

Personal Finance

Did you know?

Investing in a Good Life
MCKINLEY CARTER

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Why Career Growth May Be Your Most Valuable Financial Asset

When you're asked about what financial assets you have, where does your mind go? You might consider your savings account balance, a 401K, your investment portfolio, perhaps a second home on the lake, or maybe even a classic car or significant family heirloom you own. But did you ever stop and consider your CAREER as a financial asset?



Most people don't. But they should. Your career, and the steps you take to further your value within your chosen field or industry, will most likely lead to a higher income — which later means more money you can save, and ultimately more in your

retirement nest egg.

In the financial planning world, your career and your educational/professional development pursuits are defined as “illiquid assets.” Make no mistake, these kinds of assets can be just as important as the amount of cash you have tucked away in your bank accounts.

A discussion about career path is an essential element in one's total financial planning. Think about the analogy of the Goose that laid golden eggs: Your career path and professional advancements help grow the Goose — thus giving you the opportunity for more golden eggs! And remember to work with a trusted advisor who can help you manage those valuable “golden eggs”. In fact, a financial advisor should be among your “suite” of professionals upon which you rely — just like your CPA, physician, and attorney.

For financial advisors, there is a difference between what they do and why they do it. The “what” is obviously money management. But the “why” can be so many different goals depending on the client, whether it's a family, corporation, or nonprofit organization. Each has very different financial planning needs and goals.

Getting a Handle on Retirement Life

So after you and your advisor discuss your assets (liquid and illiquid) and financial goals, the next step is to envision what retirement life may look like

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Financial Strategist Dino Giovannone comes to McKinley Carter with more than 30 years of experience in the financial services industry. Dino began his career as a Financial Advisor at a national broker-dealer. He later was promoted to Division Manager and then to Vice President-Regional Manager. In the VP role, he oversaw branch office managers located in multiple states--including Ohio, West Virginia, and Pennsylvania--and the promotion and wholesaling of proprietary funds.

After 17 years with the broker-dealer, Dino accepted a position with Federated Investors as Director of Retirement Sales, which involved acquiring and retaining defined contribution plans. After several years in that role, he transitioned to Internal Sales Manager for the Midwest Region for Federated's broker-dealer division.

In March 2015, Dino accepted the offer to work for McKinley Carter at its Wheeling headquarters.

Dino holds a bachelor's degree in accounting from Franciscan University (Steubenville, OH) and holds the Chartered Retirement Plans Specialist (CRPS®) designation.

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for you – both in quality and quantity of years. Today, seniors are living longer, more fulfilling lives than was true 50 years ago. According to the Center for Disease Control (CDC), the average life expectancy for all Americans now stands at 78.8 years.*

Looking at gender, women are still outliving men. In fact, the CDC reports women who are age 65 or older today have a higher life expectancy (86.6 years) than do men (84.3 years). Moreover, that trend is expected to continue. The CDC says one in 20 women who are currently age 40 will be able to blow out 100 birthday candles someday, while for men that ratio stands at just one in 40. Generally, those statistics can be attributed to better health and eating habits, as well as advances in health care. So if you think about it, there's a very good chance you will be retired for the same number of years that you worked – 25 years or more!

Certainly, retirement looks different for every individual. But nowadays, retirement is often a function of affordability not age. For instance, if you are 45 years old and happen to win the Powerball Lottery tomorrow, you could decide to quit work and enjoy an early retirement. In that case, your retirement years could stretch well beyond 40 years!

Indeed, the need for a strong financial plan that will sustain you through your entire retirement is critical no matter what the scenario. The key point to always keep in mind as one travels down the path to financial autonomy is to be mindful of the parallel growth path that must exist between a sound financial plan for your liquid assets and a sound financial plan for your career development (illiquid asset). One without the other makes for an incomplete plan.

There's a well-known quote from Abraham Lincoln that goes, "The best way to predict the future is to create it." For successful financial planning, it's very important to take action TODAY to create the retirement that you dream about. Discuss your career, education, and professional goals with your advisor so you can carefully — and strategically — craft the retirement life you envision.



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Sources:

- https://www.cdc.gov/nchs/data/nvsr/nvsr66/nvsr66_06.pdf
- <http://fortune.com/2018/02/09/us-life-expectancy-dropped-again/increases-or-paid-bonuses>

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