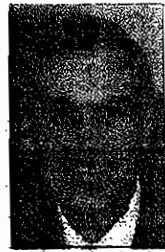


# A holistic approach to securing financial security and your sanity



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The ancient Chinese proverb "may you live in interesting times" seems to accurately describe this moment in American history. Recent weaknesses in our economy and a sudden implosion of our investment markets have left many people with a feeling of financial insecurity. During good times — in our quest for more, bigger, better — it can be easy to take on additional debt, spend down cash reserves or invest aggressively without considering the risks to achieve the higher returns. In times like these, you may be left wondering how the potential negative financial environment could affect you. The economic and political uncertainties and extreme market volatility has magnified these concerns.

While there are constantly lessons to be learned as one walks through life, perhaps an important financial lesson coming from

this current environment is that you may have overlooked the risk side of the financial equation. This includes many risks, not just investment risk.

The term "risk" describes the probability of an undesirable event happening as a result of a present decision or of some future event. In life, people face a multitude of these risks, whether it be personal or business. It is important to note that financial risk is something that cannot be eliminated. However, risk can be mitigated by identifying potentially damaging activities or events.

What are a few examples of the risks that can affect us financially?

- Investment (standard deviation)
- Market (volatility)
- Credit and default (borrowing)
- Interest rate
- Inflation/deflation
- Longevity (out-living your assets)
- Business reversal
- Premature death (income loss)
- Premature disability (income loss)
- Long-term event (asset depletion)
- Living beyond our means (negative cash flow)

You may not realize it, but ignoring risk by not addressing the issues is a decision and a strategy by itself. It is a little like having symptoms of illness or injury yet not seeking a diagnosis. The symptoms may go away on their own, but they could get progressively worse.

The risks are knowingly or unknowingly dealt with by doing any of the following things:

- Bear the risk yourself
- Transfer the risk
- Reduce or control the risk
- Remove the risk

Sadly, many people never develop a plan to identify the gaps or mismatches for their personal financial situation. A personal risk management plan can help you assure yourself that you are taking the necessary steps to protect the people you care about and give you greater peace of mind.

While financial risks impact all of us, they may be especially important for current retirees and business owners and individuals who are within ten years of their projected retirement dates.

As the asset accumulation years move closer to asset distribution and preservation for these individuals, the sensitivity to risk analysis and management becomes more acute and important.

To address these issues properly, you will need to take time to partner with a financial adviser who has the experience and knowledge necessary to follow the process of risk identification, analysis, evaluation and treatment. Perhaps best suited is an adviser who recognizes that all aspects of life are closely interconnected and equally important.

Seek an adviser who takes a holistic approach, with a broad view of your entire financial picture. This type of financial planning naturally addresses risk but also incorporates wealth management strategies customized to your situation.

In the end, it can be an empowering experience to look at the whole picture and develop specific strategies. As an added bonus, you may walk away from the process with a greater financial education to help you deal with the emotions prevalent during these "interesting times" we are living in.