RETIREMENT
INVESTMENT ADVISORS, INC.

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

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.

top row, left to right: Chad A. Rudy, CFP®, Randy L. Thurman, CFP®, Andrew K. Flinton, CFP®, and Alexx V. Peralta, CFP®
bottom row, left to right: Sylvia L. Sterling, CFP®, Brenda C. Bolander, CFP®, and Carol Ringrose Alexander, CFP®

Financial Briefs

FEBRUARY 2025

Saving Based on Personal Goals

To effectively save money, you need to develop a financial plan based on what you want to achieve in your lifetime. Your personal goals are the foundation of your financial plan, because without clearly defined goals comes the probability of money mismanagement.

You will want to develop short-, intermediate-, and long-term goals. Each goal should also have a defined dollar amount and specified timeframe for when you want to meet the goal. Short-term goals are typically something you want to achieve within a five-year timeframe, intermediate-term goals are things you want to accomplish within five to 15 years, and long-term goals are anything beyond 15 years.

Deciding on Your Goals

When establishing goals, you need to think long and hard about what you want to achieve and then determine how long you think it will take you to reach each goal. Examples of goals would include:

- Short-term goals could include saving for an emergency fund, a car down payment, small home improvements, buying furniture, or a vacation.
- Intermediate-term goals would include larger things like saving for a home or starting a business.
- Long-term goals may typically include saving for a child's education, a vacation home, and retirement.

Once you've established your goals, you will then want to identify a dollar amount needed to complete each goal. An annual vacation may be a $5,000 goal, while retirement may be more like a $1,000,000 goal.

What's Most Important

Now that you have your goals, their dollar amounts, and timeframes, the next step is to decide the importance of each goal so you can structure your savings plan according to your priorities. For example,

Continued on page 2

8 Questions Financial Plans Should Answer

You may have a financial plan, but is it really working for you? The fact is, not all financial plans are created equal. To make sure that your financial plan is going to get you where you want to be financially, make sure it answers these eight questions.

How much do I have, and how much do I owe?

Before you complete any other financial planning task, you need to take stock of where you currently stand. That means taking a complete inventory of your assets as well as assessing how much you owe. Subtracting the second from the first will tell you your net worth. Your financial plan should make it easy to determine your net worth at a glance.

What do I want to achieve with my money?

We all have personal and financial goals. Perhaps you want to buy a bigger house in a nicer neighborhood. Maybe you want to be able to send your kids to college debt-free. You might be dreaming of owning a second home someday, retiring at 55, or starting your own business. Your financial plan should specifically identify your financial goals and outline steps you need to take to turn those dreams into reality.

Are my investments appropriate for my goals?

You know what your goals are, but is your money invested in a way that will help you get there? Your financial plan should point you toward investments that are appropriate for both your goals and your risk tolerance. That means carefully balancing the risk you need to take to achieve acceptable investment returns with the amount of risk you're comfortable taking based on your personality (some of us are natural risk takers, while some are more risk averse).

Am I protected in case of a disaster

Continued on page 3

Copyright © Integrated Concepts 2025. 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.

FR2024-1018-0175

Personal Goals

Continued from page 1

if your first priority is saving for retirement, you will want to put money away for this before anything else by having a percentage of your paycheck earmarked for a 401(k) plan, IRA, or Roth IRA. Only after this money comes out of your paycheck can you earmark other funds to meet other goals, such as saving for a new car or house.

Get Your Financial House in Order

Two of the most important short-term goals on your list should include creating a budget and specific line items in your budget for savings. Create your budget by identifying all of your monthly expenses and organize them on a spreadsheet or in an online budget tool. In addition to your monthly bills, you should also identify all your other expenses, such as dining out, movies, daily coffee, clothing, prescriptions — basically everything you spend should be recorded on the budget. You will then be able to see how your expenses compare to your income.

Most financial experts say that your savings line items should be between 10% to 25% of your income and should include specific line items for both short- and long-term goals. If you find that saving that much is not doable, you will need to take a long, hard look at your entire financial situation to identify non-essential expenses and ways to improve your savings.

A good first step is to identify the wants versus needs of your budget. What expenses can you reduce? What expenses can you eliminate altogether? Think about all of those other expenses on your budget, such as meals out, morning coffee, and those expensive shoes. Also, look at your essential expenses to see what can be reduced. Do you really need a landline phone? Can you reduce the data package on your cell phone? Is there another cable package or provider that could save you money? You should also consider using cash or your debit card instead of a credit card, which will remove the temptation of overspending.

The next step is to look at all of your debt, including credit cards, student loans, car loans, mortgages, etc. You may want to make one of your short-term goals to eliminate or reduce the balances on your credit cards, since they carry higher interest rates if you are not paying them off on a monthly basis. Other debt, such as a mortgage or a student loan, has lower interest rates and can be paid down while you are saving and investing. All of the expenses you reduce or eliminate can now be put toward the savings portion of your budget.

Make It Automated

Almost all financial institutions offer automated transfers between your checking and savings accounts, so you can set-up how much you want to transfer on a monthly basis. You can also set-up an automated savings deposit through your employer so that the money is automatically deducted from your paycheck into your savings. Either way, the automation makes it easy and helps reduce the temptation to overspend.

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

How to Raise Financially Responsible Children

Although you'll have to wait a good while before they'll thank you for it, teaching your children to be financially responsible is one of the best gifts you can give. Most of the lessons can begin while they are still very young.

Lesson #1: Appreciation for the value of money — Prices are just abstract numbers until time and effort has been spent to generate those coins and bills. An allowance-for-chores policy will teach your children about money management early on. You pay for the basics, but if they want the extras, they will have to save up and use their own money.

Lesson #2: Saving the money they earn — Teach them to save a portion of what they earn. This habit will make it much easier for them to not spend their entire paycheck as well as leave their savings intact when they are on their own. You may need to encourage them firmly at first, with a fixed percentage or minimum amount.

Lesson #3: Setting goals and staying on track — Helping your children set short- and long-term goals is a key part of getting them to stick to a savings strategy. Most children are not that excited by slowly rising dollar amounts, but when a certain dollar amount represents a desperately desired new toy, their focus sharpens considerably. Make a chart to show them how much they would need to save over a specific amount of time to have enough for their goals.

Lesson #4: The nitty-gritty of a balanced budget — Show your children the day-to-day workings of adult finances. Go through the line items on your budget and reveal your own percentage of savings for short- and long-term goals. You can explain the benefits of autopay, managing a bank account online, minimum balances and fees, and even how to fill out a check.

Lesson #5: Understanding debt and loans — When young adults are first exposed to credit cards, they may not understand that purchasing things on credit or taking out a loan ends up costing more money. Explaining how interest can work for you (in a savings account) and against you (in a loan or on credit) can keep them from making bad decisions. Above all, modelling financial responsibility in your own life can help them form the basis for a lifetime of good money habits.

8 Questions

Continued from page 1

or emergency?

One of the main reasons to have a financial plan is to protect yourself and your family in the event that the unexpected happens. Part of being prepared is having an emergency fund, and your financial plan will tell you how much savings you should have. But that's just the beginning. You'll also want to protect your income with disability insurance and have proper insurance to safeguard your assets.

Am I paying the right amount in taxes?

Thinking about taxes is no fun, but what's a real drag is realizing you've been paying the government more than you needed to. A comprehensive financial plan will include an evaluation of your tax situation. If necessary, your advisor will make suggestions for steps you can take to better manage your tax burden and keep more of the money you earn.

What's my plan for retirement?

Whether you're a few years or a few decades away from retirement, your financial plan should include a plan for what will happen after you stop working full time. Your financial plan should address how much you need to be saving for retirement and how to invest that money.

What will happen to my money when I die?

Your financial plan and your estate plan go hand in hand. Part of comprehensive financial planning involves checking to make sure the beneficiaries on your retirement accounts and insurance policies match with your overall estate planning goals. A financial planner can also work with your estate planning attorney to make sure your assets aren't lost to unnecessary taxes and address other issues related to how your wealth is distributed after your death.

Who is in charge of helping me achieve my money goals?

Finally, your financial plan should clearly identify who is in charge of helping you achieve your most important money goals. Your financial advisor is a critical partner in your financial life, guiding you to make smart decisions that will put you on the path to achieving your goals.

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

Financial Harmony in Marriage

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. 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. Articulating specific long-term goals involves knowing how much those dreams are going to cost and precisely when they will occur.

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.

3. Practice full disclosure. Being a team means each of you is empowered to act on behalf of the other with implicit approval. That requires each of you to have 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.

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.

News and Announcements

From The Thurman Household

Levi is doing well in Jiu Jitsu. He won the American Grappling Federation (AGF) U.S. Open No-Gi brown belt challenger division. He came in second in the Gi division losing in a controversial match 14-13. The guy he was going against, I'm told, is a 6-time world champion.

He also competed in the Dallas Open in the pro division. The competition is comprised of top black belts in the area and Levi is a brown belt. He went the distance in his first match and considered it a "learning experience." His second match was close, but he lost by 2 points.

I'm continuing my Jiu Jitsu lessons from Levi. It provides for good father/son time, but sometimes I wish his passion was for something like golf.

Pati organized the Rose Rock Trail Run, a 5k, 10k and 25k hike, for 335 runners. It was a lot of work that benefits the YMCA. Pati is always energetic, and she shared that energy with those who took part in the hike.

I continue to play pickleball and am excited about the Thurman Family Pickleball Center being built for the Earlywine YMCA. There will be eight covered outdoor courts that will later be converted to indoor. It is scheduled to open in April. I'm looking forward to spring and the time outside.

Randy L. Thurman, CFP®
CPA/PFS™, CEO

From the Flinton Household

"Learning without reflection is a waste. Reflection without learning is dangerous." – Confucius

"What's been on your mind lately; what have you been thinking about?" I like asking this question a whole lot more than, "What have you been doing lately?" I've noticed that this question often leads to conversations about ideas, feelings, emotions, and generally more interesting and important things in life. This question often brings about introspection and reflection, which I think is a greatly underutilized skill in life. In addition to that, it quickly gets beyond the traditional "activity" of life. There is nothing wrong with discussing activity, however the real essence and importance of someone's life can be experienced with this gentle inquiry. I try to frequently use versions of this with my daughters to help them think through current difficulties by reflecting back, ten years from now. When problems are viewed as if they are historical, they tend to become less difficult. But ultimately, I hope Samantha and Emerson learn the skill of reflection and introspection early in life, so that they can use the valuable lessons they learn along the way. Too often we get stuck in the "activity" loop of life, and the reflection is left until later, when the use of it is lost. Too often we don't reflect, because we have a newsletter to write, and family activities to document for gracious readers. But not this month, no special activities to announce. Just a family reflecting with thankfulness and gratitude in our hearts. I hope you take the time to do the same.

Andrew K. Flinton, CFP®
President

From the Rudy Household

One aspect of my job that appeals to me is the need to continuously learn about changes in the financial world, a world that is always evolving. I've always had an interest in learning new things in my personal life, as well. Lately, I've been discovering more about home automation, technology, and boating. I am constantly reading and learning more about all these topics. Lifelong learning is something I have encouraged my daughters to embrace.

With all three girls near the end of their formal education, I keep reminding them that their learning is just beginning. Things change very fast, and I am hoping they stay dynamic, not just for their careers, but for their personal life. So far, they continue to find topics to expand their minds such as learning to crochet a sweater, building an enclosure for a pet rabbit, and choreograph for a dance class.

I recently came across an article from a leader of a large consulting firm and she shared her number one question to applicants is, "what have you learned in the last 6 months?" An answer as simple as, "I learned to bake a cake," is enough to know that the applicant is a "learner" and demonstrates that they have a willingness to learn and adapt, essential qualities in today's rapidly changing world. I shared the article with the girls, and we all had a good conversation about what it means to be a lifelong learner.

Chad A. Rudy, CFP®, RSSA®
Executive Vice President - TX

Retirement Investment Advisors, Inc.
Holiday Hours

President's Day
Monday, February 17, 2025 – Closed