RETIREMENT
INVESTMENT ADVISORS, INC.

2925 United Founders Blvd.
Oklahoma City, OK 73112
(405) 842-3443
(800) 725-4530

2952 Via Esperanza
Edmond, OK 73013
(405) 246-0404

9300 John Hickman Pkwy.
Suite 504
Frisco, TX 75035
(972) 377-2850

www.TheRetirementPath.com

Investment Advisory Services offered through Investment Advisory Representatives of Retirement Investment Advisors, Inc., a Registered Investment Advisor.

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

Financial Briefs

FEBRUARY 2021

Your Financial Road Map

Are you making progress toward your financial goals? Are your finances in order? Are you prepared for a financial emergency? If you're not sure, take time to thoroughly assess your finances so you have a road map for your financial life:

Assess your financial situation.

Evaluating where you currently stand financially will help you determine how much progress you are making toward your financial goals. There are several items to consider:

- **Your net worth** — Prepare a net worth statement, which lists your assets and liabilities with the difference representing your net worth. Prepared at least annually, it can help you assess how much financial progress you are making. Ideally, your net worth should be growing by several percentage points over inflation.
- **Your spending** — Next, prepare a cash-flow statement, detailing your income and expenditures for the past year. Are you happy with the way you spent your income? You may be surprised by the amount spent on nonessential items like dining out, entertainment, clothing, and vacations. This awareness may be enough to change your spending patterns. But more likely, you will need to prepare a budget to help guide your future spending.
- **Your debt** — Debt can be a serious impediment to achieving your financial goals. To assess how burdensome your debt is, divide your monthly debt payment, excluding your mortgage, by your monthly net income. This debt ratio should not exceed 10% to 15% of your net income, with many lenders viewing 20% as the maximum. If you are in the upper limits or are uncomfortable with your debt level, take active steps to reduce your debt or at least lower the interest rates on it.

Increase your savings.

Calculate how much you are saving as a percentage of your income. Is it enough to fund your future financial goals? If not, go back to your spending analysis and look for ways to reduce expenditures. That may mean reassessing your lifestyle choices, since you'll need to live below your means to find money to save. Commit to saving more immediately and then take

Continued on page 2

Financial Harmony in Marriage

Financial stress in relationships can come from many sources, but one of the most difficult is when one spouse is a spender and the other a saver. We enter marriage with attitudes toward money deeply engrained in our psyche, and those attitudes are not easily changed. But don't despair — if you find yourself engaged in a struggle with a spouse who is your opposite when it comes to saving and spending, there are steps you can take to achieve balance and harmony.

1. Agree to be a team. You got married to spend your lives together, so it shouldn't be difficult to start with this understanding, even if it may seem hard to reconcile with your money behavior. To be a team, you have to act like a team, and that starts by giving up individual possessiveness about money: there's no "your money" and "my money." It needs to be "our money."

2. Agree on your goals. Start your teamwork by articulating your long-term goals; they're the most important and the easiest to agree upon. Long-term goals might include living the lifestyle you want in retirement and educating your children. Be sure to be specific. A goal isn't a dream, like "a comfortable retirement" or "a good school for the

Continued on page 3

Copyright © Integrated Concepts 2021. Some articles in this newsletter were prepared by Integrated Concepts, a separate, nonaffiliated business entity. This newsletter intends to offer factual and up-to-date information on the subjects discussed, but should not be regarded as a complete analysis of these subjects. The appropriate professional advisers should be consulted before implementing any options presented. No party assumes liability for any loss or damage resulting from errors or omissions or reliance on or use of this material.

FR2020-1020-0065

Your Financial Road Map

Continued from page 1

steps to make that commitment a reality.

Rebalance your investments.

At least annually, thoroughly analyze your investment portfolio:

- Review each investment in your portfolio, ensuring that it is still appropriate for your situation.
- Calculate what percentage of your total portfolio each asset type represents; compare this allocation to your target allocation and decide if changes are needed.
- Compare the performance of each component of your portfolio to an appropriate benchmark to identify investments that may need to be changed or monitored more closely.
- Finally, calculate your overall rate of return and compare it to the return you estimated when setting up your investment program. If your actual return is less than your targeted return, you may need to increase the amount you are saving, invest in alternatives with higher return potential, or settle for less money in the future.

Prepare for financial emergencies.

To make sure you and your family are protected in case of an emergency, set up:

- A reserve fund covering several months of living expenses. The exact amount you'll need depends on your age, health, job outlook, and borrowing capacity.
- Insurance to cover catastrophes. At a minimum, review your coverage for life, medical, homeowners, auto, disability income, and personal liability insurance. Over time, your insurance needs are likely to change, so you may find yourself with too much or too little insurance.

Review your estate plan.

Take a fresh look at your estate-planning documents and review them every couple of years. Even if the increased exemption amounts mean your estate won't be subject to estate taxes, there are still reasons to plan your estate. You probably still need a will to provide for the distribution of your estate and name guardians for minor children. You should also consider a durable power of attorney, which designates someone to control your financial affairs if you become incapacitated, as well as a healthcare proxy, which delegates healthcare decisions to someone else when you are unable to make them.

If you'd like help evaluating your finances, please call.

Guarding Your Financial Information

Protecting your financial accounts and information is extremely important. Here are some steps to help you:

Passwords and PINs

Create strong passwords that contain numbers, letters, and symbols, and don't share them or store them on your computer. If you need to write down your passwords and PINs, put them in a secure place. You should change your passwords and PINs on a regular basis.

Keep Your Computer Secure

It is best to always use your own computer or device to access your financial accounts. Make sure your computer has up-to-date security software, including anti-virus, anti-spam, and spyware detection.

Completely Log Out

Always click the log out button to terminate your session. Access to your account may not be terminated by closing your browser or entering a new web address.

Use Secure Wireless Connections

Only use secure wireless connections when accessing your financial accounts, as they provide much more security. Be cautious of using hotspots in public areas, like airports, hotels, and restaurants, because they often reduce their security settings to make it easier to access their wireless networks.

Protect Your Apps

If you access your financial accounts through an app on your mobile device, make sure you use the highest security setting that is available and that your device is password protected.

Check for Secure Websites

Most financial institution sites are very secure, but when shopping online with your credit card, make sure you are using a secure site. The address of a secure website connection starts with https instead of just http and has a key or closed padlock in the status bar.

Never Respond to Emails Requesting Personal Information

If you receive emails that request personal information, such as your Social Security number, passwords, or PINs, do not respond to them. A legitimate company or financial institution would not ask you to provide or verify sensitive information through email.

Review Your Statements

Make sure to review all of your monthly financial account statements to ensure that all transactions are accurate.

Secure Your Documents

Find a safe location to maintain your financial documents. When disposing of any financial information, make sure that you shred the documents before throwing them away.

Protect Your Social Security Number

You should keep your Social Security card in a secure place and not carry it with you. You should also never use your Social Security number as a username or password.

Check Your Credit Reports

By reviewing your credit report on a regular basis, you may be able to identify inaccuracies or unauthorized activity. You can obtain a free credit report every 12 months from the three different credit bureaus by visiting AnnualCreditReport.com.

Financial Harmony

Continued from page 1

kids." Articulating specific long-term goals involves knowing how much those dreams are going to cost and precisely when they will occur. You need dates and dollar figures.

Once you've reached an agreement on your long-term goals, try to set out the same kind of specific plans for your intermediate- and short-term goals, like your next vacation and your savings and retirement account balances for the end of the year.

3. Practice full disclosure. Being a team means each of you is empowered to act on behalf of the other with implicit approval. This requires that each of you has full command of the facts: how much money you make, how much you owe, and how much you spend. Share the balances in any individual accounts you may hold, like checking and credit cards. You need to be completely honest with each other, even if you make a mistake now and then.

4. Budget and pay bills together. Create a monthly budget (spreadsheets are ideal for this) that compares the total of your bills and expected out-of-pocket expenses with every penny of incoming and available cash. Include an itemized list of your debts and scheduled payment amounts, as well as your asset accounts and their balances.

Thoroughness is a key determinant of your success, so don't overlook anything, especially significant one-time expenses like gifts or big nights out. Create a catch-all category called "miscellaneous" for the little things you might forget — or those that are small and hard to pin down.

Pay your bills at the same time in the same place, and then update your budget spreadsheet as you do. This means revisiting your monthly budget at least once a month. Print out two copies and keep them somewhere you can easily glance at should the need arise.

5. Update your checkbook(s). One way spenders rationalize their behavior is by keeping themselves in the dark about how much they really have to spend. If you're going to be faithful to the budgeting process, you have to keep careful track of your cash on hand and that means being sure your checkbook entries are up to date.

6. Agree on spending rules. You both need to agree on how much you can spend on purchases without consulting each other. Beyond this preset amount, you should talk about the purchase in advance and adjust your budget accordingly.

7. Create a financial plan. Everybody should have a professionally prepared plan, but for couples with polarized spending and saving habits, it's especially important. A professional can provide the expertise and tools you may lack. He/she will also serve as an impartial third party to help you defuse your money debates.

For help creating that financial plan or putting any of the other financial steps into practice, please call.

Tips to Teach Children to Save

Think of all the lessons parents teach their children — manners, looking both ways before crossing the street, and buckling up in the car, to name a couple — but what about learning to save? Short- and long-term savings are important life lessons that should start early and remain an ongoing conversation. Here are some tips you can use to help your child learn to save:

Wants versus Needs

To a child, most everything is a need. A toy, a new bike, and a video game are all needs to them, so the first important lesson of saving is helping them understand the difference between wants and needs. You'll want to explain that needs are the basics, such as food, housing, and clothing, and that anything beyond the basics are wants. You could use your own budget to help illustrate that wants are secondary to needs.

Their Own Money

To help your child become a saver, they need to have their own money. Giving your child an allowance in exchange for chores will be a step in helping them learn to save as well as understanding the value of work.

Set Goals

Setting savings goals is a way for your child to understand the value of saving and what a savings rate is. For example, let's say one goal is a $40 video game, and they get a weekly allowance of $10. You can help them understand how long it will take to reach that goal based on how much of their weekly allowance they put toward the goal.

A Place to Save

Kids need a place to save their money, so take your child to a bank or credit union to open a savings account. This will allow them to see how their savings grows over time, as well as the progress they are making toward their savings goals.

Track Spending

Knowing where your money goes is a big part of being a better saver. Have your child write down their purchases and then at the end of the month add them all up. Just like adults, this can be an eye-opener. Help your child understand that if they change their spending habits, they will be able to more quickly reach their savings goals.

Mistakes Are a Good Lesson

A parent's natural reaction is to step in to prevent mistakes, but part of learning to control money is letting your child learn from their mistakes. A bad purchase decision can be a great lesson to understanding that a savings goal will now take much longer than they thought based on decisions they made.

News and Announcements

From the Alexander Household

In this season of so many losses, my mother-in-law, Nikki Craig, died of cancer. She fought valiantly after being diagnosed at stage IVB 18 months ago. We are grateful for the additional time we had together and that she is no longer in pain. Nikki brought beauty to our lives in addition to her own. I was fortunate to have an exceptional relationship with her, which makes it an even greater loss.

As I reflect on her life, the things that stand out are her commitment to her family, strong friendships (which we are benefitting from and allow us to view her life from a different perspective), and her organizational skills, which extended to comprehensive planning for the end of her life. From communicating what she wanted for her funeral service and estate plan to writing her obituary to helping me pay their bills while she was in the hospital and introducing me to their tax preparer, she thought of it all. These traits are making it easier to honor her and deal with this loss.

As we process her transition to a better life, I am aware that many families are on the same journey. We're still in the phase that it seems like she's on a trip and we will be able to pick up where we left off. Alas, talking with her now is different, but our relationship endures. I am grateful for her life, her impact on my husband and children and that she included me in her circle of friends.

Carol Ringrose Alexander,
CFP®, AIF®, CDFA™, CEPS

From the Rudy Household

I have served on the Board of Trustees for Frisco Independent School District since 2015. During that time, the district has sustained amazing growth by adding more than 15,000 students and opening 13 new schools. This role is unique because of the impact on students, teachers, and the overall community.

Just over 18 months ago, I was honored to be elected President of the School Board by my fellow Trustees. The new role added additional responsibilities to my job description. I was now a community spokesperson, the superintendent/board liaison, and the coordinator of board activities, to name a few.

Just before Spring Break a year ago, my fellow Trustees and I were celebrating some significant initiatives. During our conversations, I remarked, "we should have smooth sailing in the school district for the next year or so." In hindsight, my comment couldn't have been further from the truth. Just weeks after my comment, we were making important decisions about schooling during a pandemic. I'm proud of the way our district has navigated since March 2020, but I no longer attempt to predict the future.

With just a few months remaining as President, I'm taking the time to reflect on the amazing experience serving in this role has been. I volunteer alongside very dedicated people who inspire me daily. The lessons I've learned will be with me for a lifetime.

Chad Rudy, CFP®

From the Bolander Household

Well, since I championed owning a dog in my last article, our son Jake asked us to watch his two furry companions while he took a vacation to see some friends. The two dogs adapted to our daily routine quickly, but it took us a little longer to find a good rhythm for the extra chores and trips outside. The best part was cozying up with the furry foot-warmers as we settled in each evening.

For several months Jake had been trying to plan a vacation to Tacoma, WA, but with the risk of traveling these days, he put it off as long as he could stand it. When the cost of airfare dropped after the holiday season, he decided that it was time. He found direct flights on Alaska Airlines, which made me happy since it meant minimal time in airports. Jake had a relaxing time with his friends, reminiscing about their glory days in a garage band and road trips in an old Chevy van. Of course, he brought me some very cool souvenirs — rocks that contain fossils of sea creatures that he found on the beaches, and a new coffee mug, hand-painted by an indigenous artist. But, most of all it is good to have him home again.

Have a great month,

Brenda C. Bolander,
CFP®, CPA/PFS

If you'd like to keep up with the latest market news and current events, sign up for our emailed Weekly Market Commentary by visiting **www.TheRetirementPath.com/contact.**