

Thrivent Member Network – Northland Region

Network News

About the newsletter

Network News provides financial insights, local stories, local partnerships and upcoming events happening in your region.

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The McGarity family of San Antonio is taking the next positive steps to continue building healthy money habits.

Steps to better money habits

It's never too late to become more financially savvy

We've likely all heard similar advice about money. Guidance such as spend less than you earn, be generous, use debt carefully, save more. We know it works. Yet many of us, in various stages of life, can find ourselves struggling at times to make healthy money choices, even if we have financial clarity.

While sometimes it's because we don't seem to have enough money, more often it stems from how we use the resources we've been given. And that's where our emotions may get involved, tending to drive the choices we make with our finances.

"Feelings of insecurity, lack of knowledge and procrastination are some of the biggest things that hold us back from making healthy money decisions," says Heidi Renteria, a guide with [Thrivent's Money Canvas program](#). "We may feel that making those healthy choices will take away the fun in our lives. We also make decisions based on limited knowledge or how we saw our

parents manage money."

"Often we know what we need to do," Renteria says. "We have the answers within us. We just don't get around to or know how to incorporate them into our lives."

Sometimes people just feel overwhelmed and simply don't know where to start, says Charlie Gallagher, Thrivent financial associate in Irvine, California.

"They don't know how to build structure, get organized," Gallagher says. "And that's where having a guide to come alongside them and ask them key questions can help."

Rick Boxeth, a professional chef and client of Gallagher's from Santa Ana, California, found himself in debt after using credit cards to buy what he needed to start and run his two companies—Catered Courses and Santa Ana Sweets. Gallagher suggested debt consolidation, and Boxeth reached out to the [Thrivent Credit Union](#) for guidance.

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While Boxeth took out a loan to consolidate his debt, he also admits that it's way too easy to fall back into old habits. He felt like he was having the same money conversations with Gallagher each time they met, and he wasn't making the progress he wanted.

That's when Gallagher recommended Boxeth meet virtually with Jenifer Sykora, a guide with Money Canvas. "We talked in real language about where I was financially," Boxeth says. "I actually cried because I could finally see there was a way out. I learned that having a strategy saves time, money and stress."

In addition to helping change Boxeth's mindset about his finances, Gallagher says, the Money Canvas sessions helped get Boxeth on the same page financially as his wife, Tracy, a high school teacher. Like many married couples, the two view money differently.

"A concept called the Money Wheel provided a picture that both he and his wife could understand," Gallagher says. "Even though his numbers were upside down, they were finally speaking the same money language and they could work on this together."

It's been a fantastic change. Boxeth, along with some new partners, continues to grow his businesses. The additional revenue from expansion helps pay debt down faster and is enabling the couple to save more. They continue to work with Gallagher on a retirement strategy. "This is a powerful process," Boxeth says.

Skewed perceptions

Everyone's story of why they took on debt, aren't saving, or got behind in their finances is different, says

Sykora. And so is every person she guides. People often have the misperception that those with unhealthy money habits don't make much money or are not educated.

In reality, low income is not always to blame for financial challenges. Only 20% of people facing financial hardship fall below the poverty line and make less than \$40,000 a year.¹

"I meet with people in every life situation, every income level, from just out of college to retired," Sykora says about her work with Money Canvas. "Just because you have a healthy income doesn't mean you have good money habits, and sometimes it just means your unhealthy money habits have a bigger price tag."

Gallagher also points to the lack of financial education in schools and the propensity, especially for young adults, to do what their parents have done historically with money.

"Each generation has to plan differently because the economic environment around them has changed," Gallagher says. "What worked for their parents or grandparents may not work for them."

Ways to change unhealthy money habits

Sometimes the biggest challenge to change unhealthy habits to healthy habits is simply starting. "It all begins with small practical steps," says Daajsha Cooley, Money Canvas guide. "And practical is key. Don't pick something too hard for you or something you'd never do. Make sure your goals are realistic and that you can measure them."

Accountability is another key piece—identifying someone who can help you,

Renteria says. "You won't want to reach out to the uncle who has tons of credit card debt or has made poor choices," she says. "But you may reach out to an aunt that is on target for retirement.

And if you don't have a family member or friend, there's nothing wrong with reaching out to a money guide to figure out how to make changes happen."

Tanisha McGarity of San Antonio, Texas, found out about Money Canvas from a friend and signed up for a session with Renteria.

"We're not terrible with money, but we could have been better," says McGarity, an educator. Her husband Jason is a machine operator, and they have five children. A 21-year-old niece also lives with them. "Heidi asked us about our goals and what we're trying to do. During the pandemic, we were stuck in the house and knew we could start working on our financial goals. We started with baby steps."

Those initial steps led to big gains. In a year, the McGaritys have been able to pay off more than \$32,000 in debt while also finding room to bump up their retirement investments.

"We now have a savings account, an [emergency fund](#) and a retirement account," McGarity says. "We've paid off credit cards and the contract for our security system. We also ended up refinancing my car, which was a huge bonus, dropping the interest rate by 15%."

They've set aside money so their family can go out to eat periodically, and they started a savings account specifically to cover expenses for their cars and house.

"People say that being financially disciplined is hard, but it is manageable and doable, especially if you take it 30 days at a time," McGarity says. "We've always saved money, but with the changes we've made, the impact is amazing."

Acknowledging your feelings about money, establishing accountability and beginning with small, consistent steps are key.

"People think they have to stop their unhealthy money habits cold turkey or

"We talked in real language about where I was financially ... I could finally see there was a way out. I learned that having a strategy saves time, money and stress."

—Rick Boxeth, professional chef

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go straight to their end goal,” Cooley says. “Start small. This isn’t a sprint; it’s a marathon. Take your time and build the muscle you need to succeed.”

Time to start is now

As Zack Czerwonky, financial associate in Carmel, Indiana, meets with clients, he refers those who currently don’t [budget](#) or who struggle to be on the same financial page as their spouse, to Money Canvas. He’s seen the benefit this Thrivent program can provide and how it complements the advice he’s giving to clients.

“It’s really important that people can talk about money,” he says. “If they can find a win at this level, they are in a much better spot to understand what winning in retirement is for them.”

It’s never too late to start making healthy money decisions, and really, the sooner the better. “The consequences may have a greater impact the later you start, but it’s important to start,” Czerwonky says. “Think of it as a house and this is part of the foundation. You can’t build the rest of house without the foundation. You can stay in the foundation your whole life, but if you want to start building the framework, developing healthy money habits is a non-negotiable step.

¹MarketWatch Report, 2017.

The members’ experiences may not be the same as other members and does not indicate future performance or success.

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Seven truths about disability insurance

Why to protect your income before an unexpected illness or injury

What’s your most valuable asset? You may say your home, your retirement fund or even your car. Or perhaps you’d say family, friends or health. You wouldn’t be wrong. However, we often overlook one essential asset—you and your ability to earn an income and take care of your family.

In 2015, Chad and Rebecca Wurgler were reviewing their assets as she was preparing to go back to school for nursing. This meant that for a period of time Chad would be the sole provider for his family, which includes two children, one with complex medical needs.

“You never know what’s going to happen—that was always in the back of our heads,” Chad says. “What if we’re not here; what are some things we can do to protect our family?”

The Wurglers, who live in Minneapolis, met with Eric Werlinger, their Thrivent financial advisor who also is Rebecca’s brother, to assess their current financial position, income/asset protection and health protection. Specifically, with the loss of Rebecca’s income, they talked about making sure they’d have income if something happened that would keep Chad from being able to earn a paycheck. Chad knew he had disability insurance through work but acknowledges he really hadn’t paid attention to what it included. Or that it might not be enough.

The couple decided to purchase a personal disability insurance policy that would cover the gap between what his policy through work would pay and his regular paycheck. “Even though we never thought we’d have to use it, we knew we needed that protection,” Chad says.

In the summer of 2018, right before his 45th birthday, Chad was diagnosed with cancer. While he wasn’t out of work full-time, Chad missed enough time at work due to treatments and follow-up procedures that his disability insurance policy helped keep most of his paycheck coming in.

“The payments were impactful and definitely helped with our expenses,” says Chad, who has recovered from his cancer but still has health issues stemming from the initial diagnosis. “And we don’t know the future. I may need to use it more than I already have.”

Often the word “disability” conjures up pictures of a catastrophic, permanent injury, says Don Campfield, who has disability insurance expertise as an external wholesaler in Thrivent’s Health Center of Excellence. However, more often, he says, it’s injury or illness—similar to what the Wurglers experienced—that can keep you out of work for a period of time, potentially impacting your finances.

A 2019 study of consumer bankruptcy filings found that 77.8% of debtors cited income loss as

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a contributor to their bankruptcy, Campfield says. This included 44.3% specifically citing medically related work loss as a contributor.¹

“Having income protection when and if something happens can allow you to rebuild and reclaim your life,” Campfield says.

Consider the following seven truths about protecting your income.

1. Even if you're young, healthy, single or don't have a high-risk lifestyle, you still should safeguard your income.

No matter how young and healthy you are today, you're still vulnerable to disability. A majority of claims for long-term disability income are not accidents; they're caused by unexpected illnesses.²

And one in four of today's 20-year-olds can expect to be disabled and out of work for at least a year before they retire.³

“Tomorrow you could end up with cancer, a heart attack, a stroke, mental health issues,” Campfield says. “These things may not permanently disable you, but they can keep you from work for months or even years and set you back financially if you're not prepared.”

Any one of these things also could make you unable to get disability insurance coverage or be excluded from coverage in the future, he says.

2. Even if you have coverage at work, personal disability insurance coverage can fill the gap.

Group coverage through your employer can be great, says Chad Masche, market developer in Thrivent's West Advisor Group in Arlington, Washington. Someone else usually is paying for it, and generally you didn't have to do anything to get it.

“On average, your group disability insurance policy may cover up to 60% of your gross income if something should happen to you,” Masche says. But, because your employer is paying for the policy,

the benefits are typically taxable, so you're bringing home even less.

“What would have to change,” he asks, “if you were only bringing home potentially half your paycheck?”

A supplemental disability insurance policy can wrap around your work policy, if you have one, or stand on its own, providing as much benefit as you have made provision for in your contract.

“Every bit of your income goes toward financial goals, whether it's saving or spending,” Masche says. “It's for the things you need, want and wish for. So, to make sure these items are not disrupted if you can't work due to illness or injury, you'd want to have your paycheck protected with as much disability income insurance as you are eligible for.

“In the end, it can put you in the position where you can do what you want versus what you have to do.”

3. Coverage can be more affordable than you think.

There are several factors that play into the cost, including benefit amount, health status, occupation, age and how long you choose to wait before benefits kick in. But on average, you can expect the cost for a supplemental disability insurance policy to be 1% to 3% of your annual salary.⁴

“Many things in your budget—cable or takeout, for example—are often more than 1% of your income,” Masche says. “This is protecting your income, the money that's buying many things in your budget, often including funding your retirement account.”

You can work with your financial advisor to structure the policy that works best for you and your budget. Also, the younger and healthier you are, he says, the easier it can be to qualify for a contract and a lower premium.

4. You'll still have expenses if you're at home.

People often think they'll have fewer expenses if disabled at home—perhaps less driving or not buying lunch every

day at work, says Werlinger, Thrivent financial advisor in Glencoe, Minnesota.

“Those may be truths for a period of time, but there also may be more medical appointments, increased health costs, perhaps modifications to their home, etc.,” he says. “And expenses like a mortgage, car payment and groceries don't go away.”

Don't forget the long-term goals you're saving for, such as retirement or college, he says. “We all have goals. No matter how big or small they are, they often are primarily fed with income.”

5. Your emergency fund, savings or your spouse's income may not fill the gaps.

You may have other resources to draw on if you're injured or ill and unable to work, Campfield says. But how long will those resources last?

“You likely have another purpose you saved those resources for,” he says. “Maybe it's your retirement savings or a college fund for your children. You want that money there when you need it.”

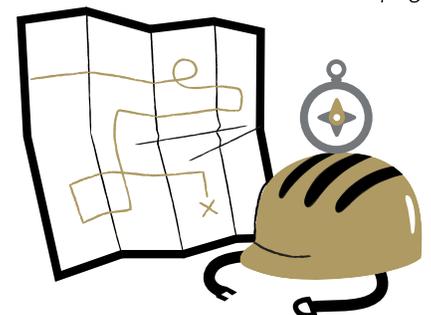
If it's your emergency fund you'd tap into, what will you do if an appliance breaks down or the car needs new tires? How will you replenish that fund?

In reality, only 40% of U.S. households have enough in liquid savings to cover at least three months of their recurring expenses, and only 28% can cover at least six months.⁵

If you've always had a two-income household, losing one of those incomes could be devastating.

“If you could come up with a strategy using insurance, if you could take the risk off the table for 1% to 3% of your income,” Campfield asks, “wouldn't that be a better solution?”

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6. You may not qualify for Social Security benefits or it may take a long time to get them.

Many people believe you can just sign up for Social Security disability insurance if something happens.

“What you may not know or understand is how difficult it may be to qualify for it,” Werlinger says. “It can be a very long process, and challenging.”

The Social Security Administration denies many disability insurance claims at first, and it could take several months for an initial decision. It could take a couple of years to get through the appeals process. From 2009 to 2018, only about one in three applications (32%) were approved; initial claim approval averaged 21%.⁶

7. My stay-at-home spouse can get protection, too

“Any stay-at-home spouse is worth as much as the person leaving the house to go to work,” Masche says.

It’s estimated that the annual salary for all the jobs a stay-at-home

spouse performs would be more than \$178,000.⁷ You may not think about the costs associated with day-to-day management of the household or caring for children. But if the person providing them can’t, due to illness or injury, the healthy working spouse needs to find a way to accommodate the family. You’ll either lose income if the healthy spouse stays home or there will be a cost to hire someone to fill in.

Thrivent is one of a few insurers that offers stay-at-home spouse coverage to help pay for childcare, housekeeping and other responsibilities.⁸

Taking the next step

For Werlinger, protecting income with disability insurance should be an important consideration of a person’s financial house.

“We buy a car, and we make sure it’s insured. We remodel our home, and we make sure the value is correct with our home insurer,” Werlinger says. “But we don’t always think about what our life is worth, which is life insurance. And we also don’t think about our

ability to go to work every day, which feeds many of our financial goals. This is disability insurance.

“We all like to believe that nothing’s going to happen. And hopefully it doesn’t. But if you’re going to insure all these other things, why not the income that pays for them?”

¹ David U. Himmelstein, Robert M. Lawless, Deborah Thorne, Pamela Foohey, Steffie Woolhandler, “Medical Bankruptcy: Still Common Despite the Affordable Care Act,” *American Journal of Public Health* 109, no. 3 (March 1, 2019): pp. 431 – 433. See Table 1. Free access available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6366487/>.

² Council for Disability Awareness: <https://disabilitycanhappen.org/disability-statistic/>.

³ Social Security Administration. “Fact Sheet.” December 2019.

⁴ How much does disability insurance cost?—Life Happens.

⁵ Federal reserve, “Money in the Bank? Assessing Families’ Liquid Savings using the Survey of Consumer Finance,” *FEDS Notes*, November 19, 2018. <https://www.federalreserve.gov/econres/notes/feds-notes/assessing-families-liquid-savings-using-the-survey-of-consumer-finances-20181119.htm>, Table 1.

⁶ Social Security Administration, *Annual Statistical Report on the Social Security Disability Insurance Program, 2019*. https://www.ssa.gov/policy/docs/statcomps/di_asr/2019/sect04.html#chart11.

⁷ Connor Harrison, “Super Mom: What’s a Mother Worth?” salary.com/articles/mother-salary (May 10, 2019).

⁸ Coverage for stay-at-home spouses not offered in all states.

The members’ experiences may not be the same as other members’ and does not indicate future performance or success.

Disability income insurance contracts have exclusions, limitations, reductions of benefits and terms under which the contract may be continued in force or discontinued. For costs and complete details of coverage, contact your licensed insurance agent/producer.



2022 Calendar of Events

For additional events, details or to RSVP, visit our website thriventfinancial.com/member-network/northland or email NorthlandTMN@thrivent.com.

May

24 Leveling Up with Ryan Leak

Do you know when it's time to level up? Executive coach Ryan Leak found a key trait shared by exceptional leaders in professional sports and business. Men and women who maximize their potential are tremendous at "self-leadership." They don't need to be told to level up, because their expectations for themselves are greater than those others have for them.

Join us as he shares how to maximize your impact on others by building on your strengths, and better understand your weaknesses.

Virtual webinar, on demand for 24 hours

To RSVP: bit.ly/ryanleaknltr

4 Truths About Long Term Care with Bill Comfort

Join us for our free workshop, 4 Truths About Long-term Care. Discover how to create a strategy to protect your assets and reassure your family about the future.

- Most people want to stay in their home.
- Care is expensive, whether at home or not.
- Sharpen your focus on the future you're hoping for.

May 24, 2022: 12:30-1:30 p.m. CT and 7-8 p.m. CT

May 26, 2022: 12:30-1:30 p.m. CT and 7-8 p.m. CT

This event is for residents of Minnesota and Wisconsin.

To RSVP: bit.ly/4truthsnsltr26

June

14 Living Your Best Life with Wesley Hamilton

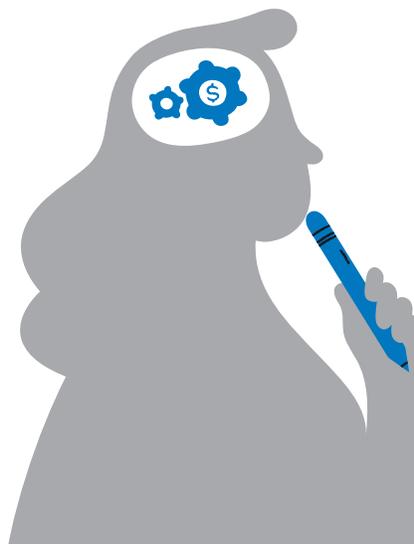
In this moving, inspiring and thought provoking keynote, Wesley Hamilton teaches his audience to find peace, purpose and happiness and motivates them to rise above any obstacle or challenge they may face so they can live their best life.

As a survivor of multiple gunshot wounds to the abdomen leaving him paralyzed from the waist down, Wesley shares his personal journey from how he went from hopeless and depressed to a life full of purpose, understanding, acceptance, joy and forgiveness. Now that he lives a life filled with love, happiness, gratitude and success beyond what he could have ever imagined prior to his accident, he helps inspire others to do the same.

Through the power of storytelling, Wesley entwines powerful life lessons, encouragement and inspiration allowing his audience to understand the answers to some of life's biggest questions, and how to continue to remain positive during the toughest times in our lives.

Online webinar, on demand for 24 hours

To RSVP: bit.ly/weshamiltonnsltr



August

14 Understanding Social Security and Annuities with Robin Mueller

During this online event, you'll gain valuable insights on the impact of annuities and Social Security so you can continue to live a more content, confident and generous life.

Robin Mueller is a speaker and trainer on topics including Social Security, annuities and financial strategies. He has served as President of the National Association of Insurance and Financial Advisors (NAIFA) Milwaukee, President of NAIFA Wisconsin and President of Foundation for Insurance and Financial Education. Robin has devoted more than 20 years to researching and sharing this vital information to help others learn options available for their financial planning.

Online webinar: 12:30-1:30 p.m. CT and 7-8 p.m. CT

To RSVP: bit.ly/robinmuellernwlttr

September

06 Women and Money with Jean Chatzky

As a woman, what do you want to accomplish with your money?

Join Jean Chatzky, financial editor of the NBC Today show for 25 years, to learn about women and money. When it comes to money, women are different with what we want to do with our money, and what it needs to do for us. You'll learn Jean's three-part plan involving understanding your relationship with money and how to use the rewards you may reap to accomplish the things women want most.

Jean Chatzky is the CEO of HerMoney.com and has been the financial editor of NBC Today for 25 years as well as the Financial Ambassador for AARP. She appears frequently on CNN, MSNBC and was a recurring guest on The Oprah Winfrey Show.

Online webinar: 7-8 p.m. CT

To RSVP: bit.ly/womenmoneynsltr

2022 Calendar of Events

For additional events, details or to RSVP, visit our website thriventfinancial.com/member-network/northland or email NorthlandTMN@thrivent.com.

September

20 **Believe It with Jamie Kern Lima**

Jamie will speak on topics from her book, *Believe It*. Imagine overcoming the things holding you back, breaking through the barrier of self-doubt and fully becoming the person YOU were BORN TO BE!

In *Believe It*, Jamie Kern Lima, founder of IT Cosmetics, shares the wild but true story of how a once struggling waitress turned her against-the-grain idea into an international bestselling sensation, eventually selling the company for over a billion dollars and becoming the first female CEO of a brand in L'Oréal's 100+ year history. Faced with self-doubt, body-doubt, God-doubt, down to her last few dollars and told "No one is going to buy makeup from someone who has your body," Jamie reveals for the first time what really went down, how she almost didn't make it, how she learned to trust herself, and the powerful lessons you, too, can use to go from underestimated to unstoppable.

Online webinar, on demand for 24 hours

To RSVP: bit.ly/jamiekernlimansltter

27 **Will Taxes Affect Your Retirement**

It's critical to have a solid understanding of the tax status of investments to make informed decisions and avoid paying more than the fair share. In this seminar, attendees learn:

- How future tax changes may create the potential for higher taxes.
- Ways to create tax-free retirement income.
- How Social Security is taxed.
- How to work efficiently within current tax brackets.

Online webinar: 7-8 p.m. CT

To RSVP: bit.ly/willtaxesnsltter

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Advice | Investments | Insurance | Banking | Generosity

No products will be sold. For additional disclosures, see Thrivent.com/social.

Thrivent professionals have general knowledge of the Social Security tenets. For complete details on your situation, contact the Social Security Administration.

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