

# Churchill Management Group

## Financial Planning Newsletter

July 24, 2017

### Take Control of Three Major Threats to Your Financial Peace of Mind



#### 1. *Lack of Financial Planning*<sup>1</sup>

Only 44% of workers have attempted to determine how much money they will need in retirement. As a result, 60% of workers have saved less than \$20,000 and about 1/3 believe they'll need just \$250,000 in savings for a comfortable retirement.

Successful retirement planning starts when you take responsibility and plan for your future. Seek financial planning advice and develop a written financial plan to help you get closer to reaching your goals.

#### 2. *Do-It-Yourself Investing*

While you are the one making the decisions about your retirement savings plan, research is clear that there are many hazards with doing it on your own.

Do-it-yourself investors have internal biases that affect their decisions and often react emotionally to their investments' performance, being overly optimistic when the investments are up in value and panicking when the investments drop in value.

That behavior can potentially reduce investment returns and put a dent in a retirement savings plan. Seek out a Registered Investment Advisor firm who

has experience navigating the bull and bear market cycles and can offer you the objective advice you need to help maintain a long-term investment strategy.

### 3. *Debt*<sup>2</sup>

The average American is approximately \$47,000 in debt, including student loans, credit cards, car loans, etc. With the average income now \$45,000, people are delaying their ability to save for retirement in order to pay off that debt.

But, if you live without debt, your income can build your retirement nest egg instead. Even someone earning a modest income of \$45,000 can save over \$1 million dollars for retirement with 30 years of consistent savings, minimal debt and diligent investing. But with major debt, spending 15 years to pay off the debt, this same person is looking at saving only \$180,000 for retirement.

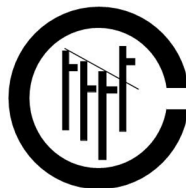
Sources:

- 1) Campbell, Todd. "The Typical American Has This Much in Retirement Savings. How Do You Compare?" *Motley Fool*.
- 2) "Consumer Credit - G.22" *Board of Governors of the Federal Reserve System*. September 2016.

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**\*Disclosure Regarding Financial Planning Services.** Churchill provides financial planning services to clients that specifically engage Churchill for that service. The planning can include defining goals, designing a plan, assisting with implementing the plan, and evaluating and adjusting the plan over time, at the request of the client. The financial planning includes advice regarding securities investing, and may include discussions of a client's tax, insurance, employee benefits, estate planning and other issues. Churchill, however, does not provide legal, insurance, employee benefit, estate planning, tax or accounting advice, and the client must rely on legal, insurance and accounting professionals for that advice and documentation. No guarantee can be made as to increasing returns to an investment portfolio as a result of financial planning.

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If you are interested in learning more about Churchill's Financial Planning offerings, please do not hesitate to contact your Churchill Representative. You can also call our Los Angeles Headquarters at 877-937-7110 or email us at [info@churchillmanagement.com](mailto:info@churchillmanagement.com)