

## ON DIFFERENT PAGES

Sometimes the financial planning process simply doesn't work out. A plan is created, but not implemented. As we say in the business, "A comprehensive financial life plan is worthless; but its implementation is priceless."

Gary was 58 and Mary was 54 when they came to us. It became clear very early that Gary was there only because Mary insisted that he be there. There were obviously very strong disagreements between them that we would need to bridge in order to be successful.

We asked them why they had come to see us. Mary responded that she was worried about their long term financial security. They had saved very little for the future. And now they were actually spending more than they were earning. Their savings, what little there was, was shrinking. She was very alarmed about the future.

Here's the stunning part: Gary made well over \$200,000 per year in his job as a manager. Their house was modest by Midway standards. Their only child, Marvin, was a senior in high school. Gary's small contribution to his 401K was more than offset by their shrinking savings account.

Where was the money going? They didn't know.

Was Gary worried about the future? Surprisingly, no. Everything would work out, he said. It always does.

I asked Gary what percentage of American households make less than his household. He guessed about 50%. The correct answer is 95%. Gary was in his high earning years, their household made more than did 95% of other American households, and yet they couldn't save.

What was Gary's main goal? To retire in 4 years, at age 62, and maintain his lifestyle. It would all work out, he said. We couldn't see how. Mary's goal was long term financial security. We didn't so how that could happen either.

Both goals were achievable if they worked together. Neither goal was achievable is they didn't.

The other details of what we talked about in the meeting are not important. The behavior that we witnessed was more important. Mary was worried, stressed, emotional. Gary dismissed Mary's concerns and shut down any time the discussion became emotional. There was no communication between them.

We ran the retirement income projection to show them that they could not possibly achieve their goals given their meager resources. Mary was vindicated. Gary was dismissive.

We put together a plan that included the following:

\*Gary would fully fund his 401K.

\*I would prepare their tax returns to monitor their progress.

\*They would set up a budget, identify where their money was going, and bring their spending under control.

\*They would visit an estate attorney to create an estate plan with the necessary wills and trusts.

None of these things happened.