

CITY SECURITIES WEALTH ADVISORS

Your Life. Your Goals. Your Advisors.

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To recap some of our earlier discussions, there are two critical things a family needs to do that no one else can do for us to create sustainable wealth - I often refer to them as "client responsibilities":

Client Responsibility #1 - *Create Financial Margin*

Client Responsibility #2 - *Prudently Build Wealth*

We addressed financial margin in two letters during February, Financial Margin part 1 and part 2, and expanded the traditional definition of wealth in my last letter, Redefining Wealth. Now we are ready to discuss prudently building wealth.

The process of building wealth is well understood by most people. Saving and investing, retirement plans, real estate purchases and improvements, and investing back into your own business are the methods commonly mentioned - and these are critical to long term success. However, using our new definition of wealth, this list can be expanded to include furthering your education, acquiring assets that can be used to serve others, and investing in relationships. I have seen individuals and families build wealth through traditional saving and investing along with things like purchasing a cabin in the woods for weekends with family, vacation homes intentionally used to deepen relationships, savings accounts set aside for generous holiday gifts, modifying retirement expenses to leave room for paying for an annual family retreat, and improving their local community - and all in ways as unique as each individual.

To build wealth *prudently* simply means to ensure that you don't violate Responsibility #1 while doing Responsibility #2. When evaluating a wealth building decision, be sure to recheck your financial margin before committing. Buying that larger home may seem like a good idea for building wealth and entertaining people whose relationship you value, but if the mortgage destroys your margin the plan is likely to fail. Remember, the purpose of financial planning is to produce freedom to go anywhere, to do anything, and to serve anyone. Financial margin provides that freedom today, while prudently building wealth preserves that freedom into the future.

Have a great week!



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