

## Nine Objectives to Wealth Accumulation

By Steven Shepard

Nine wealth accumulation objectives or goals may be identified among people aged 45 to 64. Not surprisingly, most individuals will have more than one. Plus, depending on household make-up, income and other demographic factors, each person differs in how each goal is defined.

A first step to building more wealth is to have clear-cut ideas about money management—making, spending and investing it. What are *your* real motivations for accumulating wealth?

Below are the nine common objectives to wealth accumulation and pertinent open-ended questions you should answer with the help of your financial professional. Two (numbers 7 and 8) relate specifically to parents.

1. Achieve a sense of financial security.

*How much wealth will you need to feel “financially secure?”*

2. Retire with dignity and in relative comfort.

*Can you paint a picture of (describe in detail) what it means to you to retire in dignity and comfort?*

3. Diversify where you place your money and have some asset liquidity.

*What steps are you taking to ensure that your financial vehicles remain diversified and somewhat liquid?*

4. Reduce or eliminate mortgages and consumer debt.

*What methods are you using to accelerate reducing or eliminating your home mortgage, loans and any credit card debt?*

5. Reduce, defer or avoid taxes wherever possible.

*What tax-favored steps are you taking to either defer or reduce your taxes?*

6. Protect against financial catastrophe should your physical or mental capacity diminish.

*If your physical or mental capacity declines as you age, how will you protect the assets you’ve accumulated for other purposes from being depleted? Who will help you?*

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7. Assist in higher education funding (if applicable).

*What plans are you making to ensure that you have funds available to help defray your children's higher education costs whether you are alive, dead or disabled?*

8. Remain independent and avoid being a burden to your children (if applicable).

*What plans have you made to remain independent in retirement and/or to avoid being a burden to your children?*

9. Red-blooded avarice, or greed, or "wealth for wealth's sake."

*How do you intend to amass as much wealth as you possibly can? To what ends do you foresee using it?*

Whatever your objectives for wealth accumulation, clear-cut goals and careful planning can minimize the chances of falling short of the mark. It's worth your time to meet with your financial professional and map your course to financial security.

*Note: Specific tax or legal questions should be answered by your own tax adviser or legal counsel.*

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