

Financial Planning –The Feet and Legs of Your Financial Future

I am currently living on the farm where I was raised—a great “experiment” begun by my folks to raise a family. The experiment began in 1950 and is continuing today with my family. Growing up on a farm is a great place to learn timeless values of integrity and hard work. The USDA Cooperative Extension Service and 4-H have been and are an integral part of the experiment. The resources they provided continue to be invaluable—and the resource base has expanded. As farmers and ranchers, we don’t hesitate to call our neighbor, phone the extension advisor, visit our fertilizer dealer and surf the internet to find answers to the often puzzling business of agriculture.

Most of us procrastinate when it comes to finances—especially the annual visit to the banker. I know, I was a banker for over 20 years. Time spent with farmers was and is some of the most enjoyable of my professional career. Still, ask a farmer for a balance sheet and cash flow and the sweat starts pouring from the brow. “It hasn’t changed from last year.” “Fertilizer is about the same price as last year.” “Didn’t I just give that to you..yes, 3 years ago!” The thoughts and words are the same—only the faces change!

I recently left banking and entered another side of the financial world. As a financial advisor, my goals are to help maximize a client’s available assets (diversified investments), protect them from unknown costs (health care) and the government (estate taxes) in the future, and leave as much of those assets as possible for the future generations. Like the farm that has been in our family since 1950—a “short time” compared to many, but just as much a part of our family, *generation succession* is something for which one should plan, not allow to happen! You wouldn’t allow weak pasterned or post legged rams to be a part of your breeding program—you plan to use sound feet and legs in the barn. Why not plan for a sound financial future as well!

In the coming months, I will be discussing some of the areas of concern generally addressed by good financial planners. I have an outline of topics, but don’t hesitate to call me if there is one of particular interest to you—my outline is flexible.

To begin, many likely wonder why a sound financial plan and especially a financial planner are even needed. Experience is the key to both. A good plan comes from a planner with experience who can pass that information on to you. You wouldn’t hesitate to talk about herbicides with the local dealer or consult with an attorney about a potential land purchase. A financial plan should address areas such as long term health care, college tuition for your children, building retirement funds and assuring adequate funds to pay estate taxes. The list is long, but all of these things need to fit together—like making sure the electric fence is working and you have the right ram with the right ewe!

Actually, a good financial plan starts with a good will just how do you want things to be taken care of when you die. A will is a dynamic document—it must change as you pass through known life stages. Marriage, children, college, retirement. A well crafted will becomes a planner's blue print to EMPOWER you to be sure it happens. What good is it to leave your children \$5,000,000 in real estate if you haven't made provisions to pay the estate tax? Or why bother with that \$500,000 stock portfolio only to use it all for long term care.

In the coming months, watch for this column to address methods to lessen the risk in planning for generational succession. Don't hesitate to seek out a good financial planner. As with any new hire, identify a few and then interview them. Like any solid sheep breeding program, financial planning is a process—one that can take months to layout and a lifetime to unfold!

This article was written by Stephen Francis, a Polled Dorset breeder from Wilmington, IL. He is a professional financial advisor with Raymond James Financial Services, Inc. member NASD/SIPC at 205 S. Water St., Wilmington, IL 60481 and may be reached at 815-476-2105; or steve.francis@raymondjames.com; or on the web at www.sjfrancis.com.

The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any opinions are those of Steve Francis and not necessarily those of Raymond James Financial Services. You should discuss any tax or legal matters with the appropriate professional.