

## LIFESPAN FINANCIAL MAPPING

**LIFESPAN FINANCIAL MAPPING** is a process developed by Jim Hudson<sup>(1)</sup> that provides a means for establishing a financial plan across a person's life to assure the highest possible chance of achieving financial goals. The goal that most people want to achieve across their working career is accumulating the financial means for a secure retirement, though LifeSpan Financial Mapping provides for meeting other goals across a person's life such as funding college educations, weddings and other major expenses. LifeSpan Financial Mapping, LSFM, can start at any time in a person's life though typically will start when a person starts their career such as when a college graduate takes his/her first job. A person not going to college could start their LSFM earlier by starting their career earlier.

Most individuals accumulate their wealth through their employment and it is the wealth accumulated through the income earned across a working career that is addressed with LSFM. LSFM is explained in detail in the book, **LIFESPAN FINANCIAL MAPPING: How to Retire Secure, even Rich**, by Jim Hudson published in 2007. LSFM is a complex process requiring advanced planning software like the software provided with the book. The complexity of LSFM is due to several things such as the uncertainty of financial markets, real investment returns versus projected returns and career achievements, though the most complex element is the impact of inflation (also known as currency purchasing power deflation). Virtually everyone thinks about financial issues in current purchasing power since the effects of inflation are generally so slow, taking place over years, that people don't internalize inflationary impacts.

A person's career (the wealth accumulation years) and retirement (the wealth dependency years) can cover as much as 75 years, with more and more people living past age 100. Through LSFM there is a process for dealing with the financial issues of this period that cannot be addressed by any other means. One of the biggest threats most people face in retirement is outliving their savings. This situation becomes more likely during periods of secular bear markets and when interest rates are held artificially low, as has been the case in the U.S. with the housing market collapse and the associated financial markets turmoil since 2008. Managing personal finances in retirement during tough economic times can require adjusting living expenses in line with the affordability of decreased personal wealth. The LifeSpan Financial Mapping process can be used to recast savings withdrawal rates based on changes in investment balances, rates of return on investments, inflation and other factors effecting retirement finances.

(1) Jim Hudson was born in Clearfield, Pennsylvania in 1945 and grew up in Pennsylvania and South Carolina. He attended the Georgia Institute of Technology in Atlanta, Georgia receiving a bachelor's degree in mechanical engineering (BME) and a master's degree in business management (MBA). His career included over 36 years with AT&T and affiliated companies. He later spent several years in financial planning with Ameriprise Financial Services and Penn Mutual.