



NEWS

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Don't Believe in Life Insurance? Ask a Widow or Young Children

Families believe in the life insurance benefit, but not the premium, says Financial Coach William Pitney of FocusYOU

FOSTER CITY, Calif. (September 14, 2012) – People are not immortal. Every year nearly 600,000 Americans ages 25-64 die in the prime of life. If the breadwinner died tomorrow, what would be the financial impact on their loved ones? Would they get to keep their home? Would they be able to go to college? Would a surviving spouse have a choice about whether to work, remarry or not?

None of these issues is pleasant to think about, but **not** considering the possibilities can have serious consequences.

September is Life Insurance Awareness Month. William Pitney, financial coach of FocusYOU, is asking people to think about their life insurance needs, review their policies and make sure their families would be okay financially if they died unexpectedly.

While some people may never have a car accident or have their home burn down, everyone dies. That's guaranteed. "It's not a matter of if, but when," says Pitney. He adds, "We've all known families who fulfilled their financial goals thanks to the benefits of life insurance. We've also known families who've gone broke because they did not have enough coverage or no coverage at all. I've seen situations where a surviving spouse was forced to work for menial wages just to survive."

The vast majority of Americans need life insurance. When someone is financially dependent on another person, there is a need for life insurance. Unfortunately, 95 million American adults have no coverage at

all according to LIMRA, an insurance industry research group. Pitney finds that among those people who have life insurance, they tend to have far less coverage than they need.

Pitney believes that someone always pays for life insurance whether they buy it or not. The question is: Who? The breadwinner or their family? Pitney asks, “Have you ever met a widow or widower who said their spouse had too much life insurance?”

Life insurance is the only financial product that provides immediate cash to a family following a death. Families can use the death benefit to pay off funeral and other final expenses, mortgages, car loans and credit cards. Depending on the amount of coverage, life insurance can also provide income to live on for a period of time and even pay for college.

“Sometimes people claim they don’t believe in life insurance,” Pitney says. “Let’s think about that for a moment. Life insurance isn’t something you believe in or disbelieve in. It’s not religion. It’s simply an economic tool that either makes sound financial sense or it doesn’t. I’m sure if someone offered you free life insurance, you’d gladly take it.” In his opinion, it’s really a question of cost, not belief.

The cost of life insurance increases with age and health status. Since no one’s future health is certain, Pitney recommends that families who need life insurance secure coverage sooner rather than later.

The amount of life insurance a person needs depends on his or her particular family situation, the financial objectives and obligations. Pitney describes five common scenarios to help families determine their life insurance needs:

Married Couple. Married people share a life and financial obligations with one another. Would a spouse have enough money to pay off these obligations and have time to adjust to life without their partner?

Married With Children. A spouse and children will have to make emotional and financial adjustments. Would there be enough money to provide for them, no matter what else life may throw at them? Would the spouse have the option of staying home with the children for a period of time?

Single Parent. As the breadwinner, caregiver and so much more, there must be financial safeguards for children. Would there be enough money to take care of them and keep them from being a financial burden on their guardian?

Stay-at-Home Parent. The non-financial contributions to the family would be expensive to replace. How easily could the surviving spouse afford to pay someone to provide childcare, transportation, cleaning, cooking and the other household responsibilities?

Nearing Retirement or Retired Already. Will Social Security and other personal savings enable a surviving spouse to maintain the lifestyle a couple worked hard to achieve? Without life insurance, will there be enough to take care of everything for the next 15 to 20 years or more?

According to Pitney, families can get a general sense of their life insurance needs by going to www.lifehappens.org/lifecalculator and using the online calculator offered by the LIFE Foundation, a nonprofit insurance education group. The next step for families, suggests Pitney, should be to contact a local insurance professional, who can conduct a more comprehensive needs analysis to determine if they have adequate coverage and help them find the right insurance to fit their specific needs and budget.

About William Pitney

William Pitney, founder and financial coach of FocusYOU in Foster City and Santa Rosa, California, has been serving clients as a professional financial planner since 2003. Pitney earned his MBA from The University of Arizona and his BA from the University of Kentucky. Pitney is a member of the Financial Planning Association, Sudden Money Institute, Center for Fiduciary Studies, National Ethics Association, and International Association of Registered Financial Consultants. He is recognized by the Institute of Consumer Financial Education as a Certified Personal Finance Instructor. Committed to a higher fiduciary standard of excellence, he has passed a rigorous certification and examination process in order to earn the professional designations of CERTIFIED FINANCIAL PLANNER™ professional and Accredited Investment Fiduciary®. In addition, he is among the very few financial professionals to have earned the ChFEBCsm designation for addressing the unique benefit programs of federal employees. FocusYOU delivers practical, fully integrated financial strategies and solutions to address the long-term financial planning needs of clients. For more information, visit www.FocusYou.com.

About Life Insurance Awareness Month

Held each September, Life Insurance Awareness Month is an industry-wide effort that is coordinated by the nonprofit LIFE Foundation. The campaign was created in response to growing concern about the large number of Americans who lack adequate life insurance protection. Roughly 95 million adult Americans have no life insurance, and most of those who do have far less coverage than most financial experts recommend. For more information on life insurance, visit LIFE's website at www.lifehappens.org.

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