



If you have ever watched a Division One College sporting event you know how striking the athleticism and competition is. I was recently introduced to the sport of rowing through my cousin. She is the co-captain of the Brown University Women's Crew Team. As I've watched the team compete, met some of the athletes, and seen how each position in the boat works with, interacts, and contributes to the collective goal I have found some lessons that seem to translate into a sound approach to personal finance.

Takeaway #1: Rowing is the ultimate team sport. There are eight people in the boat, all have their own strengths, but the goal isn't to stand out, it's to contribute to the unified effort. One person rowing faster or harder than the others doesn't move the boat faster. It can change direction, throw off the balance of the boat, and hinder overall performance.

This speaks to the importance of having a holistic, coordinated, financial plan. So often I see clients who have looked at insurance, investments, retirement, education, estate planning, etc. all in isolation. Their plans don't speak to each other and sometimes pull in different directions. Resources are limited and putting too much emphasis on one area might create a strong, isolated component but doesn't create a better overall picture. A common example is the balance between saving for college and saving for retirement. Sometimes there is such a strong desire to provide for a child's education that we put other things on hold. The reality for some is they put so much time and resources towards their child's education that they end up much further behind when it comes to meeting retirement objectives.

PERSONAL FINANCIAL PLANNING

IS YOUR FINANCIAL PLAN ROWING IN THE RIGHT DIRECTION?

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Takeaway #2: I heard one of the Brown University rowers reference a lesson she'd learned from a past coach, 'you can't win a race in the first ten seconds, but you can lose a race in the first ten seconds'. In rowing races you don't have a lot of time to recover. When you get behind there's a disproportionate amount of effort needed to catch up. Fatigue sets in and that can make it doubly hard to make a push as the race goes on.

Get off to a fast start. This lesson can be applied to so many things but in your financial life it typically just means start early!

You can control when you start and that is one of most important factors when it comes to your financial success. This is especially true when it comes to saving and investing. Not only do you just have a longer runway of opportunity to save when you start early but you also get to take advantage of compounding interest. A simple example;

A 25-year-old starts investing \$6,000 per year for 20 years. Earning a hypothetical 7%, that individual will have \$1,018,466.36 at age 65.

A 35-year-old starts investing \$6,000 per year but they save all the way until age 65 (30 years of contributions). Earning the same hypothetical 7%, the late starter will only have \$606,438.25 at age 65.

The younger saver puts in \$60,000 less and ends with over \$400,000 more at age 65**. Starting early gives you room to adjust, make up for errors, and manage obstacles that inevitably pop up along the way.

Examples used for illustrative purposes only. Does not take into account taxes, fees or other expenses. Individual results may vary

Takeaway #3: Each boat has eight rowers and a coxswain. The coxswain doesn't row but faces forward (opposite direction of the rowers) and is responsible for steering and communicating with the team during the race. This role was described to me as the player coach. Someone in the boat who serves as the eyes, coordinate the rhythm of the rowers, and communicates to the team know when it's time to make a push.

This is the role a good financial adviser plays in your plan. Your adviser is someone who understands the landscape and while they don't make the moves for you, they're a set of professional eyes helping you ensure your actions align with your goals. Your adviser works with the other professionals in your life to make sure your plans are coordinated and in rhythm. Your adviser communicates with you so you know when you need to make changes. Ultimately, your adviser can help you see things that you may not be focused on so you can put your time and attention towards the things you do best.

Lastly, you want to feel like your financial adviser, just like a coxswain, is in the boat with you. A rower trusts and values their coach but the coxswain is right there with you. You need to feel comfortable, understood, and be able to communicate clearly with your financial adviser. Make sure you and the person you choose to work with have similar views, values, and can develop a strong working relationship so you create the best opportunity to meet your financial goals.



I've been extremely lucky to watch and learn about the beautiful sport of rowing. While I'm no expert, even as a casual observer there are a lot of lessons to be learned from watching those boats move across the water and athletes that make them move. This is just a fraction of what I feel I've taken away from this newfound interest of mine. I hope these lessons serve you, whether it's in your financial life or otherwise.

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