



A Strategy in the Storm

These are turbulent times.
There's no better time than now to create
or update your financial strategy.

By Donna Hein



Over the past three months, you've experienced a world you've never seen before. Record unemployment. Record stock market volatility. Stay-at-home orders. Concern for the health and well-being of family and friends. COVID-19 has had a tremendous impact—physically, financially, socially and emotionally.

It's a good time to just stop and take a deep breath.

Has all the change been causing you to consider a little more

deeply what's important to you, including your goals and values and how you live them out? Especially when it comes to finances? While no one can predict the future, it's important to prepare for it. And that starts with purposely creating a plan that will help you through the ups and downs.

Rob and Rene Hibbard met with their Thrivent financial professional, Cathleen Wenger of Austin, Texas, last summer to create a new financial plan that aligned with their goals and beliefs. It had been nearly 15 years since the couple, now in their 40s, had done their first plan, and there were many changes in their life during that time. They're so glad they did.

"It hit me when the market first went down and I saw my 401(k) dip," says Rob. "But not as much as it would have before. I know we have a solid plan in place."

The Hibbards, from Round Rock, Texas, are confident their financial plan takes into account times such as these, when things don't go as hoped. Rob works for General Motors in the IT area and faces possible job changes. Rene, with a legal background, is a stay-at-home mom to their two daughters, ages 12 and 7.

Building their emergency fund was part of their plan. They knew they may need to use it at some point, but they didn't expect a pandemic.

"When we first built our emergency fund up, we held more in it than recommended," Rene says. "We don't have to worry if Rob were to lose his job, for example. We'd be OK for a while." ►

Maybe you don't have a financial strategy, and you wonder if now's the right time to consider it. Read on for answers to some questions you may have.

What Is a Financial Strategy?

It's really a plan of how you manage your money today in order to meet your goals tomorrow.

"It's a path with a wide view that we hope to follow with normal variability in our lives, says Tom Hussian, advanced markets consultant at Thrivent. "But it also has contingencies with it to help us through hard times, such as downturns in the market, health risks, job losses, high medical bills."

It starts with a clear understanding of where you are financially today, says Neal Carlson, manager of Financial Planning at Thrivent. It sets where you want to be, including goals, values and dreams. And then, working with a financial professional, you can get there.

"It's about establishing a financial foundation that when you run into a time like today, that if something happens, you can know you'll be OK for the next six, nine or 12 months," Carlson says.

Where Do I Start?

The most important place to begin is understanding what your goals are, says Cathleen Wenger, a Thrivent financial professional in Austin, Texas. It's a



conversation about short-term goals, those things happening in the immediate future. But then also looking at intermediate and long-term goals.

It's also important to understand how your faith and values play a role. All of this is achieved through asking questions, and your financial professional listening to what's important to you and why.

"If we have a good understanding of your family's goals and values, then we can put the actions into place to achieve them," Wenger says. "People are more likely to take action and reach their goals if we can tie it back to their why."

It's also important, Hussian says, to understand your risk tolerance. "How much market volatility can you handle?" he asks. "And there also should be a discussion on other potential risks you may have, such as employment changes and family health history."

The Hibbards, who have an advisory relationship with Wenger, knew that with changes in their life, it was time to update their plan.

"We felt we needed to readdress our plans for retirement, college funding for our children, and possibly caring for aging parents," Rene says.

Even though the couple had tweaked their plan over the years, such as adding insurance and increasing savings to retirement accounts, they

Additional To-Dos

In addition to your financial strategy, it's critical to create or update your:

1. **Will:** This document states how you want your property and assets distributed.
2. **Durable power of attorney:** This identifies who will make financial, legal and tax decisions on your behalf should you be unable to make them yourself.
3. **Advanced medical directive:** This identifies whom you've authorized to make medical decisions for you when you can't make them yourself. Medical directives such as a living will and health care power of attorney may differ from state to state.

“It’s about establishing a financial foundation that when you run into a time like today, you can know you’ll be OK for the next six, nine or 12 months.”

—Neal Carlson, manager of Financial Planning at Thrivent

hadn’t really looked at how their strategy lined up with today’s goals. “Actually, we were worried we weren’t as close to our goals as we hoped,” Rene says.

Is a Financial Strategy for Me?

Everyone can benefit from creating a financial strategy, Wenger says. Those who reach out for help are often the ones who don’t know where to start, are already doing something on their own, or want a second opinion, she says. Or it’s also people who are experiencing life transitions or new complexities in their life.

One of the biggest myths is that a financial strategy is only for rich people, Carlson says.

“People with limited resources and tight cash flow need planning the most,” he says. “They need the education that comes along with it as well as someone to come alongside them. Coaching and accountability is a big part of the value that financial professionals bring to their customers.”

What Difference Will a Strategy Make?

If you’ve experienced something to make your outlook bleaker than before, it’s more important than ever to seek guidance from someone who can help you uncover opportunities and help protect you from further risks, Wenger says.

“It’s about making sure you are being as efficient as possible with what you already have in place, protecting against risks that can be addressed,

and becoming more empowered with education around topics and questions that are relevant to today,” she says.

Is Now the Right Time?

“There isn’t a better time than now to start the process, to begin talking to someone about how the events of today are impacting your life, family, goals and retirement,” Carlson says. “Going through a pandemic may change your goals, your values. But it also can help you achieve financial clarity.”

In addition, you may be able to take advantage of a market recovery. And you’ll have reassurance for any future ups and downs.

For the Hibbards, having a financial plan has pushed them to have more conversations with their kids about money, Rene says.

“We’ve been honest with our children about our finances,” she says. “And during this time when we’re having those hard

Reach Out to Thrivent

Ready to create or update your financial strategy? Thrivent offers a full range of financial services, including affordable fee-based planning. Get in touch with your Thrivent financial professional or contact the Thrivent Financial Guidance Team at 888-834-7434 or guidance@thrivent.com.

conversations with our kids about why we can’t do something or spend money on that, they understand.

“We share why it’s important to have an emergency fund, why it’s important to give, why it’s important to save, and why it’s important to spend wisely. They’ve seen with their eyes that mommy and daddy are trying to steward their resources well, and that we still have everything we need.” ■

The clients’ experiences may not be the same as other clients and does not indicate future performance or success.

Thrivent is the marketing name for Thrivent Financial for Lutherans. Insurance products issued by Thrivent. Insurance products issued by Thrivent Financial for Lutherans. Not available in all states. Securities and investment advisory services offered through Thrivent Investment Management Inc., a registered investment adviser, member FINRA and SIPC, and a subsidiary of Thrivent. Licensed agent/producer of Thrivent. Registered representative of Thrivent Investment Management, Inc. Advisory services available through investment adviser representatives only. Thrivent.com/disclosures.

Thrivent and its financial professionals do not provide legal, accounting or tax advice. Consult your attorney or tax professional.