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# Stay Financially Ready for the Unexpected

**Ashley Thomas:** Hello everyone and thank you for joining us today. My name is Ashley Thomas and I work for CAPTRUST. I would like to take a moment to introduce our moderator. She is a fellow CAPTRUST representative with a wealth of knowledge and a tremendous way of making financial information easy to understand. My colleague and friend, Debra Gates.

**Debra Gates:** Thank you so much, Ashley, for that introduction, and we are so excited to be here. We at CAPTRUST would like to welcome you to today's webinar, Stay Financially Ready for the Unexpected. And we really want to thank you for joining us. So today, we will discuss some necessary steps to take as you prepare for the unexpected.

We'll also discuss what to do if you are experiencing the unexpected financially right now. But before I introduce my guests, and I'm so excited to have, I want to start the discussion. I'd like to speak briefly about some important disclosures. So I'm not going to read through any disclosures right now, but I do want to say that, here at CAPTRUST, you know, we don't offer any legal, tax, or accounting advice.

Everyone's situation is a little bit different. So we want to make sure that we look at advice as being individual. and so you have your goals set in place. And so we just want to make sure, that we are helping you and looking at that. And so I just want to let you know that we don't offer that type of advice, but we do give you investment advice and you can call our help desk.

that we will help you with any decisions that you need to make and all things financial, you'll, you're able to talk to us about it. If that is credit management or debt management, any of those things we can speak to you about. So without any further ado, I do want to, introduce my esteemed colleagues who came to join me today.

I want to let you know that they have extensive experience with, with individuals. Collectively, they have over 40 years of industry experience, so their bios are in the handout section for your perusal. So I want to just welcome Ed and Kurt. Thank you for taking out the time to be with us today.

**Ed Cheatham:** Absolutely. Thanks Debra. We are looking forward to it.

**Debra Gates:** Alright, so what we want to do, I really kind of want to set the stage. And, Before I take any type of poll, I just want to kind of, you know, I'll want to kind of get the pulse of the audience, but I do want to say that, you know, things happen. And what we're talking about today is staying financially ready for the unexpected.

And so these are the things that we don't anticipate happening. And here's the thing about emergencies. We just don't know when they are going to happen, but you want to prepare as best as you can for emergencies. So when we're talking about emergencies, we're talking about, you know, job loss or our medical emergencies, divorce.

You know, we have just come through a period here on the East Coast where our headquarters is, you know, natural disasters. We've had the hurricanes on the West Coast. We've had fires. We've had all kinds of things, accidents. Any of you have just like a major home repair and an emergency doesn't have to be something catastrophic.

It could be something as simple as when you're driving down the freeway and You hear this little noise and you're like, what's that? And it could be a car repair or unexpected tax bills or any of those things. So that's what we want to talk about today. And so Ashley, can you just start that poll?

I just kind of want to get, you know, the pulse of the audience and to see where they are and how we feel about the unexpected. And so the question is just simply how confident do you feel about your financial foundation? And Curt and Ed, I want to pose the same question to you. I know that we're seeing people from either end of the spectrum, whether they're feeling very confident, if they're not feeling as confident, we just want to see what are you seeing when you see those questions?

And I do want to add that this poll that we're taking, this is completely confidential. We're not seeing any individual responses. We're seeing We're just looking at this data, looking at it collectively so that we can see, you know, how to just kind of really steer this conversation as we're going through.

So,

**Kirk Futrell:** yeah, so, and you got a couple of comments. Good.

**Ed Cheatham:** Yeah, think about what, when this question came up or comes up, think about what are you aware of in terms of income, in terms of your expenses, in terms of your debt? Do you have, you taken inventory of That, that really, has a lot to do with it, but keep in mind, this is really not income specific.

Whether you make a little bit of money or a lot of money, you still have these same concerns, you know, from that perspective.

**Kirk Futrell:** Yeah, I shouldn't have let you lead off, Ed, because you pretty much nailed it. job, you know, job loss, that's a big one. Are you, confident in, your job? Are you worried about technology? having the ability to, take that away from you. what's your debt service? and then where do you and a potential maybe, you have a spouse.

how do you, feel about where you are right now going forward?

**Debra Gates:** Absolutely. And so I see that there are results that are coming in. and I know you're looking in the background there. Ashley, what are we seeing or we're about. Wow. Okay. So we see that, you know, some people are, you know, confidence kind of tight there between the confident and, neutral.

And so what we want to speak to, what we want to, and there's about 9 percent feeling very confident. And so when we're looking at this, for those who are confident, we're going to ask your indulgence because we're really going to talk about some of the rudimentary things. We're looking at here as it relates to preparing for the unexpected.

so for those who are very confident that are confident, you know, if you would just kind of put in the chat some of the things that you've done as we're going through this presentation, you know, if there are some of the things that you've done that you find. Quite successful. That would really be helpful because we'll address those things at the end.

And those that are kind of neutral, we want to kind of get you on that confident side. And for those of you who are not very confident, you're not alone. When we go out and we're talking to participants and we're talking to people, you know, being confident about their financial foundation. We're in very, you know, sometimes we're in turbulent times where we're just kind of not sure.

So, without any further ado, let's get into this presentation and let's really see. Where do you need to start? And like I said, some of these concepts are going to really sound basic, but they're, basic until you start doing them. And as you start doing and creating a budget, and as you start digging into your finances and all of that, then you'll start seeing some of the complexities.

because it's a matter of doing it, you know, when I look at, you know, at sports for our golf enthusiast, Tyler, Tiger Woods. He has a coach. He has a golf coach. So when we're looking at this, make sure that you're looking at, you know, something as simple as creating a budget. So Ed, I want to start with you.

That's one of the first things that we know that people need to do is create a budget. So what do they need to consider when they're creating that budget? And the other, the second part of that question is, should everyone create a budget? And does income matter?

**Ed Cheatham:** Well, first of all, everyone should create a budget regardless of income.

you know, there was a list of those 10 things that you showed early on before the, the survey. And Kirk and I, when we were discussing it, we've been through probably all those between the two of us. And the times that we were able to, persevere in some of those unexpected events, We're at times in our lives where we really had a budget, where we really knew what was going on.

So, what we're going to talk about budgeting, it's going to filter in every single topic that we're going to talk about for the rest of the day here. So, the first thing you really need to do is you need to calculate your income. Have an idea of what you're making. Not just your salary. Do you have other side hustles?

Do you have other rental income? Different things going on. And then that will follow with a list of your expenses. You know, what do your expenses look like? So, how much are you making? How much is going out? Categorize those expenditures, maybe housing, you know, the needs versus the wants. you know, we need to make sure that we're keeping an eye on that.

And, rather than just, you know, pay the bills as they come, track those bills, see what they look like and, being able to set some financial goals. So the first thing really is to take an inventory of what you make and what you owe and categorize those expenditures and what they look like.

**Debra Gates:** All right.

So we say this all the time. We say you have to create a budget. And the question that comes to my mind, and I think the question that comes to a lot of people's mind as to why they don't venture out and do that is because they need to know, what do you mean by that? How do I do that? And I think on this next slide that we'll look at that.

and can you just kind of talk about the different types of budgeting? To help people to really see concrete answers. And I do want to, I do want to add that this slide, this handout is on, is in the handout section, and you can print out this handout and you can have this readily available for our participants in the audience.

And so you can see the difference in who this is better suited for. But can you speak to this Ed?

**Ed Cheatham:** Yeah, this is a great slide. Not so much for, I mean, it's great content, but really, The important thing is here, no, you know, no one system works for everybody. To Deb's point, everybody has their own unique set of circumstances, set of scenarios, the way they approach debt.

I think it's important to remember when we're thinking about things financially, we do this a lot with our clients, You know, there's really two sides to money. There's that emotional piece and then there's that physical piece. So if you're really caught up into the details of everything and you're more on that emotional side, then there's an answer for you here.

But if you need some help feeling better about things and more emotional, we'll talk about it in terms of debt reduction, some of the different things you can do. But this is really speaks to the, main part about this slide is that there's more than one ways to address it. The budget. That's the key.

You know, getting into the minutiae of it, we could spend a whole webinar just on that. So, it's a great slide and, Deb did a nice job putting it together. Deb and the team did. You know what, Ed, can I add something real

**Kirk Futrell:** quick? Sure. When, we look at the 50 30 20 rule, It says 50 percent for needs, 30 percent for wants, and 20 percent for savings and debt repayment.

What I think is most important, if you were to adopt that type of budgeting style, is to be honest. I think that's very important because differentiating between wants and needs, I think, is where a lot of people fail in their budget.

They feel that they need. need a double espresso cafe mochi macchiato, but it's a 9 coffee and you're trying to prepare for your financial future.

So just evaluating whether you want that or you need that. There's nothing wrong with budgeting for once. Just be honest with yourself and understand that there's a big difference in those. That's all.

**Debra Gates:** And another thing that I think I would like to add about budgeting is that. You're not tethered to any particular time.

you don't have to budget and just stick with this budget forever. you can switch, you can change, you know, maybe you're trying to reach a certain goal and your budget is really tight right now. And then maybe you can loosen up that budget a little bit as you start reaching some of those goals that you want to, you know, you might want to try the envelope system.

If that doesn't work for you, 30 20 rule. If that doesn't work, then you might want to try a spending report and look at a zero budget where all of your money is being accounted for. So, don't feel like you have to choose one or the other, but you want to do something to make sure that you're set with your budgeting.

All right. So we talked about budgeting. We know that's really the ground floor where you need to start. So the second thing that you want to do is just build that emergency fund. Kirk, and I know you're really passionate about this, about the emergency fund. So can you do a couple of things that I want you to answer while you when you're speaking?

Can you tell us the importance of having it? How to set it up? Where it should be invested? And I kind of want you to speak to people, you know, from two lenses, people that haven't started yet or people, if they have one, what's the next step? And I know that's a lot of questions and a lot of information.

And if you don't get to it, I'll, come back, around to it.

**Kirk Futrell:** All right. I think I'm up to the challenge. So I appreciate that very much. The most important, really, I think the most important thing about an emergency fund is to start. You can start small. There's a lot of different ways you can start an emergency fund.

one is you can have, several different checking accounts or savings accounts. You can itemize those checking and savings accounts. So one could be for, car

repairs or potentially a new car. One can be for home repairs. One can be for purchasing a home. You can designate those different accounts at your bank.

It should not cost you anything additional to do that. But I think that's a very helpful way to do it. Another thing you could do is have most employers, if you have HR check with payroll, they can take money out of your check and put it into a particular bank account. That way you never see it. That's one of the neat things about, and we'll get into this a little bit later, but contributing to a retirement savings account is that you never see the money.

You never see it in your bank account, so you can't really spend it. Well, if that money is automatically going into a designated savings account at a financial institution, then you're less likely to tap that money because hopefully you'll have the discipline to remember that there's only one use for that.

So, like I said, start small. 1,000 is a good goal to begin with. Really focus on that. So, as you cut down on your debt and your spending, start small. Really start saving up, get to that first goal, then you can expand to three months of expenses or six months. Job loss would be a big reason why that, could really hurt you financially if you don't have those expenses saved up.

There's also rewards apps. I, this is kind of a new thing. I have one for gasoline. So I just looked at mine before I jumped on. I've got 88. And all you do is click on it that you're at the place and you fill up with gas and you can get up to, you know, 4 to 12 cents back per gallon. So that's a neat way to do it too.

And then one thing that I've done that I think is really beneficial is I have some equity in my home so I went to the bank and set up a HELOC. So Home Equity Line of Credit, if you're a homeowner, you don't, it doesn't cost you anything to set it up. It doesn't cost you anything to maintain it. But if you need the money, if you need some funds, you can, it's basically a loan against the equity.

So it's like a second lien. So in a time of emergency, you can tap that equity and, they'll have it amortized. And I don't want to get into all the, you know, the minutiae of a home equity line of credit, but it's a really great way in an emergency to tap the equity in your home that might not otherwise be available to you.

And then it's important to remember that what we're talking about today is unexpected. situation. So we don't know the severity and we don't know the timing. And Debra pointed this out earlier. So we have to prepare for these things. Okay. There was a list of things that we needed to look at. So take a look



at those again and then your budgeting style and then this is going to help you set up an emergency fund.

**Ed Cheatham:** And I think this is one of the toughest things to do, quite honestly. Prepare for something that you don't know what's going to happen. there's no immediate gratification or reward to that. This is really tough to do. So the fact that everybody's here sitting here on this webinar, I think that's the first step in terms of just acknowledging that.

But, you know, this is something that I try to tell all my clients in terms of, you know, this is always a point of discussion, you know, in the case of an emergency and things are just going smoothly, you know, you have to be able to be somewhat cognizant. It's going to happen. We just don't know when, and we just don't know how much to what severity.

**Kirk Futrell:** There's two other questions that you asked. Deborah, that I, failed to expand on. So I'm going to hit on those real quick. One is, you know, how should the funds be invested? So, if you already have an emergency fund, you can invest those funds, but I would take into consideration. The investment time horizon.

So when do you feel like you're going to need the money? So if you're saving aggressively, saving well, you feel strongly that you're going to be purchasing a house next summer, several months. I would be much more conservative in that investment because you need that money. So, a money market fund through a bank is a good way to do that.

Also, maybe a CD, but be careful because CDs have maturity timeframes associated with them. And if you need that money, prior to that time frame, there could be an early withdrawal penalty. So be careful of that. And then if you have a fund already set up, you need to readdress that. You need to take a look at that.

You need to keep, as you readdress your budget, then take a look at your emergency fund or emergency funds and make sure that those are in line with your goals and different emergencies that you feel could potentially affect you in the future. And then you can adjust the way that you save for those emergency funds.

**Debra Gates:** Absolutely. All right. Let's push along here. And, you know, the next thing that you want to do is to reduce debt. And, you know, we know that people can really feel overwhelmed. So what's the first step in addressing this



issue? And are there any non traditional ways to address your debt? And can you talk about the different strategies?

Can you do that for us, Ed? Sure.

**Ed Cheatham:** well, again, the first step is to assess. Your financial situation. So gather all your financial, statements, documents. take an inventory of what you have going on, see how it fits within your budget. and then when you start to prioritize those debts, there's a couple ways to do it.

These are two, two simple ways here too, and again, we go back to that, you know, that two sides of money, that emotional piece, one of these scenarios, a debt snowball method is more of an emotional, more of a. Less technical approach as opposed to the debt avalanche. So what these two scenarios are is the debt side is the debt snowball is you're taking an inventory of everything you have and you're attacking the lowest balance first and you're just trying to eradicate one less bill coming in the mail and as you continue to do that there's a little momentum building it makes you feel better it's productive but if you're more along the technical side or you're more concerned about interest rates or trying to you know take care of the highest rate of interest first There's what we call the debt avalanche method.

And that's gonna, that's gonna attack the one with, you're gonna pay the minimums on the other lower interest rate accounts, and you're gonna attack the one with the highest interest rate. Now, that's gonna make my, over time, that might take a little bit longer, probably more save you money.

And if you can wherewithal that, if you can sustain the, you know, the bill exhaustion, so to speak, that's going to, eradicate the debt as well. You know, when we're reducing debt, we really need to prioritize what those debts look like. And so these are just two methods that we use. There's different ways, too, in terms of debt.

You asked about non traditional ways. Sometimes people don't understand that, well, you can call the credit card company if you want and try to negotiate a different rate. You can consolidate those loans as well. Be wary, though, of some of the things, the costs that go along with that. It might sound too good to be true up front.

There might be some back end costs that we can't really take care of. you know, a lot of times, you know, as you're paying off this debt and the emergency does come up, you know, reestablishing that, that, balance of the credit card,

sometimes that's your only choice. That's going to, you know, that's going to take discipline on both sides in terms of you took the, had the discipline to repay it, now you're using it.

And if you, know, if you knew, if you do need to use these credit cards, make sure you're making timely, payments. the fees on them alone. you know, can be pretty steep and, I don't even want to get into the, you know, cash advance fees. you know, what we've, what we're ironically, what we're seeing more of is people using cash and checks, you know, to manage things in your, your, checking account.

sometimes too, your bank might have an overdraft protection for 500 or 1, 000. And that'll, you know, that'll eradicate any, insufficient funds, needs when you're working with it. We've seen a good chunk of that because of, cyber security, people getting hacked online, and they feel just, ironically, they feel a little bit more secure, with, with cash or checks.

and then in the end, too, you know, if you really feel overwhelmed with the debt, there's consumer credit counseling out there. Again, be wary of what you encounter. some of these are not for profit groups. Some of them are for profit groups. So, you know, that's going to be something that you need to take to be aware of as well.

**Debra Gates:** Absolutely. All right. So, sometimes, Kirk, people forget about their employee benefits. So I want you to speak about the integral role that benefits can play, when you're looking at these emergencies, these emergency situations and things that you can do to prepare.

**Kirk Futrell:** Yeah, so I'm going to run down a list and touch on these a little bit, Deborah, but, what I find is all of these benefits or most of these benefits, they're going to help you prepare for that event.

And then once that happens, it's going to you're going to be able to, have a higher probability of getting through that. with the least financial strength. And that's what we're really trying to do here. We don't have the ability to prove, well, we know that there are going to be financial challenges ahead for most everyone.

We don't know the severity and we don't know the timing of them. But your employer should have benefits that can help you prepare for those. So reti your retirement account. You can contribute to this retirement account. Oftentimes your employer will have a matching amount. So even though you're putting in

what you might feel is like a small amount, your employer with that match or discretionary profit sharing is going to really be able to grow that account, especially over time.

And if it's invested properly, then it's very important for you to know the distribution rules associated with your retirement account. So 59 and a half is a common age in retirement plans to be able to access those funds. You need to know if that applies to your retirement plan. you also need to, know the difference between Roth and pre tax.

Those are going to have different tax effects in the future if you encounter a financial setback. And then the hardship rules. There's hardship rules to most every retirement account, too, that you can go in and take money out should certain criteria affect you. But the knowledge of what that is very important.

Many of those are plan specific, so there's not, it's not one size fits all. So you need to know what your plan is. Your health insurance, super important should something happen that's unforeseen. Medical wise, there's usually most employers will offer a lower cost, higher deductible plan, and then also a higher cost with a lower deductible.

So know what health insurance is available to you and how you can get it. You know, based on your health and your family's health, that'll help you make the right decision as far as expenses in the future on healthcare. And then life insurance is really important because should you pass away, you don't want to leave your dependents or your loved ones in this poor financial situation that we're trying to avoid today by being on this call.

So I think most people are probably underfunded on life insurance. You need to take an account of that. Know what your employer offers and the costs associated with, and then potentially supplement with an additional policy in an outside financial institution. Disability insurance is offered by most companies or a lot of companies.

Should you become unable to work, for a variety of reasons, you will still continue to receive income. It might not be 100%, but at least you'll potentially be able to avoid. eviction or bankruptcy or something that's extremely detrimental to your financial situation. Then long term care insurance.

Not all employees offer this, but it's a way to kind of mitigate the higher cost of long term care. And then utilizing HSA or FSA. I think these are FSA and especially HSA are an incredible way to avoid a financial setback because you

can use your HSA money that now this is only if you're in a high deductible plan, you would then be eligible to start an account in a financial institution that allows you to contribute tax free.

It allows you to invest that based on whatever that investment lineup is at that financial institution. It's not going to be taxed as you go through your working career. You can use it for qualified medical expenses. And then once you retire, it even becomes kind of like an IRA. So you can have those funds then in an emergency situation and there's no penalties.

It would be taxed, but there are no penalties. and we're going to get into HSA a little bit long, a little bit later when we talk about. You know, being in the thick of a financial crisis.

**Debra Gates:** Absolutely. Thank you so much for that. Kurt, because I think people just, forget about that. So as we go through, so now I know that both of you work heavily with the state planning and, you know, sometimes people don't feel like this applies to them because they may not have a lot of assets right now, or such as our early or mid career participants.

How should one determine if they need an estate plan? And what are some common mistakes that people make regarding estate planning?

**Kirk Futrell:** I've got a simple test. Both of you rushed quite a long time. I knew Ed was going to jump on it, so I had to be quick. Like a puma. So, here's the test. If you're not sure if you need a financial plan, Ask yourself this question.

Are you breathing? That's it. It's that simple. Then you'll know if you need a financial plan. Ed, you want to touch on, some of these, you know, the reason that we have a financial plan and then some different aspects of what people would need to have in that plan?

**Ed Cheatham:** Yeah, I think estate planning is, I think just the, hearing those two words, I think people think, well, that doesn't mean anything for me.

And, That's more complicated estate planning in its simplest form. Kirk and I probably, when we were sitting down doing this, we've got one ask out of you today. and we'll talk about it here shortly, but estate planning, just simply, all you need to understand is it makes everything you care about, go to the people that you want it to go to.

And then also if for something happens to you or your children, you're just, you know, you're just letting people know. What your wishes are. So, you know, that piece of the puzzle is really important. So, whether you have assets or whether you have, you know, different properties, something is as simple as you have children, you know, you have dependents, maybe not children, but dependents outside of that.

You have special circumstances. I mean, estate planning is for you. And the one, one, easy task that we're, going to require of you guys Everybody go to check in to see if your beneficiary is updated for your 401k. Just something simple like that, because both Kirk and I have had stories.

Kirk, tell us specifically the story that you just had a few months back in terms of people not staying up to date with that.

**Kirk Futrell:** Yeah, there was a gentleman who was married and started his job and really started saving aggressively. Went through a contagious divorce. It was really bad and ended up meeting the love of his life and they decided not to get married.

Went on through life in his career. Like I said, aggressive saver. He died and the ex spouse received close to a million dollars and it was an absolute nightmare. So it's very real. Beneficiary designations are not updated through payroll. So that's more along the lines of life insurance. For example, you know, we use ADP here at CAPTRUST.

If I go onto my ADP site and I can change those beneficiaries, that's not the same as my retirement account. You have to also go into your retirement account and change those beneficiaries. Super important.

**Ed Cheatham:** It goes to Kirk's point. Who is the state planning for? If you're breathing, it's for you. So, so take this initiative, from us to just check it, even if you're sure of it.

So when we're talking about, I'll talk subtly about the differences between wills and trusts. a will only will take place after the person passes. it specifies where their assets should go and who will care for their minor children, for example, whereas a trust is something that. it can take effect as soon as you create the trust.

and, everybody should, have it, at the very least, some type of a will. A power of attorney, both from a medical, perspective and a financial perspective. And

that simply means, think of, if you have, children that just turned 18. you know, there's a, you send them off to school.

I mean, you want to call the University of Illinois Hospital because your child's in the emergency room. And if you don't have a proper power of attorney, they're not going to give you that information. So sometimes it's just simple things like that, making sure you're dotting your I's and crossing your T's.

So again, this all falls under the big, heavy estate planning, designation. But it's really ideas that will take care of everything that's really important to you. Mistakes we see are ones that we just shared with you like, like Kirk had not really having any plan at all, not updating the plan, in terms of what, that looks like.

You just want to be aware of tax costs, tax implications in terms of what that goes on. if you've got, sometimes special needs, if you have a special needs child, sometimes, people don't really understand or have gotten the advice that you need a special needs trust. What's going to happen To somebody that's totally 100 dependent upon on both parents or one of the parents and something happens to you.

Where does that, go? It's an entirely different, part of planning. again, improperly, designated beneficiaries, not planning for the kids, ignoring certain laws and just, you know, sometimes too, the do it yourself estate planning. there's lots of different opportunities now, legal zoom and all these things online.

Just be wary, or just be cognizant of who you're talking to and what that looks like.

**Debra Gates:** Absolutely. Thank you for that. So I just kind of want to do just a quick recap before we move on because we have some more information that we want to share with you. You know, what do you do when you're in that situation?

But, you know, we're looking at the first thing we said, create a budget. Then you want to build that emergency fund. You want to reduce debt. Understand what your employer's benefits, what your employee benefits are. we just spoke, in length about estate planning. so, Kurt, you know, what now, if you do that, what's one way to, to stay in touch with everything that, that you need to do?

And, you know, we're looking at these regular financial reviews. you want to revisit it. And I know you sometimes in investing, sometimes. Some different types that ways that you can invest when you're looking at target date funds and that kind of thing. You kind of hear people say, you know, just set it and forget it, but you don't want to.

You want to make sure that you're reviewing your finances and seeing if there are any pivots or anything that you need to make changes about. So can you tell us about that?

**Kirk Futrell:** Yeah, I agree with everything you said there, but and that there's a saying that the only thing. Well, other than the only thing that's true in life is death and taxes, the other thing is change.

So we know that, you know, our wants and our needs, if we're honest with ourselves, our wants and our needs are going to change. So we find new interests, new hobbies that we might want to budget for. as far as the regular financial reviews go, it's as your income changes or your expenses change, readdressing those in a timely manner.

So, you don't have to just revisit them quarterly, semi annually, or annually. But as things change, you need to readdress them. I recommend if you have, you know, loved ones in your life, that you involve them as much as you feel comfortable involving them. And then, you know, track your progress. How am I doing?

You might know to redo your budget or to redo the quantity or the amount that you're saving, whether that's dialing that up or dialing that back. But rewarding yourself and watching that progress is important. You know, what Ed alluded to is kind of an emotional response to budgeting and preparing financially for, a financial setback, but tracking that progress.

How am I doing? And then getting professional help. So, I think the reason we say getting professional help is because a professional can be on the outside looking in. So they can read through the lines. You can say, this is what I want, or this is what I need. And they can help you understand that's actually a want and not a need and help you.

And that is going to help you budget. And that's going to help you save too. So regular financial reviews, whether they're with a professional, with a spouse or with family members, or just by yourself, sit down, lay it all out and, and review it, review everything.



**Ed Cheatham:** If I could jump in here and Deb, I don't want to steal your thunder, In terms of what we have to offer at CAPTRUST.

It's just amazing. We've got a couple help desks on either side of the country. We've got advisors. Kirk and I have our own clients. We have our own individual clients and we talk to participants all, week, all day long. I mean, every, advisor at CAPTRUST, you're going to go through this retirement, this saving for retirement, this accumulation, this retirement experience once.

We've got hundreds of advisors at CAPTRUST that will, that do this a dozen times a week. So, this is something that we're very, all very passionate about. and again, we, when we, when you talk to one of us, we have nothing to sell you. It comes with a plan. It's so very important. We can be that objective perspective that you might need.

and we're not trying to push any product on you. It comes with a plan. that's why everybody's on this webinar. Your employer has chosen that this is a benefit that is really important to you. So we do, honestly, I just wanted you to hear that, that, that passion from an advisor, from the advisor side.

We really enjoy the conversations and it's really, do not hesitate to reach out to us. And anyway, that's really all.

**Debra Gates:** Absolutely. Thank you. Thank you for saying that. And that's really very important. I mean, I say it every quarter and I'm like a broken record and for people that come to our webinars on a consistent basis.

They hear me say that all the time, but it really is true that we are here to help and I'm going to give this number, but in just a couple of slides. to reiterate that you have the 800 number and 800 967 9948 that you can call and speak to one of our, our financial counselors and they're readily available to help you.

And, you know, I'm seeing emojis coming up. I think that's from people that have had that experience. I'm seeing thumbs up. I'm seeing hearts that are coming up that people that have had an experience. with our financial counselors and that conversation is in layman's terms. And, you know, we're not here to scold you or admonish you about anything.

So irrespective of where you are, we're going to give you advice on your particular situation. What I can say is we meet you where you are. We don't want to leave you there. We want to elevate you to the next level, and to help

you get your finances and get everything together. So we've, spoken about the unexpected.

But what about the person that as they're listening to this webinar, and they're probably saying it occurred. This is great information and wow, I wish I had prepared, but right now I'm in a situation and I'm at my wit's end and I'm a little nervous about it. What can they do at this point when they are inside of an emergency?

Take a deep

**Ed Cheatham:** breath and assess the situation. and see, you know, what are the options? And again, if, you've taken, as I said earlier in this, Kirk and I had talked about the, different unexpected events and, how we dealt with those. And the ones that we dealt better with were, when we had plans going on, or, we had a savings or, but if you don't assess the situation and just, you know, get your head above water any way you can.

You know, see what you can do. Can you cut unnecessary expending? Do you need, you know, is it vital? Does something need to be paid or this or that? you know, access whatever funds you have. And then also, you know, look for different ways to maybe, access other different government assistance programs or other charities, things like that.

If you've got to use those credit cards, use them wisely. I, you know, I can't stress it enough. you know, going back to understanding what goes on in the plan. You know, can you access those in a hard, can you access those funds in a hardship withdrawal situation? What does that look like? Know those rules.

And again, we can help you decipher what that looks like. I know Kirk has some other ideas too.

**Kirk Futrell:** Yeah, I love the spending freeze. I think that's, really important. You know, stop spending, you know, as quick as you can. Filter out those wants versus needs. And, one of the most important things I touched on about, you know, But you know, cutting spending, there's some spending you just can't, but you can, but you'd have to, you have some implications of decisions, but, there's some expenses that we look at and we can't really cut those, but our variable expenses, oftentimes we can.

So really hit those hard and then readdress your budget. Because now that you're in a situation of financially, you know, trying time, you want to make

sure to be even more honest with yourself about whether that is a want or whether that is a need. Do you really need that or not? So that's big, but there's a couple of different ways, several different ways that you can access funds too.

Is, a home equity line of credit I alluded to before you set in preparation for a financially detrimental time Setting up a home equity line of credit Like I said, it doesn't cost you anything But if when you're when you're in the trenches and you really need to access funds Regardless of the source a home equity line of credit can be a wise decision, you know That also goes to you know Seeking out professional help because they can help you decide when that's appropriate to access like it alluded to knowing the distribution rules on your retirement plan based on either your age or the financial situation that you're currently in that's going to help you deal with that situation communication with a spouse or family members is really important because if you have a household and one particular person is on board, and, the other person isn't, that can be very trying and that can be very stressful, so, so that, that's a really important step to make.

And then, another thing I think is, could potentially be a last ditch source would be the amounts that you've contributed to a Roth IRA. We call it the basis in our industry, but you can take those funds out. You're welcome to put those back within 60 days, and then it doesn't count as a contribution, but that is a source of emergency funding.

You don't want to touch the earnings if you're under 59 and a half because then you're looking at a penalty and potentially just making a bad situation worse. But those are some ways that you can really deal with the actual fire that's burning in your life. And then improve financial literacy, I think is tremendous.

I mean, the more you learn, the more you know, the more you can apply different situations to your situation. And, I mean, YouTube is a great source of knowledge. I mean, I'm not trying to plug it, but, I use it all the time. If it's something basic that I don't know, I'll go on YouTube and just, I'll pick out a five minute video, while I'm running to the grocery store and now I know more.

So that's a, that's another thing that you can tap to.

**Debra Gates:** Absolutely. I mean, we all have our phone. We all have our smartphones. I mean, we are in the age of information where there's no lack of information out there. We want to make sure that we're getting good information, which is why, as we spoke earlier, so important to call us here at CAPTRUST and we can really help you decipher through All of the noise and all of the information that's out there.

And then, of course, you know, that we don't want to forget about their charities and their nonprofits, you know, their food banks. There are places where you can go if you are in an emergency or in our streets. So, you know, I do want to make sure that I leave a little bit of time for questions. And I know I said earlier, if you had any comments.

if you were confident or very confident you have some things that actually worked for you, if you would drop those in the Q and A in the chat. So, Ashley, if you can come back with us, was there anything out there in the comments section? And then I also want you to look at any questions that we, might have for Erika.

**Ashley Thomas:** Absolutely. We've had some really great engagement. we've had some really great comments about, how people are going ahead and starting their emergency savings funds now. some of the things that people pointed out that they did to go ahead and feel very confident was they didn't take on debt or they kept their debt at minimal levels.

A really big response from everyone is that they are utilizing those emergency funds, making sure that they're taking, advantage of direct deposit with those emergency savings. And another large response that we got from attendees was that they were using those 401k and retirement savings. And taking advantage of doing those small increases every year to go ahead and grow those savings for retirement.

So really great responses from the attendees about what they're actually doing to feel confident.

**Debra Gates:** Great. And you know what? And there was one thing when we were in our prep session, and we spent countless hours in prep sessions. There was one thing that Kirk said during that prep session that kind of just stood out in my mind, and it was when you have an emergency fund, and if you have an emergency, don't forget to replenish your emergency fund.

So emergency funds, that's a constant thing that's going on, that you are Always trying to, you know, keep it up and keep and replenish it as best you can as well. So Ashley, were there any other questions? I know that you're theming them and trying to see because we have quite a few people on this call today and we really appreciate all of you for hanging in here with us.

were there any other questions that people had?

**Ashley Thomas:** Yes. Now, before we get into those questions, I would like to reiterate, we have had so many questions come in. We are only trying to address questions that are not personal in nature. If you do have personal questions, we are asking that you reach out to our advice desk so that we can give you that individualized attention.

but one of the great questions that I saw come up because it was around budgeting was how do we know what's a want versus a need?

**Kirk Futrell:** That's the million dollar question. Yeah. So a lot of your fixed expenses, you know, your mortgage, your rent, your cell phone bill. I, think, you know, electricity and, you know, food and water and gas and, things like that are all certainly, needs.

But I think, you know, when you, talk about wants, it's the unnecessary items that. If you didn't have it, didn't purchase it, what would your life look like? If you didn't get that cup of coffee at Starbucks, could you, once you get to work, can you just get a cup of coffee there? Then that might not be ideal.

I mean, there's a lot of really nice things in this world. I mean, if you spend any time online on, on social media, they have these, social media shops where you can go on. There's some pretty neat stuff in there. You got to use discipline. I mean, that, that's one of the keys. To, to, to want the needs and budgeting is spending time and that's your individual decision.

Spending time knowing and deciding whether or not you really need that. That overlap can really get us into trouble. So it's important to think about different for everybody.

**Ed Cheatham:** Everybody has a different mindset in terms of a want versus a need. But what I can tell you and what Kirk can tell you is. With our clients that are at retirement age or in retirement, the subtle little changes they made as a 20 something or a 30 something, it's paid dividends.

I mean, incredibly. So, so when you, it's, it's a work in progress. Try to figure that out. To Kirk's point, if at the end of the week, would you still be okay if you didn't have X, or would you be okay if you're, if your heating bill wasn't paid? No. So, I mean, you know, sometimes there's that drastic You know, differentiation there.

But keep in mind we see the backend of these decisions, these subtle little decisions that you can make. So even if it's something just tiny that you, that,

you reduce from your budget. I don't care if it's a dollar or two a week. The biggest thing that it does, and again, I go back to this financial psychologist role, it creates good behavior.

And that will make all the difference down the road and it, and, take it from us. We see it on the back end. For those in their 20s and 30s out there, it will pay off in spades.

**Kirk Futrell:** Yeah. Another good way to, to, really differentiate between wants and needs is, you know, going back to Ed's segment on budgeting is writing down every single thing I used to, when I was trading on the floor in Chicago, I used to carry a trading card around with me, but now I use technology for that purpose.

So in my notes, I have gone through before and I'll use one month and you write down every dollar that you spend. Then at the end of the month you can go back and address what you've spent your money on and it's easier then because you're not in the heat of oh I really want that coffee or I really want you know certain thing.

You can look at it and go was that necessary? Was that necessary? Add up that you felt weren't necessary. Take a look at what that would look like if you took that money and put it into some type of emergency fund. Consistently, month after month, how big and how quick that emergency fund would grow.

**Ed Cheatham:** Deb, I'm going to keep an eye on Kirk over the next few weeks to see if he goes into Starbucks and I'll take a picture and I'll send it to you.

**Debra Gates:** Absolutely.

Also, you have any more questions, Ashley?

**Ashley Thomas:** Yes. So, going into that emergency fund a little bit more, there were a lot of questions around where's the best place to hold that emergency fund? what's the difference between an emergency fund and regular savings? Yeah, so what

**Kirk Futrell:** the system that I use is I used, it's kind of overlap with the budgeting method in that handout.

It's the envelope method. So taking certain amount of money and putting it into an envelope for spending. So that really helps. That's that overlaps with an

emergency fund too, because those can be the emergency funds. Do you have, for example, a medical fund? An HSA is a type of emergency fund. If you have a high deductible, health, high deductible health care plan at your workplace and you're eligible for an HSA, if something negative medically happens and you get walloped with this 8,000 bill, you can take that out of your HSA.

That money went in tax free, so you were able to write that off of your taxes. It grew tax free, so you did not receive a tax bill for dividends or interest, and you are then able to take that out and use it to pay that medical bill. So an HSA is an excellent way to save for a medical expense. You know, a home equity line of credit doesn't cost you anything to set up, but now you have an emergency fund.

Now that's not the end all, be all, but it is a good start.

**Ed Cheatham:** I look at it and then this way Go, I'm sorry. Go ahead. Go ahead. No, go ahead. Yeah, I look at it this way, what's the goal of each account? And, I tie emotionally to that, the savings account. You know what, maybe there's a little bit of a payoff there at the end, or maybe, you know, some, maybe there's a good thought if it's a trip or whatever you're trying to save for, as opposed to you are like, I, have to do this because I know something's, you know, something's gonna come up.

So I think there's an, that emotional piece in terms of. That's how I differentiate between our savings and an emergency fund. I try not to, I make deposits into each one differently. And one, the emergency fund, I don't even look at because I just know it's going in there and I don't want to see it.

I don't want to think, Oh, I could grab this because it's mentally, it's a deterrent, for me to, go in there and grab it.

**Debra Gates:** Ashley, any more?

**Ashley Thomas:** I think for the interest of time, I will go ahead and turn it back over to you, Deborah. Thank you so much.

**Debra Gates:** Oh, my goodness, I know that there are more questions and, you know, we have these webinars every quarter.

We try to give you as much information as we can. And what we really want to do if your questions were not addressed as we went through this. We definitely want you to please don't hesitate to reach out to our desk. and that number is 1 800 967 9948. The hours of operation where you can call in directly 8 30 a.



m. until 5 30 p. m. Eastern Standard Time Monday through Thursday. on Friday, 8 30 a. m. until 4 o'clock p. m. Eastern Time. Or you can go online at CAPTRUSTATWORK.COM and you can schedule an appointment. It can be a 30 minute appointment. If you think that you have something a little more comprehensive, then schedule back to back.

There's no charge to set these appointments, and you can set as many as you want, and you can bring in your spouse, your partner, but the hours of operation to set a scheduled appointment, 830 a. m. until 8 o'clock p. m. Eastern Standard Time, Monday through Thursday. On Friday, 830 a. m. until 6 o'clock p. m.

Eastern Standard Time. So please don't hesitate to reach out. Remember, as usual, these the all of these webinars are recorded and you will get a copy of the recording where you can go in and listen to that web, listen to this webinar and remember. with your link that you have. The same link that you came in on this particular presentation, that will be the one that you will be able to go back into and you'll be able to see the handouts.

You'll be able to see that information, but we're going to officially send you a notification within the next 48 hours, and it's going to actually be some more pertinent information as well. So really quick, one minute each. One closing remark, Kirk, and I want one closing remark and you have 60 seconds each.

So we have two minutes. We're at 1258. Give me one closing remark that you want to leave with everyone.

**Kirk Futrell:** I think one of the, I think the most important part about budgeting, savings and going through financial hardships are honesty with yourself. That goes back to wants and needs and discipline. Stay organized around it, be disciplined around it, come up with a plan, stick to the plan, review the plan, make sure that you're being honest with yourself in your discipline.

Ed? All right,

**Ed Cheatham:** Listen, you're going to hear some savvy advice. First of all, for those of that have not called either the help desk or talked to one of our advisors, I challenge you to do that. I think you'll be better off for it. But specifically, I think the biggest takeaway. That we want to leave with you is that every situation is unique.

Every situation is different. Each of you go through your ups and downs. And you know, when you sit together and you do a play, you create a plan or you sit

with one of us, you know, it's going to be very linear. And all I can tell, all I tell people when we sit down and we do a plan with you is, you know what, it's going to be.

Really straighten up into the right. It doesn't really speak to the ups and downs that you have in your life. You're going to have them. We're there for you. We really are. And I think this is one of the things that I never really anticipated. you know, helping these participants, helping all of you.

You're very, easy to coach. You know, sometimes if it's just, you want to come in and talk about your situation, that's fine. Or, you know, say, listen, I took a loan out. I'm a little bit behind the eight ball. We'll, get you back on track. And if you want to come in and brag about what you've done and say, listen, I, we, I've done great.

I've got this. That's awesome too. So again, no judgment, nothing to sell you. I think I just want to challenge everybody, to, what was it, Kirk? Check your beneficiary and reach out to CAPTRUST and talk to one of us.

**Debra Gates:** Okay. So I'm going to have to reel these advisors in because they, I told them one minute each and they are continuing to talk and we are at our, we're one minute after, thank everybody for joining us.

I really appreciate it and have a great day. Stay safe out there. Thank you.

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