

FINANCIAL SUCCESS IS A MATTER OF CHOICE, NOT CHANCE



It's easy, it's quick, and anyone can do it. This is the message we hear quite often from the online brokerage firms and other financial ads. If achieving financial independence is so easy, THEN why does a Government Accountability Office (GAO) analysis show that the median retirement savings for Americans between age 55 and 64 is only \$107,000? It's no wonder that, according to the Department of Labor, 52% of retired Americans have Social Security as their primary source of income.

Maybe it's not so easy. Maybe it takes time. And maybe you need a little help along the way. Just saying...

Many times, there is a general lack of discipline and inability to think long term, to plan for the future and to live within one's means. There may be too much focus on today, with little thought for tomorrow. A majority of Americans need to step up their retirement savings. A rule of thumb for the amount you should have saved for retirement is 8 to 10 times your annual income.

The ability to live within one's means is one of the keys to financial independence and it doesn't mean you have to be a minimalist. If a person in their 20s saves 10% to 15% of their income consistently over their working career, they will end up with a meaningful retirement nest egg. Simple. Right?

Well, easy to say, but obviously not so easy to do. Life gets in the way, and according to statistics very few ever develop the discipline and are able to attain financial independence.

It's all about lifestyle and expectations. For a 25-year-old, retirement seems very far away, and for a 55-year-old, saving for retirement now seems unrealistic.

Of course, no one wants to admit failure or blame themselves. I believe this is one of the reasons socialism is gaining in popularity here in the U.S. It's easier to make excuses and look to the government to take care of us rather than do the hard work of taking care of ourselves and our families.

Socialism is all about the here and now, contrary to successful individual investors who have to focus on the future. You don't get rich overnight, but many times this is the expectation.

Our Southpointe-based wealth management firm was founded over 30 years ago. We have earned the trust of many high-net-worth individuals, and I believe we have helped many individuals achieve true financial independence. Not too long

ago, we received a phone call from a prospective couple who had been referred to us. Let's call them Jay and Robin (not their real names).

We scheduled an introductory meeting. Both Jay and Robin were very affable, and we got along great. They had inherited some money, a significant amount.

Now, I don't know what our client who referred them to us said regarding our services, but it quickly became apparent that they thought we were investment wizards and that we had some kind of magical formula in which we could double their money every 15 minutes.

As I explained our process, Jay and Robin kept asking us, "What else? What other ideas do you have? What else can you offer?"

I soon realized I was boring the heck out of them talking about planning, diversification, long-term investing and patience. Finally, I said, "If you are looking for excitement in managing your investments, we may not be the best fit. On the other hand, if you are looking to invest wisely, preserve your wealth, and build it in a tax-efficient manner over time, that's what we do."

We can help you attain your financial goals, and we can help you become an overnight success, but only if you are patient and define overnight success as greater than 3 to 5 years—more like 10 years.

It's OK to have high expectations when you invest, but to be successful you must temper your expectations with patience and prudence. Financial independence as a goal is a marathon, not a sprint. The good news is we live in America, and financial success is a matter of choice for the individual, not chance.



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