

Client Adventure: The Smiths Visit Asia!

Nate and Nikki Smith (yes, Nate is Dustin’s brother) love to travel. In March of 2018 they embarked on an adventure to Thailand and China. It was an area that they had always wanted to visit. While planning their trip, their goal was complete departure from Western Culture, and to push their cultural and social boundaries. They said “We kind of let fate guide us.” Taking full advantage of a last-minute (and rare) gap in their hectic work schedules, they decided to take a spur-of-the-moment international trip. Initially, they had considered going to Rome and Greece, but then they came across a tremendous deal for an Asian adventure, and jumped at the opportunity.



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Pathways Announcement: Congratulations Evon!

After many months of hard work (and then some), we are very happy to announce that Evon passed his CFP® Certification Exam in March, and is now officially the newest Certified Financial Planner™ practitioner here at Pathways! We are excited to put his skills and expertise to work for the benefit of our amazing clients (and to hear what he’ll do with all that free time!).

Paraplanner Article: What’s Your Motivation?

Evon Mendrin, CFP®

What motivates you to make good financial decisions? What motivates you to save, invest, or buy insurance? To spend time and energy thinking about goals, money, life, and death? These aren’t easy topics to think about, but you do them anyway - what’s your motivation?

Is it your family? Your spouse and children? Is it that beach house you’ve always wanted? The thought of free time and financial independence? Or is it simply the thought of having piles of money and huge account balances?

Financial planning is all about tradeoffs - do you spend or do you save? Do you pay down debt or do you invest? Happiness today vs. security tomorrow. It’s easy to focus on the things you want today. They’re always enticing you, always calling out. What motivates you to find that balance, rather than spend for your pleasure today?

Whatever that motivation is, research shows that consistently keeping that motivation in front of you might be the key you need to reach your financial security.

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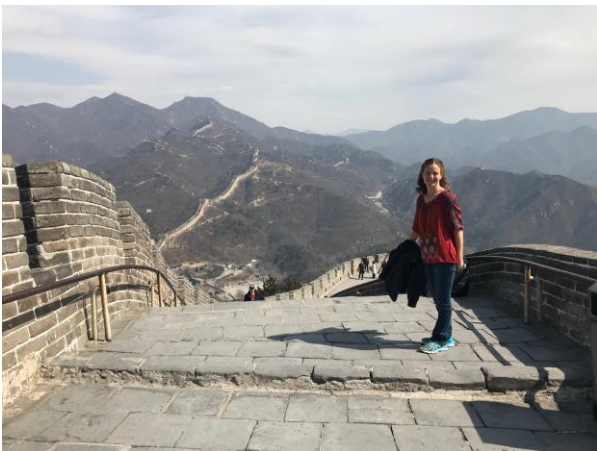
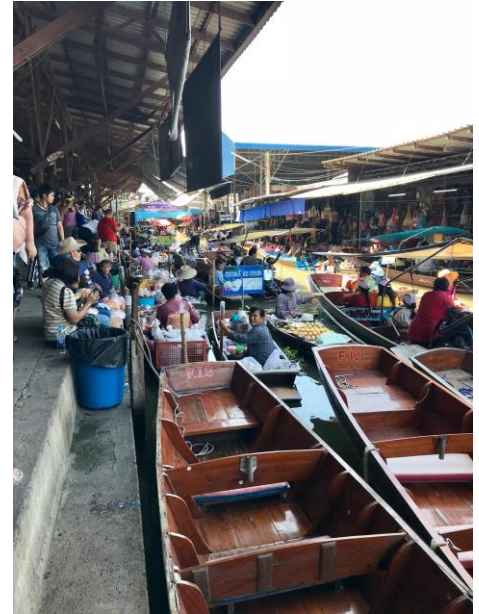
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While on their trip, they made many memories that will undoubtedly last a lifetime. One of the best moments for them was swimming with elephants in the River Kwai in Thailand. While exploring landmarks in China, locals randomly approached them and asked to take selfies. They were extremely excited to see big Americans with beards, and curly haired brunettes.

Despite being so large and urban, they found Beijing to be a very safe and clean city. During rush hour, when subway platforms become overcrowded, there are employees called “pushers” whose job it is to safely push and pull you to and from the train cars. In Thailand, there are floating markets where people buy and sell their goods from small wooden boats within a maze of canals. Hagglng is common practice among the traders in these markets, however it does help if you speak the language.



Before traveling to Thailand, Nate and Nikki were not familiar with Buddhism. They found it intriguing to be immersed in a country where Buddhism is the primary religion. They said “It was a fascinating departure from our Western Culture and made us really think about our values and analyze our American lifestyle.”

After this experience, Nate and Nikki believe that if given the opportunity, everyone should take a leap and go see a country they haven’t been to before. It will open your eyes to a completely different world. They advise anyone interested in travelling to seek out deals and just go for it! Don’t think too



much about it, if you have the time and resources, just click the button and go. They feel that it is important to push your boundaries and explore somewhere completely out of your comfort zone. It will open your eyes to many different and wonderful cultures.

They would recommend going with a land tour company when traveling to a country where you do not speak the primary language. This was their first time traveling with a tour group and they loved it. The people on the tour were great, everyone was there for the same purpose and, as much fun as it was to experience a new country, it was great to meet and connect with other Americans from across the US.

Overall, Nate and Nikki had a fantastic adventure into China and Thailand, and, in spite of being outside of their comfort zone, they felt like they were not let down, and the entire experience was completely amazing.

Paraplanner Article: What's Your Motivation?

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A 2011 study (Soman and Cheema), searching for a way to help families save more money, tracked 146 low-income households in India. The study found that there were two key ideas - certain key actions - that helped the families greatly save more.

The first idea was segregating and earmarking money into different "buckets." The study used separate paper envelopes, but aren't you doing a bit of that already? You're likely already peeling off portions of your income and diverting them into different investment accounts - IRAs, 401(k)s, regular brokerage accounts, etc.

With help from the tax code (tax-deferred growth!), you're already earmarking certain pots of money for your future self. The same can be done with bank accounts. You might have checking, savings, and even separate savings accounts for buying a house, paying off debt, or for emergencies.

The second idea was found to be even more impactful - enhancing all the other methods. They placed a picture of their children on the "savings" envelopes.

Why?

For these families, the main goal was to make sure there were resources for their children. Their children were their primary motivation. That's why the parents worked so hard. This simple action had a substantial impact on their savings rates and helped them *not to* dip into their savings when tempted with spending.

The two actions combined nearly doubled their savings rates, even with very low income. It's simple, yet effective - and it's not hard to imagine why. Visual reminders keep us on track in so many other areas of our lives.

It's no fun to exercise simply for the sake of exercising. But if we keep a "before" photo in front of us, or pictures of the figure/athlete we want to become, we find ourselves much more motivated to get moving.

We feel the same about financial decisions. It's no fun to skip the new car purchase or a few meals at your favorite restaurant. It's no fun to fill up your emergency savings when that island getaway is waiting.

But just imagine - you're about to use this month's savings on a night out on the town when you're confronted by a picture of you and your spouse smiling. Imagine pulling out your wallet to pay for that all-inclusive stay, when in front of your credit card you see a picture of your children.

Just a gentle reminder of *why* you're doing what you're doing - planning your future, setting goals, making healthy financial decisions.

The struggle is real, and we're often our own enemies (I know I am) - but the tools to help us can be simple. What shall we do?

Find your motivation. What's important to you? Where do you see yourself in the future? Why is that important to you? This should be at the forefront of all your financial planning. Make your *personal* finance...well...*personal!*

Sanctify your savings. That is, set aside your saving into separate, sacred pots of money.

Most importantly, keep your motivation in front of you. Put pictures on the fridge, in your wallet, in your financial planning binder. Have them on your computer screen, your phone, and your tablet. Keep them in your car and at your work.

What's your motivation?

If you know it well, it just might help you reach the financial future you're planning for.

Special thanks to Dr. Daniel Crosby and his book, *The Laws of Wealth*, for directing me to the research!

Source - Soman, Dilip and Cheema, Amar, Earmarking and Partitioning: Increasing Saving by Low-Income Households (December 30, 2010). Journal of Marketing Research, Forthcoming. Available at SSRN: <https://ssrn.com/abstract=1732709>

Staff Adventure: Evon Explores Scotland!

Drawn in by books, shows, legends and myths - my wife and I hopped across the Atlantic Ocean to visit beautiful, historic Scotland. And what an adventure it was!

The first few days of the trip were dedicated to the hustle and bustle of two of Scotland's top cities - Edinburgh and Glasgow.



Edinburgh was historic. Walking the streets was like walking hundreds of years back in time. Highlighted by the Royal Mile - a mile of cobblestone street that begins with Edinburgh castle (built on an extinct volcano) and ends with Holyrood Palace. The Palace is still used as the official Scottish residence of the British monarchy. The city (like the country as a whole) is full of history at every turn, with buildings that are hundreds of years old. At least one stone structure in the castle was dated from the 1100's!

Glasgow was quite the opposite - an exciting, bustling modern city. The city is known for its architecture and shopping. For sightseeing, we greatly enjoyed Glasgow University and Glasgow Cathedral (and its GIANT graveyard).

We then began our drive up (on the wrong side of the road) to the green and lush Scotland Highlands. Stunning, dramatic scenery, lakes, rivers, and sheep were at every turn. The pictures just barely do it all justice.

We drove along lakes and Glencoe valley, where we spent the night alongside a river. Next was the Isle of Skye - the "Misty Isle." This is dramatic Scottish scenery at its height. Much of the island looks as if it's from an alien planet (and at least one alien movie was filmed there). We completed a cliff-side hike along the Quiraing, visited Dunvegan - the seat castle of Clan MacLeod, and boat toured for a hike to a remote lake. Skye is a must-see for outdoor Scotland.



Next was the drive up to Inverness, the capital of the Highlands. Along the way, we stopped at Loch Ness to spot the monster. In Inverness, we enjoyed a beautiful city along a river, traditional Scottish folk music, and a tour of more Highland scenery. It's a great city without the crazy hustle and bustle of the Lowland cities.

Finally, the drive back down to Edinburgh to prepare for our flight home. Along the way, we visited Culloden Battlefield. What a moving memorial to the final battle of the Jacobite Rebellion (made famous by the Outlander series)! The field is detailed so well with how the battle was carried out - from positions of the English and Jacobite front lines, where each clan was lined up, to where they met for vicious hand-to-hand combat. Historians believe around 700 Jacobites alone were killed or wounded in hand-to-hand combat within minutes. This was all capped by the mass graves for the Jacobites, marked with stones for each Clan.

It was quite an amazing experience. The whole country is full of history, wars, religion, castles, massive churches, scenery, amazing food, great music, sheep, and great accents. We didn't get to see everything on the list, but it gives us all the reasons we need to head back soon!