

Financially InKlein'd™

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FINANCIAL DESIGN
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Planning, Managing, and Protecting
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Planning, Managing, and Protecting Your Financial Independence

What is financial independence? Why is it that, according to an often-cited U.S. Department of Health & Human Services study, 95% of us will not achieve it by age 65? How do the “lucky” 5% of the U.S. population manage to beat the odds?

Let's take it a step further and say that you are one of the fortunate few who has actually achieved this elusive goal. Do you know, and do you have in place, a system to sustain your good fortune for the rest of your life?

What is Financial Independence?

In order to define financial independence, it is first necessary to recognize the fact that each of us is a unique individual, and, as such, we have different financial needs. The financial resources that are required to satisfy our individual needs will vary from one person to another.

Given the low odds of achieving, let alone maintaining, financial independence, this raises another question: Do people who have simpler financial needs have a higher probability of achieving financial independence? Not necessarily, it depends on one's financial resources relative to one's needs as well as one's ability to do the things necessary to maintain one's financial independence over the long run.

So what exactly is financial independence? As I see it and practice it with my clients, **financial independ-**

ence is society's reward to you for the successful achievement of your financial goals that in turn affords you the luxury and ability to sustain, protect, and take charge of your lifestyle for the duration of your and your spouse's (if married) lifetime without the necessity of ever again depending upon someone else to provide you with a paycheck.

How Can You Achieve and Maintain Financial Independence?

It is possible to achieve financial independence if you are lucky enough to win a large lottery or receive a sizeable inheritance, however, this is not the typical path for most of us. Even if you fall into one of these categories, if not properly managed and protected, your financial independence may not be sustainable for the remainder of your life and could, in fact, be short-lived.

For the vast majority of us, achieving and maintaining financial independence requires three things: (1) a comprehensive, customized, written **plan** with the *primary goal of achievement of financial independence* that is (2) professionally **managed**, and is (3) properly **protected** for the duration of your and your spouse's (if married) life.

As all good chefs know, simply having all of the right ingredients and following a recipe does not guarantee a successful result. This concept is equally applicable to the achievement of financial independence.

The glue, if you will, that holds everything together and enables you to successfully plan, manage, and protect your financial independence is what bestselling motivational speaker and author Tony Robbins refers to as “personal power.” Robbins defines personal power as the ability to take action until you succeed which is what he says distinguishes us from one another.

I have had several new clients over the years tell me in our initial meeting that they had a financial plan prepared for them five years ago, so why should they do another one with me now? In response, I have asked them the following seven questions:

1. Was your plan a comprehensive, customized, written plan?
2. Was the primary goal of your plan the achievement of your (and your family's if not single) financial independence?
3. Was your plan fully implemented, i.e., have you followed and put into action each and every step that was recommended to you on a timely basis in accordance with your plan?
4. Is your plan professionally managed?
5. Have you “stayed the course” in both “up” and “down” markets?
6. Is your plan properly protected from life's uncertainties and challenges?
7. Have you committed to doing whatever is necessary to achieve and maintain your financial independence for the rest of your life?

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