

Financial Missteps

A financial education workshop
Presented by





Financial Pitfall #1

→ *No planning / needs-based planning*

- Define reserves (i.e. budget)
 - Pay yourself first and keep track
(raises, tax refunds, gifts/inheritance, etc.)
- Growth phase
- Income/distribution phase
- Conservation phase



Financial Pitfall #2

→ *Failing to plan for the **what-if's***

- College
- House
- Retirement
- Death
- Disability
- Taxes
- Inflation
- Interest rates
- Market volatility
- Unexpected emergencies
- Lawsuit
- Liabilities



Financial Pitfall #3

→ *Filing tax returns without a tax advisor*

- Up to **80%** of filers get more money back with professional assistance
- Tax advisors not only verify the validity of a particular tax plan, they may also help formulate an ongoing tax savings strategy
- IRA Section **525/529** IRS Code



Financial Pitfall #4

→ *Buying insurance over the internet*

- Insurance companies are skilled at not losing money
- Mortality charges have gone down by **30%**
- Most people have insufficient auto liability and **no umbrella coverage**
- No difference when using a broker;
→ regulated by state coverage



Financial Pitfall #5

→ Following “*one-size-fits-all*” advice

Most schools of thought:

- 15-year mortgages **vs.** 30-year mortgages
- Stocks **vs.** mutual funds **vs.** ETFs
- Term **vs.** permanent life insurance
- Pay down debt first before saving **vs.** start saving now!

* **Question:** What is the presenter / media trying to sell?



Financial Pitfall #6

→ *Not having an estate plan*

- Avoiding probate and taxes
- **3 parts** to a Will
- Revocable Living Trusts
- Beneficiary designation
- Long-term care and protecting your assets



Financial Pitfall #7

→ *Not having an exit strategy*

- Results of avoiding financial blunders
- Maximize wealth
- Minimize risk
- Reduce taxes
- Mitigate liabilities by increasing protection
- Spend more / **enjoy more** / can't live or outlast



Financial Pitfalls Review

1. No planning / need-based planning
2. Not planning for **what-ifs**
3. Filing tax returns **without a tax advisor**
4. Buying insurance **over the internet**
5. Following a **one-size-fits-all** approach
6. No **estate plan**
7. No **exit strategy**



Notes
