a couple days of the week and spending some Friday mornings with them; but I am sure I will make my time up elsewhere. To think that my firstborn "baby" will be in a classroom five days a week is a reminder to continually take time to slow down and enjoy each moment as it comes.

Our youngest daughter, Emerson, continues to be our little daredevil, and I fear daily that she is going to "break her neck if she's not careful." As I hear myself say this, I realize that my daughter and my younger self have a lot in common. Apparently it's true that we really do turn into our parents when we grow up and have children of our own. Ah, the circle of life.

Wishing you a wonderful month,

Andrew Flinton, CFP®

From the Kaiser Household

None of my family is local; and a few years back, we started something of a tradition of going to the mall the day after Christmas. It primarily started because my niece and nephew always have a few gift cards burning a hole in their pockets.

Each year, I think the same thing as we exit the car at the mall, "Here come the Griswolds." It is always fun; but trying to shop with seven other people is certainly interesting. My family is wonderful, and I enjoy spending time with them very much. But I have to concur with my husband when he said after my mom headed home after a 12-day stay, "It would be okay if your brother hosted Christmas next year."

Wishing you a blessed and amazing 2015!

Alyssa Kaiser, CTFA

Senior V.P., WealthTrust Oklahoma