CHAPTER THREE

What is FlexScore, How Does It Work & How Do You Know Your Score?

"Financial advice for the rest of us."
—FlexScore

Over the years, we've worked as financial advisors to so many people who knew they should be doing better with their money but felt they couldn't control their financial futures. They observed what was happening across the nation and around the world and saw stock market volatility, plummeting home and real estate values, and government decisions that added to public wariness and uncertainty.

Over it all hung the lingering concern many Americans felt over the threat of international terrorism and the economic uncertainty it could bring.

Facing multiple dilemmas, people didn't know where to begin or who to trust when it came to getting advice about handling their money. Many were put off as well by the confusing jargon of Wall Street favored by too many financial planners. These looming issues came to the table when we sat down with our clients to review their personal finances.

These are all legitimate subjects we should be discussing in the public square. They can come up during one-on-one exchanges between financial advisors and their clients too. But very few of these topics are things we can do anything meaningful to control. However, there is one thing we can do something about: We can bring the world of financial planning to common people in everyday language they can understand. And we can give these people the ability to objectively determine their own goals, help them prioritize these goals and show them how they can be realistically implemented. So many people fear they have lost control over one of the most important facets of their lives: Their personal financial affairs.

When we first meet with new clients they raise the same basic questions in one form or another: How am I doing financially? Am I saving enough? Am I taking too much risk with my investments? Am I spending too much? What can I be doing better?

There is no meaningful way for us to answer those questions without conducting a full-blown financial evaluation and completing a plan for each client. This can be a costly and time-consuming exercise depending on the complexity of the client's financial situation. So we created the concept of FlexScore to give everyday people direct access to the knowledge, motivation and results they seek, with or without the help of professional financial advisors. We believe FlexScore is an invaluable tool for both consumers and advisors. We aren't worried about precluding the need for advisors similar to us, as there will never be a shortage of people who need help with their finances. In fact, FlexScore was also conceived as an invaluable tool for financial service professionals because it creates a new standard by which our industry can objectively measure the financial health of its clients and set them on correct courses to financial health, only with the clients' full understanding and participation.

Once we believed we had fixed the central problem confronting our industry--helping the average consumer by making the language and concepts easy to comprehend—we had to overcome the challenge that financial planning isn't very much fun. It's hard work. It's boring. It can become laborious and overwhelming because it is a dynamic and constantly changing discipline. Laws and regulations change. Economic circumstances, both national and individual, change, sometimes radically. There are economic downturns. There are job losses and promotions. All of these things can significantly impact a person's financial status.

Our solution? "Gameify" financial planning. FlexScore turns financial planning into a game. We award points that reward people for doing the right thing based on the goals they set. We take away points for behaviors that detract from meeting their goals. In these ways we also make the process fun. That's part of the genius of FlexScore.

FlexScore isn't some hair-brained scheme the two of us dreamed up based on an arbitrary or subjective contrivance. It isn't a phony 10-step program devised by a self-appointed financial guru. We're just two guys who know from experience that when people begin and complete the long form method of conventional financial planning—following through with six steps based on sound and time-tested industry standards—they effectively accomplish their financial goals more often, more quickly and in a way that surprises them. The six steps in the financial planning process detailed by the Certified Financial Planner Board of Standards are: (1) Establishing and defining the client-planner relationship; (2) Gathering the clients' data and ascertaining their goals; (3) Analyzing and evaluating their financial status; (4) Developing and presenting to the client financial planning recommendations or alternatives; (5) Implementing those recommendations; and (6) Monitoring progress in meeting them.

Most people are afraid of the process until we sit down and go through the steps with them. They fret that it will make them confront longtime weaknesses, real or perceived, and worry that it will result in things being taken away: For example, the fun experienced while spending that extra money they shouldn't have been spending. Finally, it is a process they don't understand, a process that has always been foreign to them, and one that intimidates them. It's like having to sign up for that college course you know you have to take in order to graduate, but dread; you wait until the last minute to take it.

We needed to remove the mystery and intimidation surrounding financial planning while maintaining the fundamental integrity of the process. It is the process itself that brings results. There are no get-rich-quick schemes. The only choice is between making yourself financially secure or doing nothing and irrationally hoping for the best.

We've practiced the six steps in this process as financial planners for a combined 27 years. This is the same method employed by our responsible peers in the industry who practice the art and science of financial planning.

The following process is how we take our clients through the six steps in the long form method of financial planning (without using FlexScore).

First, we hold a discovery meeting. Our clients must prepare for the meeting by doing at least an hour of homework, collecting and organizing all of their financial data and information. Then we as advisors take approximately two hours to review the clients' financial resources and liabilities. We probe the clients about their financial goals. We get them to articulate those goals and embrace them as their own. Once the clients leave, we work to create solution steps that move them closer to their goals, help them shore up their biggest risks and get them on track to realizing what they see as their financial objectives.

Finally, we meet with the clients again for another 60 to 90 minutes to describe the solution steps we have established and get the clients to agree how best to implement them over the coming three to six months or longer, if necessary. The entire process is driven by the clients' goals and objectives, and by their motivation in carrying them out. As planners, we cannot do all the work.

Clients must take upon themselves an integral responsibility, as much or more than we assume as planners.

The initial costs of paying for this advice and our time as planners range widely from $1,000 to $3,500, depending on the complexity of the client's individual situation. This doesn't include potential accountant or attorney fees. The costs can be much higher if the clients are high-earning professionals or business owners. All this does is give clients the steps to follow from that point forward.

Subsequent implementation often costs just as much or more depending on how much help the client needs or wants. It is very common to conduct multiple follow-up meetings over time. There can be periodic or frequent phone conversations as we help clients navigate their end of the process and sometimes hold their hands while it's underway.

The progress towards financial health is similar to people's struggle to improve their physical health by going to the gym and changing their eating habits. We all know what is required in a generic sense. The hard part is breaking it down into manageable steps and being able to draw upon a professional, a financial advisor or a personal trainer who knows what he or she is doing. You can show up at the gym and work out on your own. Trainers aren't 100 percent necessary. But a personal trainer can save you a lot of wasted time and effort, help keep you on track and make necessary adjustments and corrections. It is the same thing with a financial planner.

FlexScore is a way to maintain the integrity of this proven financial planning process while translating that process into a language average people can understand and use on their own, on their own terms and in their own time with or without the physical involvement of a financial advisor. At the same time, FlexScore makes the process fun and fulfilling because you can see the progress you are making at every turn.

FlexScore can be just as effective as the long form of the formal one-on-one financial planning process you would undertake in person with a financial advisor. It brings you the same tools and techniques that are the standards in everyday use mostly with wealthier clients. By implementing technology we developed, FlexScore brings those same high-level skills and tools to the average American.

There are roughly 315 million Americans today. If you believe the Occupy Movement, the interests of only one percent, or more than 3 million people who are wealthy, are being well served by the financial services industry. FlexScore is for the other 99 percent, the remaining 312 million Americans.

FlexScore is so revolutionary that we filed for a patent with the U.S. Patent and Trade Office, now pending, covering its algorithm, which is an advanced and highly sophisticated formula with the inputs changing the outputs in a dynamic manner. Like any formula, FlexScore can be determined using hard copy spreadsheets and hand calculations. But because there are so many inputs that are dynamically determining the outputs, computers and on-line access are the best means of determining your FlexScore.

FlexScore is a welcome alternative to the only three options that people face when trying to figure out the state of their financial existence: Go it alone, hire a financial advisor or simply bury their head in the sand. Unfortunately, most people opt for the latter option and become lost in the financial wilderness of ignorance, insecurity and uncertainty. FlexScore offers every person financial clarity. Instead of lecturing or browbeating, FlexScore is an entirely new financial product that empowers people to take more control over their own financial futures. It is not your daddy's financial advisor. It doesn't wear a suit and tie. It's never played the back nine at the country club or collected fine Scotch. It doesn't drive a BMW, smoke cigars or take martinis over lunch.

A lot of people mistrust anything Wall Street says or does. The big brokerage firms that epitomize Wall Street have been viewed as focusing on big profits, big trades and caring first and foremost about their stock value and second about furthering and protecting the interests of their clients.

Both of us worked for large Wall Street brokerage firms early in our careers. We were paid to represent the best interests of the firm to our clients, which is what we did. Today, as independent financial advisors, we no longer work for a large firm. We don't represent any one firm's best interests to our clients. In fact, what we do today is represent our clients' best interests to the financial services industry because we work for the clients and get paid by the clients.

A good example of how the industry is set up is seen in one of the most popular and well-known mutual funds in the world, the American Funds Growth Fund of America. It boasts 16 different versions of the exact same fund. These versions are known as share classes. Each share class owns the exact same stock holdings. The exact same managers run each of them. The only difference is the way the person representing the fund wants to get paid. The only reason there are 16 share classes is to give the financial advisors 16 different options on how they wish to be compensated for selling you the same product.

Left to their own devices, clients will choose one share class, presumably on the basis of which one they think costs them the least. However, so much complexity is built into the financial services industry that it's often very difficult for clients to know how to make the right decision. The financial industry thereby gives itself a reason for being.

Too many financial advisors use jargon that alienates average people. There is another big advantage offered by FlexScore: We take the Wall Street lingo out of the process. We don't dumb or water down the content. We just translate it into your language. Financial planning at its core is very simple: It requires you to clearly and objectively evaluate your own situation, decide on a course of action and then take action. Using very plain language, FlexScore helps you know what you need to do and then supplies the order in which action should be taken to benefit you the most.

FlexScore encompasses everything you own, everything you owe and everything you are going to do with your money from this point forward, all based on the goals you set for yourself. It is a summation of past financial decisions that got you where you are today. FlexScore affirms that your financial circumstance is dynamic and that you should be the person controlling its fate. If you're not, then who is?

Now let's get into exactly what FlexScore is and how it works. FlexScore comprises a maximum of 1,000 points, divided into two 500-point parts. The first 500 points we refer to as "building your nest." You score points based on getting your financial house in order: Reducing your debt on the road to eliminating it, saving a good amount, diversifying your assets and protecting your income. "Funding your nest" is the other 500-point section. Each sub category in both parts is based on the industry study the Certified Financial Planner Board of Standards conducts every five years by surveying thousands of practicing CERTIFIED FINANCIAL PLANNER™ professionals about what their clients need help with the most. The study reflects changing economic factors; for instance, the most recent survey, released in July 2012, weighs the financial environment in the wake of the Great Recession and how it impacts financial planning and decision-making.

Here are breakdowns for the eight steps in the first part of FlexScore, building your nest.

Goal setting. This involves articulating your personal financial desires. Do you want to retire at a certain age or fund your retirement with a certain amount of money? Do you want to save up for a large purchase or event such as buying a new house or car or paying for your child's wedding? This is where you lay out the life you want to live and the future fun things in life you want to acquire. These goals are as unique as the people setting them.

Investments. This is where you list everything you own that you anticipate growing in value or producing an income stream in the future. They can be items such as stocks, bonds, mutual funds, real estate holdings, private businesses and more.

Debt optimization. Not all debt is bad debt. Having debt can be fine as long as you use it in an optimal way. Holding an appropriate home mortgage is good because of the tax advantages from writing off interest charges and the equity you build up. Acquiring student loan debt is good because it's about improving your education and investing in yourself, so long as you know how to hold it with low or deductible interest. Examples of bad debt include any credit card debt because it is, by definition, money you spent but didn't have to begin with; credit cards enable you to buy things you can't afford in the first place. Using credit cards to make purchases and paying off balances at the end of the month is perfectly fine; that's not credit card debt. Carrying forward balances on your cards is bad. So is that boat you bought and are still paying off that's sitting in your garage, the one you use only several times a year. Any other toy you buy--a recreational vehicle, that sixth television set for the house or a timeshare--is okay if you have the cash to afford it; it is terrible if you're using debt to buy it.

Protection planning. This encompasses everything you need to do to protect your income, property, your family and your nest egg from injury, destruction, illness, death and incapacity. So, for instance, it embraces life and disability insurance.

Retirement planning. The concept of retirement has changed. It used to be this vision of the Golden Years, when you hit a certain age, say 62 or 65, and just spend the rest of your life in carefree retirement. These days many younger people, those under 40, aspire to a time when they will no longer have to work as they presently do. They may look forward to turning 50, saying goodbye to the conventional corporate job and working 15 or 20 hours a week pursuing their passion while still drawing an income. Unfortunately, because of poor financial planning or bad economic winds many people who are between 40 and retirement age have concluded that retirement of any kind is unachievable for them.

It's important to remember one simple definition for retirement: When your financial resources and your mental desire to no longer have to work coincide. It has nothing to do with any given age. We have clients who tell us, "I'm going to retire at 60 years of age no matter what." They may have mentally prepared themselves for retirement at 60, but they have failed to be able to do so financially and maintain anything close to their current lifestyle. So the desire to retire and the ability to retire can be two completely different things. You need to be financially able to retire before you are mentally prepared or you're just kidding yourself.

Estate planning. Don't stop reading: Everyone needs to do estate planning. Why? If you're 28 years old, married with young kids, you need to tell someone who is responsible what will happen to your spouse and minor children in the event of your death. Estate planning gives instructions to those who will survive you when you're gone. You lay out what you want to happen to your assets and how you want your loved ones cared for.

Most people think estate planning is just for that rich couple already in their 60s. In fact, young people with children arguably have an even greater need for it. Is it probable something will happen to you at such a young age? No. Is it possible? Yes. Estate planning can be incredibly complex for people with complex financial situations. It can involve an intentionally defective grantors trust, a family limited partnership or a charitable remainder trust or an irrevocable life insurance trust. On the other end of the economic spectrum, for people of more modest means, oftentimes a simple will can suffice.

FlexScore helps determine the complexity of your individual situation and the appropriate estate planning steps that are necessary to ensure your goals, wants and desires are respected.

Tax planning. This involves trying to reduce the necessary evil of what we all have to pay the government consistent with existing tax law.

Cash flow. This is the art or science of making sure on a monthly basis you are not going backwards when it comes to your net worth by spending more than you make. It's guaranteeing you are heading in the right direction with all your available income sources. This means knowing how much it takes to get from the 1st to the 30th of the month, staying within those boundaries and knowing when you step outside them what the consequences will be in terms of distracting you from meeting the goals you have adopted. Cash flow is one of the least complex steps you can take towards financial health, but it is also one of the hardest for most people to master. You need to be focused on it at all times.

FlexScore is not a tool that will help you make more money. Instead, it will help you better use the money you already have in accomplishing your financial goals.

The final 500 points of FlexScore, funding the nest, are broken down into six sections.

Asset liquidity. This involves the liquidity or flexibility of your assets that will be used in the future to fund your monthly income. The goal is having assets that are easily available to generate income or available to be sold without negative tax consequences or holding periods. If all of the money providing you with an income is tied up in one investment, that may be terrific, but only if it's performing well. That asset could also be liquid, but it may not be flexible. If your money is tied up in complex financial products or real estate that could cause you to owe taxes or penalties or cause you to accept an unreasonably low sale price just to get your hands on some cash if you suddenly needed to sell them, then they aren't good examples of clean liquidity.

Asset diversification. Do you remember your mother warning you not to put all of your eggs in one basket? Asset diversification is the spreading out of your money, making sure you own a wide range of investments such as stocks, bonds, mutual funds and real estate plus other assets that may increase in value over time or hedge against the fluctuation in value of your other assets such as gold, oil and Treasury inflation-protected securities.

Debt to net worth ratio. This measures how well you have accumulated assets in relation to the amount of debt you owe. You will be rewarded for increasing your net worth when that increase occurs by either paying down debt or building up assets. The reverse will also be true: You will have points taken away when debt begins to rise more quickly than your assets.

Monthly housing cost ratio. This is about not spending more of your monthly income on housing than you can afford. This means living within your means whether you own or rent your residence. Do not allow what you spend on housing to become more than 28 percent of your monthly income. When you exceed that monthly housing cost ratio you limit your ability to apply a portion of the money you earn each month to other important defined goals.

Consumer debt ratio. Also make sure the non-mortgage debt you pay monthly does not exceed 20 percent of your monthly income. In calculating your consumer debt ratio, include all credit card and loan payments, and everything else except what you pay on your home mortgage.

Staying on pace to meet your goals. Making sure you are on pace to meet your goals is the single largest category of points you can earn in FlexScore. Are you creating enough financial wherewithal to realize the particular goals you have set for yourself? If your goal is retiring at age 60 with $5,000 in after-tax monthly income, you need to be putting away savings or earning money through investments at a certain rate each month between now and the date by which you hope to stop working. If your trajectory is on course or ahead of the pace, you will achieve your goal on time or even sooner and collect the full points allocated in this section. If you are not saving enough to meet that goal, your trajectory will fall short, and so will your points.

The financial life of a person or a family can be a complicated thing. There are mortgages, loans and other forms of debt, 401(k) plans, stock portfolios and life insurance policies, among many other factors. Most people find it challenging to properly assess all of these elements and figure out how they fit into the "big picture" of their financial lives. FlexScore provides an easy way for ordinary people to visualize and gauge their overall financial health.

Your FlexScore is based on a culmination of how you have done in the past and what you are doing currently, based on the points you earn in the categories we have detailed. You can see that your FlexScore is not based solely, or perhaps even substantially, upon how much money you make or how many things you possess. Rather, it is based on how you are doing on an array of interrelated financial facts about you and how you are or are not making progress in meeting goals you have selected.

A perfect FlexScore of 1,000 means you are ready. You've achieved all things in your financial life to meet your goals. Now it's your choice as to whether you want to continue to work. You can expand your goals if you like, or not. A perfect score allows you to live on more money, to have more fun or to maybe travel more or buy that better house.

Keep in mind that not everyone will be able to hit 1,000, even if they are diligent in their financial endeavors. Some goals may outweigh the capacity to achieve them. Many people don't realize how much savings are required to replace the working income on which they have relied. As mentioned earlier, to replace a $75,000-a-year income in retirement at the age of 62, you need to have around a $1 million nest egg, with about $40,000 coming from your nest egg and about $35,000 coming from the Social

Security payments of both spouses.

Some people think to themselves, "I can always draw down on the principle of my savings if it becomes necessary." Yes, that can be an option. But sometimes economic and real estate downturns on their own draw down principal or equity. Many retirement nest eggs lost more than a third of their value in 2008, when the stock and real estate markets plummeted. A hypothetical retiree with a $1 million nest egg would have been left with about $650,000 in asset after the 2008 economic downturn. So it isn't correct to assume you can always risk drawing down on the principal of your investments.

Another big risk people forget about is lasting longer than their money does, or running out of money before they run out of life. That is also the argument for saving more diligently when you're working, and monitoring your spending more closely in retirement.

Whatever your initial FlexScore number turns out to be, it will help you move far beyond just identifying your present financial position. More importantly, FlexScore will tell you how to improve it. It will give you the steps you should take to achieve your goals.

The true power of FlexScore is its ability to present you with clear, achievable action steps involving 14 quantifiable interrelated areas on which you can work to further your financial health. Like an MRI (magnetic resonance imaging) test that supplies physicians with a 360-degree view of the human body to further medical diagnosis and check on the process of disease and treatment, FlexScore is a new piece of technology that offers a 360-degree look at all things in your financial life; it focuses on them, continuously monitors them and supplies you with easy to follow steps so you can do better with your personal finances.

You may be strong or weak in any one or more of the 14 FlexScore categories. Because everything is ultimately related, strengths and weaknesses in one area can positively or negatively affect your scores in other sections. If your investments are doing really well when you're young, you may not have to save as much money later on. But if you are older, continue to take on or fail to reduce consumer debt and are behind in saving for retirement, you will see how it negatively affects your ability to realize the goals you have set.

Another major danger that can often be overlooked is how your goal can unravel outside of economic circumstances. Something may occur because of death, disability or the loss of a significant other on whom you rely. This is why life or disability insurance, or both, could be important in your situation; it is why we have included a protection-planning category in FlexScore.

What are your goals? Everyone‘s goals are unique. That's why your FlexScore is as unique as you are. FlexScore helps you manage both your short- and long-term goals while neglecting neither one. FlexScore helps make them happen whether you embrace buying a new home, saving for retirement, getting out of debt or a custom goal of your choice.

FlexScore doesn't set your goals. You do. FlexScore does help you identify the impact your goals have on your score, operating like a financial GPS. Knowing your FlexScore allows you to know whether your goals are reasonable and achievable or whether they need to be adjusted up or down. FlexScore isn't some financial advisor or self-described guru telling you what your goals should be and trying to impress you with how smart and knowledgeable he or she is. FlexScore requires that you determine goals for yourself based on the objective, realistic facts of your own financial circumstances that you have come to confront and understand, perhaps for the first time.

By helping you acquire and implement this knowledge on your own or by using it in consultation with a professional financial advisor, FlexScore brings industry standards to the masses of Americans who up until now have needed help but haven't been able to access it. In this way, FlexScore can also aid the professional financial advisor community. A key benefit from going through the FlexScore process is compelling you to flesh out all the financial issues and questions that are important to you. These are exactly the same facts a financial advisor would need to know about you during your first meeting. What are your goals? That's a question a financial advisor would pose to you. The advisor would ask you to detail what you own (a home, brokerage account, 401(k) investments) and what you owe (the debt you have taken on with other people's money). If the advisor is doing a good job, other key questions will arise such as "do you have proper protections in place such as life and disability policies, and adequate property casualty insurance such as auto and homeowner coverage?"

An advisor should also ask you whether you have provided for your intentions after your death. Do you have a will or trust? If there are young children, have you and your spouse talked about what would happen in the event both of you die? These are all inquiries a good financial advisor will pose. It's what we ask our clients when they first come to see us.

Once you have answered these questions and have embarked upon the FlexScore process, you are capable of executing the action steps FlexScore has established for you. Or you can decide to include the help of a financial advisor in the process. Then FlexScore gives both you and the advisor a big edge. It saves the advisor time and trouble, and saves you money because you've already done much of the advisor's work. In any case, FlexScore ensures a more accurate and precise result as you work with an advisor since you've already considered your most important financial issues. It's like the old adage, "garbage in, garbage out." If you go into the financial planning process already informed and knowledgeable, you will come out of the process with more thoughtful and beneficial advice.

When an individual middle class wage earner or salaried employee seeks professional counseling about his or her $40,000 401(k) account, in most cases that person is not likely to find much interest within the financial advisor community. Some companies hire financial advisors like us to counsel their employees about their retirement investments. The modest individual investor is usually seen as “background noise” and even as a distraction for advisors who favor working with more wealthy clients.

FlexScore is clearly a benefit for the consumer. But it is also a tool that will make a big difference for the advisor community of which we are a part. Advisors working with their clients who use FlexScore will benefit from the thoroughness of its process and the fact it asks people to honestly look in the mirror and evaluate what’s important to them about their money. It also asks people to decide what is more important: Reaching long-term goals or enjoying short-term satisfaction. Actually, FlexScore lets people do both in reasonable degrees: Enjoy some immediate satisfaction while they work to achieve much broader and longer-lasting goals.

Without the aid of FlexScore, talking to someone under the age of 40 about planning for retirement can be a difficult undertaking. People of that age think of retirement as something of concern to other people, meaning people with graying hair 20 or more years their senior. After all, so often people think of retirement as an age instead of an ability to no longer have to work, a time when your financial wherewithal meets your desire not to work. FlexScore helps people change the way they think about retirement and finances. At the same time, it gamifies the standards our industry uses to help consumers prepare earlier and better, which makes everyone better off.

In these ways, FlexScore is becoming the language of the financial neighborhood because of its simplicity, transparency and flexibility.

What keeps you up at night? What are those things you really want to do with your money, that you think you maybe should be doing but don't know how to get done? FlexScore gets that monkey off your back by showing you exactly what to do and how to do it. It isn't some abstract, theoretical exercise. It supplies concrete, simple and easy-to-understand action steps we know work because they're based on principles our industry has used to help people for many years. The hardest part is connecting your long-term future goals with the immediacy of what you need to do today to achieve momentum in the right direction.

How do you access and work with FlexScore?

FlexScore is a tool on the Web you can visit at home, from work, while shopping or eating. You can even access it from your mobile device. The formality of the financial planning process that people imagine, sitting down with a financial advisor in a mahogany-paneled conference room, is replaced by FlexScore. The reality is that you don't need the formality; you need the structure. FlexScore gives you the structure, but on your own terms.

The more you use FlexScore, the clearer your financial picture becomes, and the closer you get to reaching your goals. You can check on how well you are doing financially any time, anywhere. You can keep up to date through monthly emails that track your progress. You can learn how to reach your goals faster with free advice and customized action steps tailored just for you.

You can arrange to be notified as often or as infrequently as you like about changes in your score. You can receive reminders of the things you need to do to improve your score. FlexScore allows you to choose which action steps to conquer first. Steps that might take five or 10 minutes of your time and relatively little effort to complete could yield fewer points than those that take more time and greater effort. But those are decisions you make. What FlexScore does is let you see the direct correlation between your actions and overall financial improvement. Taking small actions will produce small improvements. Taking large actions will generate large improvements.

FlexScore will generate customized action steps for you to take. Acting on your steps will move you forward and improve your FlexScore. That FlexScore number will keep you continually engaged with your own financial life. As your number goes up, your life gets better.

If you have some money available each month, FlexScore shows you whether it's better to use it to pay off debt or to sock it away for the future. Because FlexScore presents a holistic view of your finances, it shows you which choice will do more for you at any given time. More significantly, the choices you make are based on the goals you set given your particular financial situation.

For example, if the goal of paying off debt is more important to you than retiring at a relatively early age, then FlexScore may recommend for now that a larger chunk of your free cash flow goes into debt reduction rather than growing a retirement account. If paying off debt is not a big priority but you have high debt costs in the range of 15 percent or higher annual percentage rates on credit card obligations and you don't like to take risks with your investments, FlexScore would probably also initially encourage you to pay off debt instead of putting a lot of money towards retirement. That's because investing money in lower-risk investments would likely yield a return rate of about 4 to 6 percent over the long term. The interest you're paying on those credit cards could be three or more times what you're earning from the low-risk investments. Therefore, the best use of your money would likely be eliminating those high interest charges by paying off the debt before working to build up a nest egg. Building up the nest egg is still important. But first you need to dig yourself out of the debt hole and get back to even.

This is not to say you have to pay off debt first or that you have to plow all your resources into paying off your credit cards or that you can't simultaneously take advantage of your company retirement plan if you have one. Participating in the retirement plan may present advantages, especially if your employer matches your investment; plus it's money that isn't now subject to income taxes.

FlexScore takes into account all of these considerations. It keeps your focus on those aspects of your financial life you *can* control: How much money should you put away each month? How much debt should you pay down? How should you invest your money? How should you protect your loved ones?

Finally, FlexScore is not vague, incomprehensible analysis. It isn't some insurance agent overselling you on insurance products for his benefit and not yours. It is not a stockbroker making a big commission each time your money moves around. It is not a confusing, overpriced financial advisor repeating the same mantra, "Just stay the course and everything will be fine in the long run." (What if you aren't even on the right course in the first place? Wouldn't that be a good thing to know now?) FlexScore is not a static picture of your net worth without accompanying advice on how to do better.

FlexScore is straight talking, Wall Street-lingo-free financial advice. It's your friend and trusted companion. We've deconstructed the old-fashioned financial advice model and reconstructed it with you in mind. It's comprehensive, simple, understandable, accessible and, dare we say, fun.

FlexScore is your financial life as you understand it and as you want it to be. Are you ready? Your score awaits you.