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"Wealth Management"

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Tune in to Jeffrey's podcast, *Financial Focus*, by visiting
<http://financialconceptsmesquite.com/podcast/>

INGREDIENTS

- 6 large eggs
- 1/3 cup mayonnaise
- 2 tablespoons sweet India pickle relish
- 2 teaspoons yellow mustard
- 1 teaspoon white sugar
- 1 teaspoon lemon juice
- 1/4 teaspoon salt
- 1/4 teaspoon ground black pepper
- 3 dashes hot sauce (Optional)

DIRECTIONS

1. | Cover eggs with water in a saucepan, bring to a low boil, let boil slowly for 5 minutes. Remove from heat and let stand, covered, for 5 minutes.
2. | Transfer eggs to ice water to chill for 5 minutes; peel. Grate eggs into a medium mixing bowl and add mayonnaise, relish, mustard, sugar, lemon juice, salt, pepper, and hot sauce. Mix well.
3. | Chill in the refrigerator for at least 30 minutes.



Southern-Style Egg Salad

<https://www.allrecipes.com/recipe/280034/southern-style-egg-salad/>



Jeffrey Bird-RICP®

Financial Focus

A Monthly Insight Into Your Finances

June 2021

Pension or Lump Sum: Which Should You Choose?

Traditional pensions, which promise lifetime income payments in retirement, have become less common in the private sector, with only about 10% of workers currently participating in a traditional pension plan. However, pensions are still widely offered in federal, state and local government employment, and 61% of workers expect a pension to be a major or minor source of retirement income.¹

About half of pension plan participants can choose to take their money in a lump sum when they retire.² In addition, companies may offer pension buyouts to vested former employees who are working elsewhere, and even to retirees who are already receiving pension payments.

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Hot Air Balloon Day June 5

When the first hot air balloon was ready to take flight in 1783, it carried a rooster, a duck, and a sheep. The balloon travelled for 2 miles while tethered and was then brought safely back to the ground with the animals unharmed.

<https://worldhistory.us/latin-american-history/nazca-lines-the-worlds-first-hot-air-balloon-a-theory-of-ancient-flight-in-peru-nazca-desert-mystery.php>

A FINANCIAL WELLNESS ...

Only 29% of women said they would be able to cover their basic necessities if they found themselves out of work for an extended period, compared with 55% of men. And more than half of millennials and Gen Xers and 35% of baby boomers said they would likely use their retirement funds for something other than retirement, with most noting it would be for an unexpected expense or medical bill.¹

Although tapping your retirement savings can help you get through a crisis, it can hinder your ability to afford a comfortable retirement. Having a plan to guard your financial wellness throughout your working years can help you avoid putting your retirement at risk.

What Is Financial Wellness?

The Consumer Financial Protection Bureau (CFPB) defines financial well-being as:²

1. Having control over day-to-day and month-to-month finances. In order to achieve this, your expenses need to be lower than your income.
2. Maintaining the capacity to absorb a financial shock. This typically refers to having adequate emergency savings and insurance.
3. Being on track to meet financial goals, meaning you have either a formal or informal plan to meet your goals and you are actively pursuing them.
4. Having the financial freedom to make choices that allow you to enjoy life, such as a splurge vacation.

The CFPB has identified several key factors that contribute to an individual's ability to achieve financial well-being. Among them are (1) having the skills needed to find, process, and use relevant financial information when it's needed; and (2) exhibiting day-to-day financial behaviors and saving habits.

Assistance Is Available

Many employers have begun offering financial wellness benefits over the past decade. These programs have evolved from a focus on basic retirement readiness to those addressing broader financial challenges such as health-care costs, general finance and budgeting, and credit/debt management.³

If you have access to work-based financial wellness benefits, be sure to take time and explore all that is offered. The education and services can provide valuable information and help you build the skills to make sound decisions in challenging circumstances.

In addition, a financial professional can become a trusted coach throughout your life. A qualified financial professional can provide an objective third-party view during tough times, while helping you anticipate and manage challenges and risks and, most important, stay on course toward a comfortable retirement.

The Four Elements of Financial Well-Being

	Present	Future
SECURITY	Control over your day-to-day, month-to-month finances	Capacity to absorb a financial shock
FREEDOM OF CHOICE	Financial freedom to make choices to enjoy life	On track to meet your financial goals

1) PwC, May 2020

2) Consumer Financial Protection Bureau, January 2015

3) Employee Benefit Research Institute, October 2020

Source: CFPB, September 2017

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Asset Protection: Make Sure Your Umbrella Is Big Enough

People make mistakes, no one is perfect, and bad things happen to good people. These plain and simple truisms relate to many of the liability risks involved in everyday life. If something unthinkable occurs and a person is injured on your property, or you or a family member cause a serious car accident, you could be held legally responsible.

Of course, the wealthier you are, the more you stand to lose. If you own a pool or trampoline, have teenagers who drive, coach youth sports, employ household workers, entertain often, or are a public figure, your chances of becoming a target of a lawsuit are even higher.

Standard homeowners and auto insurance policies generally cover personal liability, but you may not have enough coverage to protect your income and assets in the even of a high-dollar judgment. That's where an umbrella policy comes into the picture, providing an extra layer of financial protection.

What's Covered, What's Not

It's not unusual to hear of court judgments in the multimillions, and if your insurance coverage falls short, the financial consequences could be severe. Responsible parties could be ordered to liquidate a home or other personal property and turn over their assets — including future earnings — to satisfy a judgement.

To purchase an umbrella policy, you first must have a certain amount of liability coverage in place on your homeowners/renters and auto insurance (typically \$300,000 and \$250,000, respectively), which serve as a deductible for the umbrella policy. This means the umbrella kicks in after the coverage on those policies has been exhausted.

An umbrella policy provides additional protection against lawsuits claiming that you or a member of your household are liable for bodily injury or damage to the property of others, up to policy limits. On top of the excess liability coverage, an umbrella policy may help pay legal expenses and compensation for time off work to defend yourself in court. It might also cover some nonbusiness-related personal injury claims that are typically excluded from standard homeowners policies, such as libel, slander, invasion of privacy, and defamation of character.

A personal umbrella policy won't cover your own injuries, damage to your property, or liability associated with your business — for that, you may need a commercial umbrella policy. You generally won't be covered if you hurt someone on purpose, commit a crime, or breach a contract. Read your policy carefully for other possible exclusions, such as injury claims involving some breeds of dogs.

How Much Do You Need?

One general guideline is to have liability coverage in place that, at a minimum, matches your net worth. This total includes assets such as savings and investment accounts, cars, valuable art and collectibles, plus the equity in your home and/or any other real estate that you own. You may want to add the value of your projected stream of future income. (Qualified retirement plan assets may have some protection from civil liability under federal and/or state law, depending on the plan and jurisdiction.)

A typical umbrella policy will provide liability coverage worth \$1 million to \$10 million. Umbrella policies usually cost between \$150 and \$300 per year for the first million dollars of coverage, and the cost per million tends to decrease as the amount of coverage increases.¹

Terrible accidents don't happen very often, but when they do the impact can be devastating. It may be well worth the effort to reconsider whether you have the appropriate amount of liability coverage based on your family's financial situation, lifestyle, and the related risks.

1) <https://www.iii.org/article/what-umbrella-liability>, 2020

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