

# Remodeling and building a financial future

By Scott Lebin

Those of us who have lived for a long time have seen many changes over the decades. Many of us who live in Geneva have been blessed to call Geneva...home. Stability in living in the Fox Valley for most of our lives doesn't mean that we haven't had to make adjustments to our way of life. That is often why remodeling is a method by which we can update our surroundings and give our homes a fresh and sometimes more modern look. We can put new siding on a house and change the paint color inside to provide this new look while still clinging if we choose to a traditional look and structure to our home.

In the same way that remodeling is really a way of adjusting to changing times or refreshing old surroundings it is also a way to maintain the warmth of our home. In the same way that we remodel our homes we also find that our financial lives need to be refreshed and updated to fit a changing economy and the ever changing lifestyle needs that develop as we enter different stages of our life.

Financial planning stages generally follow the accumulation period, the distribution period and finally the transcendence period of our lives. This means in common terms that our life follows the stages of first, our working life, secondly, our retirement period and finally our legacy planning for the next generation. Because each stage has different goals, it is obvious that adjustments as to our saving, investment, and spending needs will require adaptability and change.

The reasons for changing a financial plan are parallel to the reasons people remodel their homes, offices, and businesses. Technology change has forced us to make adjustments in our homes in relation to our wall mounted TV,

electric iPad and iPhone connected security systems and door locks. The changes from living rooms to larger kitchens with connected family rooms are changes that have occurred over time.

Financial planning has had to change because we are all living longer. We have to throw away some older concepts that worked for people who retired five to ten years before their life was over and as a result needed less saved money than we often need today. Because of the impact of longevity, we have to change our attitudes about our asset allocation strategies to allow for a lengthier income distribution period of time. This often means that planning doesn't end when we retire but needs careful monitoring and changing over our remaining thirty years in retirement. It might also mean that instead of retiring at age 65, we may more naturally continue to work and generate an income so that we don't run out of money in our later years.

When we remodel our house, we develop a blueprint so that we can visualize the change and make sure that the changes will all fit the space requirements of our old floor plan. Our financial plan is just like the blueprint used in remodeling. It helps create a picture of the future and makes sure that we haven't overlooked an important measurement or created a solution that we can't afford. Our plan or blueprint will change as our needs change or as unplanned circumstances occur. The financial plan is the framework that provides us with flexibility within a limited boundary of our needs, aspirations,



and desires. It always forces us to face reality and be practical in the important decision-making process of our future financial life.

A blueprint allows strangers to have a common understanding... architects and home builders communicate to the homeowner through the use of the blueprint. It is a check to make sure an abstract concept is perceived in the same way by both parties. A financial plan is a way to connect people to their financial planner to make sure both are seeing the same future and using the same data to explain the required results. When you evaluate your financial plan make sure that you and the architect (your financial planner) are creating the same vision and understand the objectives in the same way. If you do, there will be greater chance to achieve the financial future of your dreams. ●

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