MoneyTalk

A special section on Financial Planning
from Rochester Magazine

7 top retirement TIPS FOR EVERY GENERATION

The BIGGEST personal FINANCE MISTAKE you don't know you're making

Those CAN'T-MISS TIPS area financial experts give their friends and family

I'M A FINANCIAL NEWBIE. Where do I even begin?

7 top retirement tips . . .

FOR [FILL IN YOUR GENERATION HERE]

7 top retirement tips . . .

FOR YOU 20-SOMETHINGS

1. START SAVING ASAP.
If you begin saving for retirement at 25, putting away $2,000 a year for just 40 years, you'll have roughly $560,000, assuming earnings grow at 8 percent annually. Now, let's say you wait until you're 35 to start saving. You put away the same $2,000 a year, but for three decades instead, and earnings grow at 8 percent a year. When you're 65 you'll wind up with roughly $245,000—less than half the money.

Seems like a no-brainer, right? Save a little now and reap big rewards later.

2. SIGN UP FOR THAT 401(K). Make the most out of those few dollars you can get hold of by allocating them wisely. Don't squirrel them away under the mattress. If you're eligible to participate in a 401(k) at work, do so.

3. OR ROTH. OR SOMETHING.
If you aren't eligible for a retirement fund at work that gets you matching funds, sign up for the next best thing: a Roth IRA. You'll fund this with money that's already been taxed as part of your normal paycheck. But money in a Roth IRA withdrawn later is tax-free. Have a portion of your paycheck or payments from your bank account automatically deposited into the Roth. A recent study by human resources consultant Hewitt Associates found that just 31 percent of Generation Y workers who are eligible to put money into a 401(k) retirement savings plan to do so. That's less than half of the 63 percent of workers between ages 26 and 41 who do invest in employer-sponsored savings accounts.

4. BE AGGRESSIVE WITH YOUR INVESTMENTS.
Make sure to invest your money shrewdly. Sure, bonds are usually very solid, but play it aggressive, and put a high percentage of your investments in stocks. You can hedge against the risk of loss by diversifying your investments. That's a fancy way of saying you want to own as many different types of stocks as possible, and it's a message that will hold true throughout your lifetime.

5. GET EDUCATED.
Don't be embarrassed to admit that financial talk can seem confusing. After all, financial know-how is not genetically encoded and, unless someone has taken the time to teach you about finance, you'll need to do a little learning. More than a third of companies now offer employees access to advisors who can help choose investments that will be most appropriate. Read books, articles or financial websites. The more you know, the easier it will be throughout your career to make solid, informed decisions.

6. BUILD A STRONG DEFENSE WITH AN EMERGENCY STASH.
Start amassing an emergency fund so you don't have to rely on credit cards—and possibly bury yourself in debt—in the event that your car dies, your roommate comes up short on rent or you suffer some other financial mishap. Ideally, you'll stash up to three months living expenses, but the important goal is to save something. You can help stay on track by having automatic deposits made to your emergency account.

7. AVOID DEBT.
If you're really struggling to stretch the paycheck to set something aside for retirement, this is the time to make some changes. Give your budget a major overhaul. Consider getting a roommate or picking up an extra job for the time being. Big changes now, coupled with consistent saving over time, will create huge rewards down the road. Make bills your No. 1 priority before anything else. Don't buy expensive clothes. Cook at home. Opt for the cheapest phone plan. Get a second job.

7 top retirement tips ... FOR YOU 30-SOMETHINGS

1. CONDITION YOURSELF TO SAVE.
Fewer than one in five employees working in the private sector is covered by a pension plan, according to the Bureau of Labor Statistics. And Social Security trust fund reserves are expected to be depleted by 2034, according to the latest Social Security trustees report. So you must establish the discipline to set aside money for the future. The easiest way to do this is by automating savings.

2. SET ASIDE ENOUGH MONEY.
Ideally, you should be saving at least 10 percent of your income per year for retirement, according to many sources. By setting aside this much starting in your 30s, you should have enough saved by the time you reach retirement age in your 60s to have a comfortable standard of living.

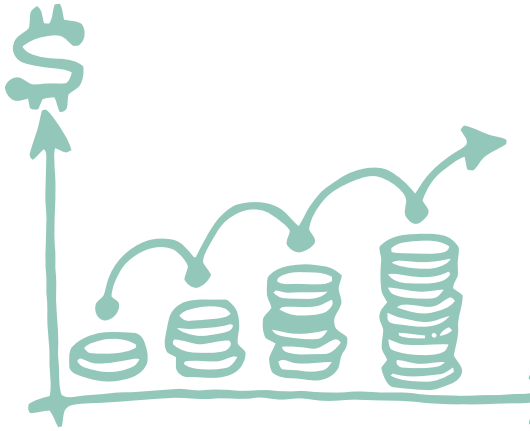
3. PAY OFF DEBT.
Debt can get in the way of saving for retirement. The higher your debt levels and the longer it takes you to pay it off, the less money you'll have to set aside for retirement. That's why it's important to pay down what you owe as quickly as possible and avoid accumulating more debt.

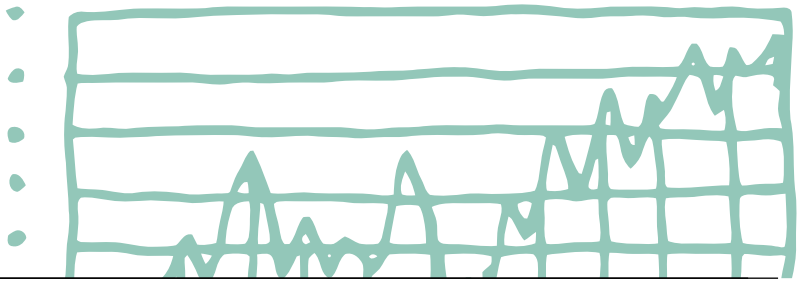
4. OPEN A ROTH IRA.
If you're contributing the maximum to your workplace retirement plan and want to save more—or you don't have a plan through work—consider opening a Roth IRA. Roth IRAs are appealing to 30-somethings because they offer flexibility. Unlike with other retirement accounts, you can withdraw contributions to a Roth tax-free and penalty-free at any time, which can be helpful if an emergency arises.

5. LEARN TO ASK FOR A RAISE.
Less than half of those surveyed by online salary database Payscale.com said they have never asked for a raise in their current field. If you're not negotiating your salary, you're not only short-changing your income but also your retirement savings. Say you're 35 and earn $50,000 a year. If you settle for a 3-percent annual cost-of-living increase rather than negotiating a 5-percent annual raise, you'll have lost nearly $950,000 in potential earnings by age 65.

6. MAXIMIZE YOUR EMPLOYEE BENEFITS.
Retirement planning doesn't involve just saving money. It also requires making sure you have safety nets in place. To do this, you need to maximize your employer benefits such as disability insurance, life insurance, and health insurance. If you're not offered enough coverage through work, consider buying policies on your own.

7. GET PROFESSIONAL HELP.
Not that kind. The financial kind. When it comes to planning for your retirement, you don't have to go it alone. A financial planner can help you develop a comprehensive plan to reach your goals and hold you accountable to those goals.





"Budget:
a mathematical confirmation of your suspicions."
~A.A. Latimer

If you save **$5,500** in an **IRA for 30 years,** you could build up a retirement nest egg of more than $900,000, based on the stock market's historical performance. This translates to $458 per month to completely transform your retirement.

—The Motley Fool

7 top retirement tips . . .
FOR YOU 40-somethings

1. IMAGINE THIS: YOU, NOT WORKING.
You can't plan for your retirement unless you know where you're going. So start thinking about what you want to do after you're done working. Unless you won't be done working: Maybe you want to start a business? Or do you want to travel, volunteer, or become a professional grandparent? Maybe you'll build a cabin on a lake? Even if you think your goals might shift in the years ahead, dreaming about them today gets the conversation started and helps you plan.

2. START EARLY, SAVE A LOT. BUT AT LEAST START NOW.
When you know what you want to be doing, it's time to figure out how much you need to do it. Run some numbers. Let's assume you're 40 years old, with $0 retirement savings. You throw everything you can—say $17,000 per year—into a 401k retirement fund. How far will that money go? Assuming a 7 percent rate of return, your 401k will grow to $1 million in 24 years and 2 months. That means you'll be on track to have $1 million by the age of 64, in time for retirement.

3. SAVE MONEY AT EVERY OPPORTUNITY.
With rising retirement costs and a longer life expectancy, there's a chance you'll need a lot more money than you think in retirement. So save as much as you can during your earning years. Aim to save at least 15 percent of your gross pay. Not there yet? Increase your retirement savings contribution with every pay raise, before you get too used to that higher paycheck.

4. GO BEYOND THE WORKPLACE.
There are other tax-savvy ways to save for retirement, too. Consider opening a Roth IRA, which allows for after-tax savings and tax-free withdrawals when certain conditions are met. Another option to consider: A traditional IRA, which can help you further broaden your retirement savings plan and give you more control over your investment selections.

5. SAVE STRATEGICALLY.
Don't let market swings throw your portfolio out of whack. Determining how to best allocate your savings between various kinds of assets—including stocks, bonds, and cash—can be a powerful way to keep your retirement savings growing. Spreading your savings across various sectors and asset types can help soften the effects of big market fluctuations so you can worry less.

6. STEER CLEAR OF EMOTIONAL INVESTING.
As investors, our emotions tend to follow market cycles. When markets perform well, we tend to become euphoric and pour money into stocks. When markets turn down, our emotions change and can cause us to pull out of the stock market just as it reaches its low and miss out on potential gains as it rises again. The lesson: Emotions can cause us to do the opposite of what we should do.

7. LEAVE YOUR WORRIES BEHIND.
Even if you build a smart saving and investing strategy, unexpected events can occur. You could experience an illness that prevents you from working and earning an income. You need to protect yourself against the risks in today's world. Your advisor can help evaluate your personal situation and line up the right levels of protection, whether it's disability income insurance, long-term care coverage or auto, home and life policies. With sufficient protection, you can focus on the fun parts of planning for the future without having to worry about all the "what ifs" along the way.

"It's easy to meet **expenses –** everywhere we go, there they are."
— Anonymous

Open a Savings Account at a Different Bank Than Where You Have Your Checking Account

If you keep both your accounts at the same bank, it's easy to transfer money from your savings to your checking. Way too easy.
— LearnVest, a leading site for personal finance

"We didn't actually overspend our budget. The allocation simply fell short of our expenditure."
— Keith Davis

7 top retirement tips ... FOR YOU 50-somethings (and into early 60s)

1. ADD DETAILS TO YOUR DREAMS AND GOALS.
You may have decided you'll spend your retirement years traveling, volunteering or becoming a professional grandparent. Get in touch with your advisor and get specific on what that will look like.

2. CATCH UP IF YOU NEED TO.
Saving as much as you can should be a top priority as you near retirement. Make sure you're maxing out contributions to your retirement accounts as much as you can, including making any available "catch-up" contributions to your 401(k) and IRA.

3. CONSIDER CONSOLIDATING ACCOUNTS.
By now, you might have three, five, or even ten retirement accounts floating around. But it can be hard to invest right and manage so many accounts. It might make sense to consolidate before retirement so you can more easily and effectively tap your money when you need. Work with your advisor to determine the best plan of action for your various accounts, and start preparing a game plan for how you'll tap them in retirement.

4. MIND YOUR HEALTH.
Think health care costs are high today? Wait until retirement. In 2015, a 65-year-old man would need $124,000 in savings and a 65-year-old woman would need $140,000 in order to have a 90 percent chance of having enough money saved to cover health care expenses in retirement, according to the Employee Benefit Research Institute, and that figure will likely keep rising. Additionally, Medicare only covers a portion of the costs, and it may cover even less in the future. Work with your advisor to figure out how you'll cover health-related costs in retirement, and consider funding a health savings account.

5. START PLANNING FOR A RETIREMENT "PAYCHECK."
Talk to your advisor about the income you'll need during 30-plus years of retirement, and ask whether you should start planning for it now. Some strategies include getting an annuity that provides a steady income stream throughout your lifetime or adjusting your investments.

6. DON'T IGNORE LONG-TERM CARE.
About 70 percent of Americans who reach age 65 will need long-term care at some point, according to the Department of Health and Human Services. While you're in your 50s and early 60s, consider purchasing coverage that could pay for the cost of a lengthy stay in a nursing facility or in-home care. It's typically better to lock in premiums while you're younger.

7. RE-EVALUATE HOW YOU INVEST.
How you invested when you were 40 may not be how you should invest at 50 or 60. Priorities change, and you need to start focusing on preserving your wealth as much as growing it. Talk to your financial advisor about how you can build a complete strategy to help you feel more confident about living the life you want in retirement.

If you had a $5,000 balance on a credit card with an interest rate of 15% and made a minimum monthly payment of 2% of your balance, it would take more than 20 years to pay it off. Also, that $5,000 debt would cost you nearly $12,000 by the time you paid it off. If you invested $5,000 a year for 20 years and earned an annual 7% rate of return, **you'd have nearly $220,000.**

Adopt a Spending Mantra Pick out a positive phrase that acts like a mini rule of thumb for how you spend. For example, ask yourself, "Is this [fill in purchase here] better than Bali next year?" or "I only charge items that are $30 or more."
— LearnVest, a leading site for personal finance

7 top retirement tips . . .

FOR YOU 65-Plus somethings

1. REVIEW YOUR GOALS.
Continue to meet with your financial advisor to review your goals and assess your position. Your advisor can help you make adjustments, if needed, so you can live the retirement you want. Being retired doesn't mean the financial planning process ends.

2. ESTABLISH A SPENDING PLAN.
A rule of thumb for withdrawing money from retirement savings is to only take out up to 4 percent each year. Of course, unexpected expenses can throw a wrench into the best-laid plans. Your financial advisor can help you establish a spending plan and withdrawal rate tailored to your needs.

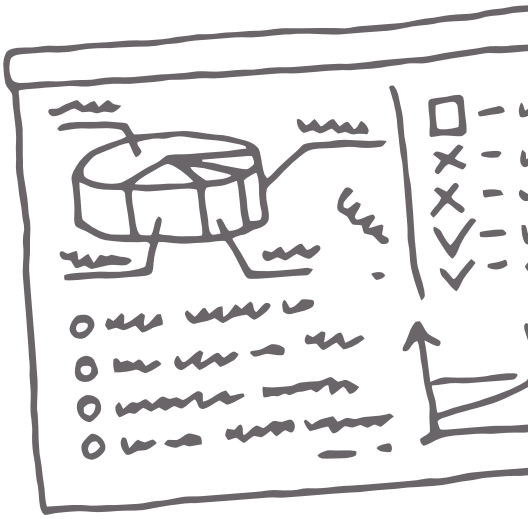
3. BE TAX SAVVY.
How you withdraw from your various taxable and tax-deferred accounts in retirement—and which you tap first, second and so on—determines the taxes you owe and helps to make sure your money lives as long as you do. It's generally best to tap taxable savings before tax-advantaged retirement accounts—especially with tax rates potentially on the rise. But everyone is different and there can be tax benefits to tapping several different types of retirement savings accounts at the same time.

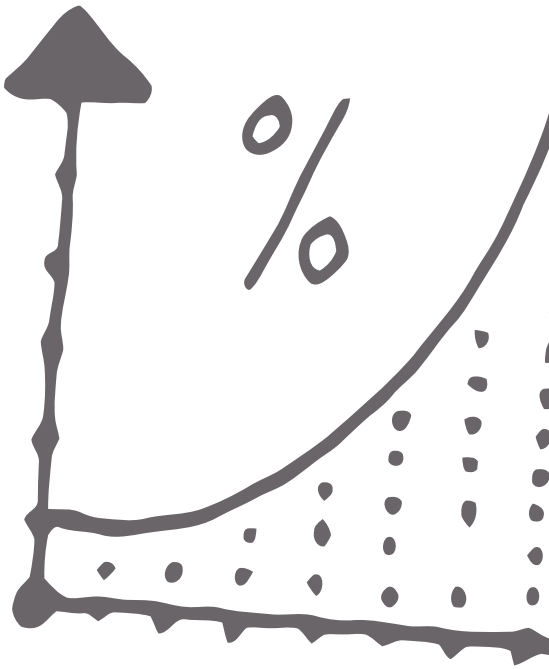
4. MAKE IT LAST.
A common mistake retirees make is shifting a big portion of their assets to cash and fixed-income investments. While you should consider investing more conservatively as you age—since you have less time to recover from market downturns—you don't want your investment portfolio to become so risk-averse that it's gobbled up by inflation. Remember, retirement can last more than 30 years.

5. BOOST YOUR INCOME.
Talk with your advisor about ways to bolster your income stream during retirement—such as setting up an annuity or adding more dividend-paying stocks to your portfolio.

6. PREPARE FOR THE LONG RUN.
Planning for your later years is crucial. People often only plan for their early retirement years, when they can travel the world or partake in their favorite activities. But those activities may not be realistic when you're 80, 90 or 100. Your advisor can help you think through how you hope to spend your later retirement years and work through some possible scenarios.

7. KEEP CHECKING IN.
Don't leave your retirement on autopilot. Priorities often change over the course of retirement for many reasons. Reviewing your goals periodically can help you feel more confident that you can continue to live the retirement you want.



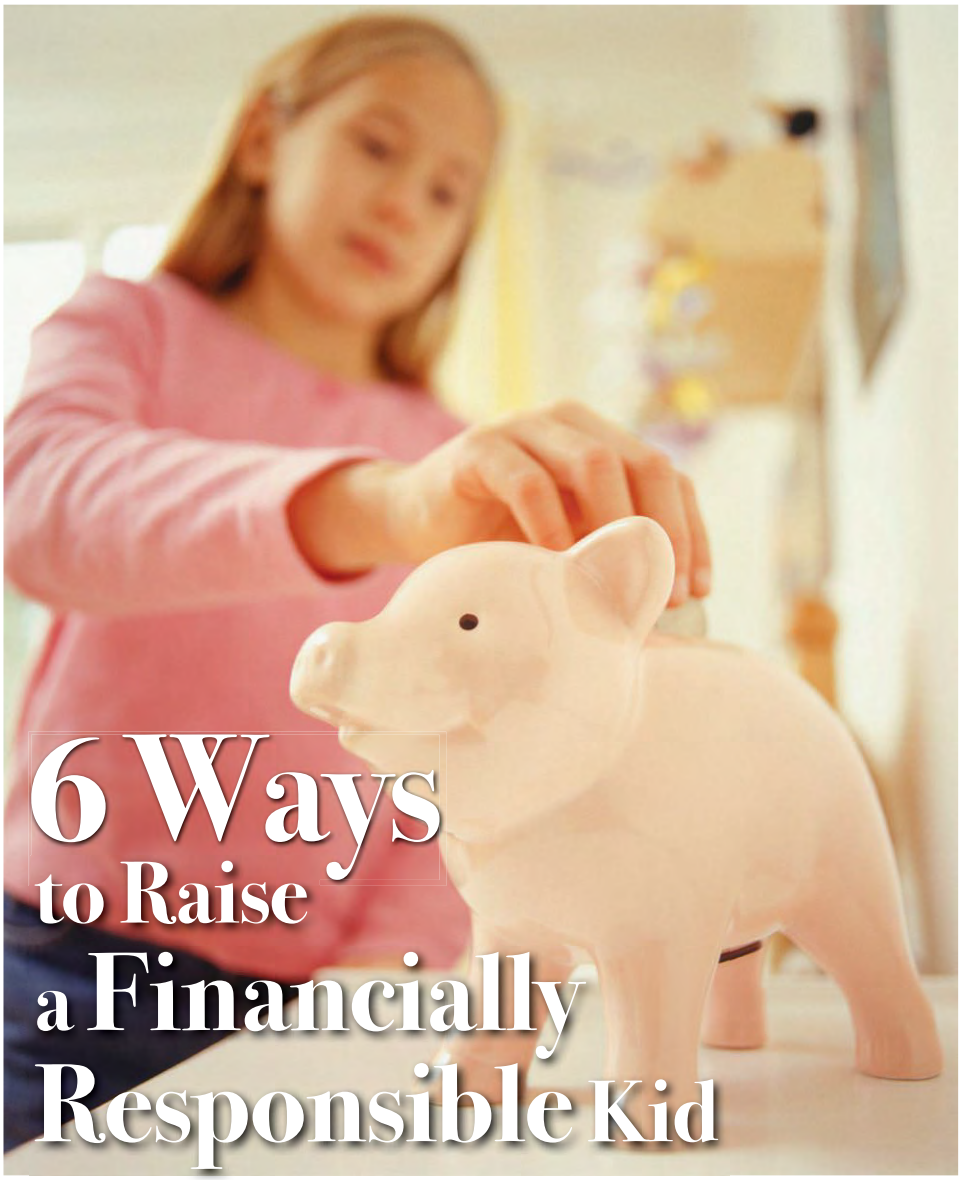


Only **40%** of small business owners have consulted with a financial advisor, according to Investopedia.

Spend on **Experiences,** Not Things.

Putting your money toward purchases like a concert or a picnic in the park—instead of spending it on pricey material objects—gives you more happiness for your buck. The research says so.

— LearnVest, a site for personal finance



6 Ways to Raise a Financially Responsible Kid

Kids like money. They like the touch of it, the sound of it…some even like the taste of it. What they love most of all is the stuff it can buy, stuff that doesn't always make sense, sometimes really weird stuff, but stuff they must have or else. Your job as a parent is teaching them that stuff costs money.

Here are six ways to educate kids about the value of money and the things it can buy. Each will give your child a solid foundation for a lifetime of financial responsibility, common sense and money-management success.

Seriously, Mom and Dad: This is the kind of stuff that really doesn't grow on trees.

Lesson 1: Teach them how to handle an allowance.

An allowance is your kid's first brush with financial independence. Use it to teach them the principles of saving and budgeting for the things they must have (even though you know they may not really need them).

A good rule of thumb to follow is $1 for each year of age, so a five-year old would receive $5 a week. It's OK to start giving them an allowance at age 6 or 7, and clarify which items they must now pay for themselves. For younger kids, it might be candy at the checkout counter; for older children, it might be movies out with friends and music downloads. Consider increasing allowances—and financial responsibilities—over time. For example, when children hit the preteen/teen years, start giving them money to cover their most routine expenses, from school lunches to clothing costs. It will help teach them how to budget and spend.

Lesson 2: Teach them the "three-way split."

To help prepare children to be good savers and philanthropists later in life, have them split their allowance or job earnings into three jars or envelopes: Spending, Saving, and Sharing. When it comes to the last jar, look together for charities that match your children's interests. Like adults, children tend to be more generous when they give money to causes that move them.

Lesson 3: Teach them the value of hard work.

While certain chores might be a given in your household, let them know that opportunities abound when they take on a little bit more. Teach them the value of those extra efforts with a monetary reward. Honestly, is there a more effective way of getting the weeding done?

Lesson 4: Teach them about "free" money.

Saving can be a bit vague for little ones. By taking your child to the bank and opening an account, he or she will learn how savings and money markets actually work. Periodic check-ins with their monthly ledger is a great way to teach them about compounded interest. As in free money. Consider providing an additional incentive by offering a match—50 cents on every dollar or whatever amount you choose—on any money your kids, grandkids or nieces and nephews deposit into their account. Also, be sure to let them withdraw a little cash now and then to buy toys and other goodies so they'll continue to stay interested.

Lesson 5: Teach them to go for their goals.

You're probably still wrapping your own head around the concept of turning 65 one day. Can you imagine what goes on in your kid's head? Try where his or her next Spider-man action figure is coming from. Let your child set his or her own goals , and guide him or her towards achieving them. That means helping them learn the difference between short-term goals (bubblegum) and long-term goals (an iPad of his or her very own).

Tape a picture of that must-have item to a goal chart, bank statement, or jar so they can make that connection between setting a goal and saving for it.

Lesson 6: Teach them to be a smart consumer.

Children are bombarded with messaging—both subtle and loud—to consume, consume, consume. They need your help to sort through the noise. You can teach them the difference between being smart consumers and impulsive ones by setting aside one day a month to take their allowances out for a spend. You can also say no.

Madonna nailed it: We're living in a material world. But your kids don't have to be material boys and girls. Not if you start teaching them the value of money, the value of the things they purchase with that money, and the value of setting and reaching goals now.

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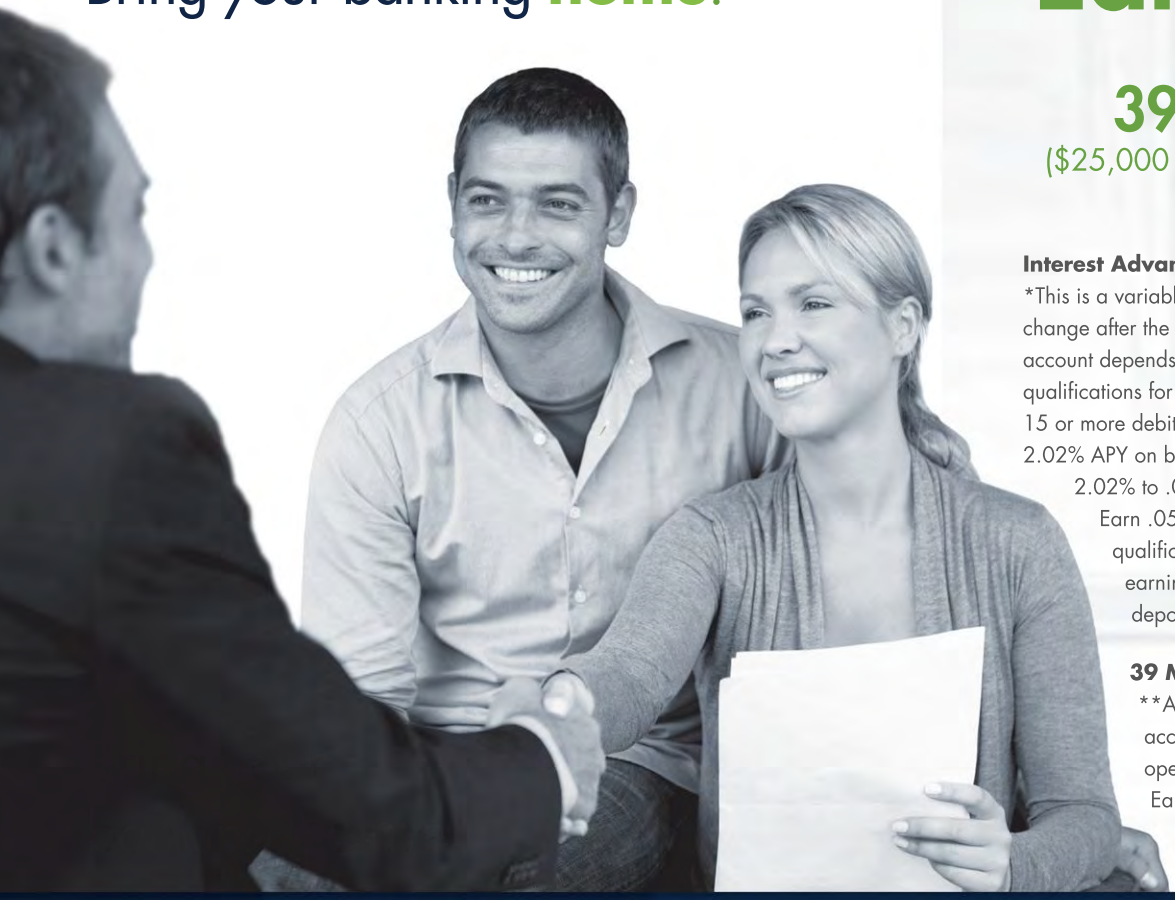

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What is the biggest mistake people make when it comes to personal finances?

"By far the biggest mistake people make is to not have goals at all. Goals are vital in all areas of a person's financial life and yet most people (statistically over 80 percent) never have goals even in mind, yet alone write them down. You are over 10 times more likely to achieve them if they are written down and you have a plan and we are talking about some of the very most important things in a person's life."

—Randall Ehleringer, Private Wealth Advisor,
Echelon Wealth Partners,
Ameriprise Financial Services

"The biggest mistake people make is not having a disciplined financial plan or strategy. Natural human behaviors often get in the way of attaining financial success and a plan helps with a guiding tool to stay disciplined and focused. Some of these behaviors include: 1) Spending versus saving: not having or not being consistent with a systematic savings/investment plan where you are regularly contributing to a retirement or investment account, 2) Trying to time markets: that is, when to be in or out of the equity (stock) markets as opposed to investing for the long term, 3) Trying to follow opportunities for short term gains: that is, not staying disciplined to a grounded investment approach that should be rooted in diversification."

—Matt Morehead, Integrated Wealth Advisor,
Carlson Capital Management

"As it relates to retirement planning, most people don't start soon enough. Consider this: a person saving $5,000 per year between the ages of 25-65 while averaging an 8 percent return will have $1.29 million compared with the saver who does the same between ages 35-65 will have $566,000. The difference in amounts saved is only $50,000! Time is on your side as a saver."

—Kelly Anderson, Financial Consultant, Home Federal Investment Services

"Two things we see in banking more often than I'd like to: 1. Spending more than you make and thus, not saving. 2. Too much personal debt – need to really think of what is a "want" and what is a "need". Do I "want" that new fancy car that will put me further into debt, or do I really "need" a less expensive used car that will work just fine for what I really need."

—Brad Becker, President, ONB

"People's concern rarely extends beyond the next paycheck or two. So many people live paycheck to paycheck. Their paycheck will cover the immediate bills. One solution would be to set up an automatic savings plan to allow you to start setting money aside."

—Nancy Appel, Operations Manager, MBT Bank-Rochester

"Failure to allocate enough time to learning best practices. People often spend more time planning their vacations than they do planning their retirement or the lifestyles they want to protect."

—Kathleen Allison, Financial Advisor, Morgan Stanley

"First, learn to talk about finances. It is strange that even though financial intelligence is so important to everyday life we discuss it very little. Secondly, set financial goals. Set monthly budgets, yearly wealth building goals, and an estate plan. Thirdly, share your plans with friends, family, and trusted advisers that can help you achieve them."

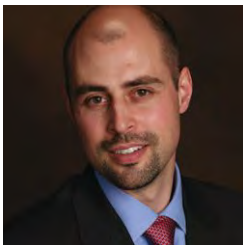
—Tyler Coleman, VP Commercial Lender, Sterling State Bank

"Start early or start now—time and compound interest can be powerful. Pay yourself first—set automatic savings plan. Control your debt—credit card, loan, mortgage—live within your means."

—Jill Minette, CDFA, Financial Advisor, Waddell & Reed

"Live within your means. Start managing money with your first paycheck. Even a small amount can make a big difference. If something sounds too good to be true, it typically is. If something feels wrong, it typically is, trust your instincts."

—Jodi Miller-Hammes, Private Wealth Advisor, Continuum Financial Group, Ameriprise Financial Services, Inc.



"Establishing a savings plan that directs the money to savings even before it hits your bank account is the best approach. It doesn't matter if someone makes $50k/yr or $1M/yr - you spend what you make. Make a plan like you are going to live to be 100. However, that should be balanced with a reminder to enjoy life along the way and plan for some of the 'what ifs' because invariably, life happens."

—Eric Alleckson, CFP®, Director, RSM Wealth Management

"Start investing early. You may think retirement is many years away, but starting early allows the magic of compounding interest to work. Set a budget. By having a household budget in place, you can manage your finances and control your spending. Don't watch the market every day. You are saving for a long-term goal. The markets will go up and down, but if you stay the course, you can build up a nice nest egg over time. I emphasize to my kids that everything comes with a price tag and that you have to make decisions on what you actually need vs. want today. As a CPA, I tend to be more on the saver side. "

—Lance Campbell, CPA, Tax Partner, Hawkins Ash CPAs

Give us the quick lessons you stress to family or friends?

"1. Save early and often. Get started saving with that first job. If you are not use to spending your paycheck it is easier to save some of it. 2. When you get a pay raise or extra money, save at least some of it. Again, a person is not use to spending the extra money, so it is easier to save at that time. 3. Do not take out too much debt. Just because a credit card company is willing to give you another card, or a financial institution is willing to give you a loan, it doesn't mean you should take it."

—Brad Becker, President, ONB

"Let your investment strategy be first addressed through diversification. Stay disciplined to the strategy. Do not time the markets or think you can pick superior individual investments—again, diversification is the key. Understand the role of taxes within an investment savings plan and investment strategy—it can be a very significant cost that greatly effects your long-term outcomes. Do not spend more than you earn. Use debt prudentially. Invest in equities when you have a long term goal."

—Matt Morehead, Integrated Wealth Advisor, Carlson Capital Management

"Eliminate credit card debt. You will have a hard time becoming financially secure while paying double digit interest rates. Take the free money. If your employer offers a matching contribution in its retirement plan, contribute enough to receive the full match. You will have a hard time finding a better return on your money elsewhere. Will your family suffer financially if you suddenly pass away? A lot of people are uninsured and term insurance can be cheap. Insure against low probability, high impact events."

—Kelly Anderson, Financial Consultant, Home Federal Investment Services

"Number 1: Write down and plan for your goals. 2) Have a philosophy of saving 50 percent or more of all 'found' money that enters the family. Examples include pay raises/bonuses, inheritance, debt satisfactions etc. Do this your entire adult life. 3) When it comes to investing, don't let emotions dictate your behavior! People make poor decisions investing due to selling when they are afraid and buying AFTER something has already gone up only to turn around and sell when they are afraid again. Investment's work, however, often investors don't."

—Randall Ehleringer, Private Wealth Advisor, Echelon Wealth Partners, Ameriprise Financial Services

From left to right: Paul Peterman, Senior Vice President, Portfolio Management Director; Jana Holst, Portfolio Associate, Financial Planning Associate; Greg Snider, CFP, ChFC, Financial Advisor; Jenn Patel, Registered Client Service Associate; David Olson, Executive Director, Portfolio Management Director; Kathleen Allison, First Vice President, Senior Investment Management Consultant; Bill Hankerson, Vice President, Relationship Manager; Cathy Olson, Senior Client Service Associate; Zen Kuzyk, Wealth Advisor Associate, Financial Planning Specialist

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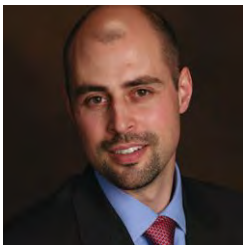
Give me three reasons I should hire a professional.

"They are experts in their field. You don't know what you don't know. Financial advisors can provide objective advice instead of emotional. You need that outsider to look at your situation from a different perspective."

—Nancy Emerick, Financial Advisor, Continuum Financial Group, Ameriprise Financial Services, Inc.

"1. Many financial decisions can become emotional—we help take the emotion out of it. We work with our clients to evaluate the benefits/drawbacks of each financial decision or choice that they are considering. 2. You feel you can handle it yourself but you procrastinate. An advisor offers a second opinion and helps to keep you on track. 3. The advisor works with you to set up a financial plan. You use Google MAP or GPS to get to your destination. Similarly, with an investment goal or retirement planning—we have to have a route/plan to help us get to our destination/retirement."

—Cindy Sheppard, MBA, Financial Advisor, Waddell & Reed



"The primary reason to work with a professional is coordinated advice—There are many interconnected factors that should be considered simultaneously. Coordinating a retirement savings/income plan while factoring in tax consequences, an estate plan, and proper levels of insurance, takes an entire team of professionals to coordinate. An advisor is there to help coordinate such advice and also serve as a coach, both to help prioritize necessary activities as well as to monitor progress toward long term goals."

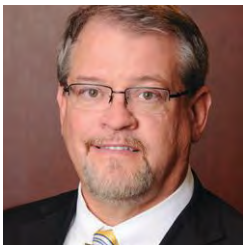
—Eric Alleckson, CFP®, Director, RSM Wealth Management

"It is time consuming for an individual to manage and execute a personal financial plan. If you are a business owner, you have many retirement options to assist you and your employees. You need to work with a tax CPA and financial advisor to maximize your retirement plan. As a CPA, I work closely with financial advisors. I see how they help individuals and business owners. Even though I deal with finances as a tax CPA, I hire a professional to manage and invest my finances."

—Lance Campbell, CPA, Tax Partner, Hawkins Ash CPAs

"A financial planner can help you sort through the "financial stuff" and devise an ongoing strategy. Many people are intellectually capable of handling their financial planning but are too busy with family and career to focus sufficient attention. A good financial plan will benefit from an impartial and unemotional third-party."

—Nancy Appel, Operations Manager, MBT Bank-Rochester



"1. You don't know what you don't know. 2. You work hard for an entire career and you only get one chance to do retirement right. 3. If you have expertise, prefer to spend your time on research, reading corporate reports, interviewing CFOs, working on portfolio construction, monitoring investment holdings, etc. and if you truly have a passion for finance, perhaps you don't need to… but, we should talk anyway because I have a job for you on our team."

—David A. Olson, Executive Director, The BlackRidge Group atMorgan Stanley

What are some questions every prospective client should ask when searching for a professional?

"It's very important to find an advisor who will serve you based on your individual needs. The best way to do that is to take your time and be selective. Start by talking to friends, family members, co-workers, and other people you trust. How satisfied have they been with their financial professional? You can also ask other professional advisors (e.g., CPA or attorney) to recommend someone. Think of your initial meeting with an Advisor as a job interview. Don't be afraid to ask a lot of questions--the answers you get will give you further insight into the person's knowledge, integrity, and concern for your needs. The impressions you come away with are more important than how good the person looks on paper. Finally, after selecting an advisor, make sure they are following up with you at least annually."

—Jill Minette, CDFA, Financial Advisor, Waddell & Reed

"When my clients look for referrals, I recommend they interview a handful of financial advisors. They need to feel comfortable with the advisors personality and values. Ask how the financial advisor charges for their services. Find out what type of professional credentials the financial advisor holds, such as a Certified Financial Planner (CFP.) Ask what the advisor's past performance history has been and what type of investment strategies the professional likes."

—Lance Campbell, CPA, Tax Partner, Hawkins Ash CPAs

"What is the depth and experience of your team that provides advice and support? Do you work independently or are you an employee of a firm? Who do you work for—the client or the company?

Can they give you objective advice without selling you a product? How do you receive information about current and anticipated market conditions? What certifications for advice do you have and are you a fiduciary? Do you have to sell me a product to get paid or can you charge me a fee for advice?"

—Jodi Miller-Hammes, Private Wealth Advisor, Continuum Financial Group, Ameriprise Financial Services, Inc.

"Customers are typically asking loan officers what rates and terms the bank can offer them. While the rate is important customers should take the opportunity to understand how the bank analyzes the customer's overall financial strength and evaluates their viability as a loan customer."

—Tyler Coleman, VP Commercial Lender, Sterling State Bank

I've done nothing with financial planning or wealth management. Where do I even begin?

"Get clarity on exactly where you are financially, what you own right now, and what your specific goals and objectives are. Learn to explain exactly why, what you are doing currently is part of an academically sound strategy or find someone who is capable and willing to teach you how to develop such a strategy and understand what that means."

—David A. Olson, Executive Director, The BlackRidge Group at Morgan Stanley

"You can start by setting up a small emergency fund, paying off all non-mortgage related debt, and then beginning to save for the future."

—Kelly Anderson, Financial Consultant, Home Federal Investment Services

"More than anything, beginner financial planning is about getting started. Start by knowing exactly where you stand. Take a personal financial inventory—credit score, debt, account balances, assets."

—Nancy Appel, Operations Manager, MBT Bank-Rochester.

"First, take an assessment of your current resources (assets, income, liabilities). Second, mindfully determine what your long-term goals and objectives are, and commit to them. To get to those goals, ask what it is you want to accomplish with your resources in both the short and long term. (The rest may or may not necessitate the assistance of an advisor.) Third, develop a savings and investment strategy to meet your goals. You can do this by modeling annual outcomes that will produce the highest likelihood of success. Fourth, assess the tax efficiency and tax optimization of your strategy. Fifth, determine that your estate plan documents are current and reflect your distribution plan, tax efficiency and optimization and make sure the details of ownership and beneficiary designations are appropriate and current. Sixth, assess that your insurance protection is adequate and cost effective."

—Matt Morehead, Integrated Wealth Advisor, Carlson Capital Management

"Two simple things. Assuming you have a plan available to you, start using your employer sponsored retirement plan (typically a 401K Plan) and take advantage of as much employer matching as you can. Secondly, every time you get a raise at work or receive extra money, save at least part of it. It is easy to spend what you make, so if you are not use to spending the money from your raise or extra cash you received, it is easier to save at least a piece of the added money."

—Brad Becker, President, ONB

I've done nothing with financial planning or wealth management. Where do I even begin?

"Begin by summarizing where everything is. Make time to sit down and make a list of all of your different assets and how they are titled. It is hard to know how to approach the issue until you have a good understanding of what you currently have. It is not uncommon that people will receive something in the mail that reminds them about an account from years ago that has substantial dollars in it."

—Eric Alleckson, CFP®, Director, RSM Wealth Management

"The first thing to do is to think deeply about your goals and objectives and write them down. Secondly, take an inventory of everything you are currently doing to achieve them. Then, do some projections as to where you will be based on what you are currently doing making sure you are also looking at planning for the unexpected that could also happen along the way, like an unexpected death or disability . Lastly and most importantly, take action and monitor your progress along the way. You can do this on your own or with the help of a professional."

—Randall Ehleringer, Private Wealth Advisor, Echelon Wealth Partners, Ameriprise Financial Services

"Take your last three to six months of bank and credit card statements and see where you are spending your money. Use the information in the statements to prepare a budget of your current spending. If you are spending your entire paycheck you need to see where you can reduce spending so that there is some money leftover to save and invest."

—Tyler Coleman, VP Commercial Lender, Sterling State Bank

Disclaimers: Obviously, all of this is just advice, and no guarantee that this advice will make you rich. That said, we still need to run some of the advisors' disclaimers. This information is for educational purposes only and is not meant as investment advice or a recommendation to engage in any investment strategy. Jill Minette and Cindy Sheppard can be reached at 507-282-5323.

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