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THE PLANNERS CORNERSTONES

Risk Management: "Use This Product in a Ventilated Area."

If you've dabbled in home-improvement, chances are you've seen a product label that instructs you to "Use this product in a well-ventilated area…" Following the warning are typically instructions for those who chose to risk the consequences of not heeding the warning.

In the financial world the word risk can often be associated with insurance. Insurance companies offer products that can help their customers in managing the risk they're willing to take on.

Life insurance is one way that many people manage the financial risks associated with their death. A large portion of the population have life insurance of one form or another. Unfortunately, in the same way, a large portion of the population do not have disability income insurance.

Disability income insurance insures against the risk that you may not be able to work, either over the short term and/or over the long term. According to a study published in the Journal of the American Society of Chartered Life Underwriters, Volume VIII, No. 1, between the ages of 32 and 42 a person's chance of becoming disabled compared to their chance of dying is more than three to one. Between the ages of 47 and 57 those chances are still more than two to one. These risks can be more easily managed by purchasing appropriate insurance.

Much like tackling a home-improvement project without taking the precautions suggested on the products you use, not owning life or disability income insurance can put your financial health at risk. Make sure to educate yourself on these risks and make conscious decisions about the exposure you're willing to take on.

A Note from Eric's Office:

We would like to welcome aboard Spencer Haik our summer intern from Columbia University in New York City. Spencer is majoring in Economics and Anthropology wanting to eventually pursue a career in the financial industry. He will be helping Bailey with office operations and shadowing Eric in client meetings.

Along with increasing our staff, Eric has been looking for new ways to improve our firm. In doing so he has teamed up with twenty firms, similar to ours, that are also with Commonwealth Financial Network. They have established a study group in order to share information and ideas on how we can improve our practices for the benefit of you, our clients. This study group will be meeting face to face four times this year in various cities across the country. In addition, smaller subgroups of five practices conduct monthly phone conferences to monitor and motivate each other in the accomplishment of our objectives. It is a marvelous opportunity to freely share information and to incorporate everyone's best ideas. This is an amazing dynamic as twenty successful offices meet regularly to try to figure out how we can do what we do even better. This is another wonderful benefit of our affiliation, for the last five years (WOW time flies), with Commonwealth Financial Network. Their practice management group helps to facilitate study groups like this.

Eric has always sought out information on world events, foreign and domestic markets, and international and domestic economies in order to aid him in evaluating the mutual funds we use and do not use. To that end, (in addition to the volumes of information that comes to him at the office) Eric has attended multiple informational events across the country. Visits to mutual fund companies, national conferences, special informational events, and a couple special board meetings, each of which add to his well-rounded insight to how to appropriately allocate client accounts.

With spring coming to an end, the office has been doing some spring cleaning in order to make assisting clients quicker and our data base more efficient. As a firm we aspire to assist all of our clients in reaching their personal financial goals. In doing so we feel it is necessary to meet annually with all our clients in order to insure understanding and satisfaction with their accounts. If you have not yet met with Eric in 2016 for your account review, we will be calling you soon to schedule an appointment with Eric.

Eric K. Peterson, CFP®

Spencer B. Haik

Bailey S. Russell

"Investing with Integrity"™