



# **Financial Secrets one CRNA to Another**

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## You Know You've Reached Middle Age IF?

- There's no need to run out and buy a home pregnancy kit
- Happy Hour with free Hors d'oeuvres no long constitutes a meal
- Your subscription to playboy has been replaced by the Victoria's Secret catalog
- You can't eat a midnight snack anymore without staying up until 3 am

# Let Talk Money

- Almost everyone “thinks” they know about money
- Only a few seek help with their money and planning for retirement
- Why do we not talk more about money and investing?
- Taboo? Scared? Don't want to show we don't know? Looking stupid? Making Mistakes? Trust?

# Have You Started Your Planning

- The best time to plant an oak tree was 20 years ago, the second best time is now!
- Good financial planning is nothing more than common sense -- KISS

# Question???

- For those of you who “think” you know?
- What is the maximum amount of time you should take out a loan for a vehicle?

# Lets begin?

- This will be a very basic and general review of investing and planning for your retirement.
- Please ask questions at anytime
- There is no great order, just try to accomplish all of the steps

# Financial Planners

- Yes they are a good idea !
- Know how they charge
- Remember it is your money. You need to know about it. Don't ever trust someone with your money 100%

# Disability Insurance

- Who has it?

This is the single greatest and most important financial product to purchase!

Do you have a work policy? Is it a Gold policy or a typical work DI?

You want and must have a policy that says "IF YOU CANNOT DO ANESTHESIA IT WILL PAY"

Max is 66% of income; This is a tax deductible expense. But do you really want to do that?

# Wills, Life Insurance and Responsibility

- Do you have a WILL ?
- Do you have a Power of Attorney ?
- Do you have a Living Will ?
  
- If you don't have a will, who will get your kids or your money?

# Wills

- You can do it yourself
- Better to hire someone (\$400)
- (revocable living trust)
- When there is not a will the assets are frozen and the court decides on all issues.
- Assets are then divided up according to each states INTESTACY laws

# Seek Professional Advice

- For basic estates a simple will is great
- For more complicated or large estates with grown children then maybe a revocable living trust
- Prior to legal advice, map out your plans and thoughts
- Choose an executor
- It is not the cost of the Will that prevents most Americans from getting one, it is simply **PROCRASTINATION**

# Life Insurance

- WOW! Can this get confusing...
- Most people have the wrong kind of insurance or worse yet are underinsured
- Term?
- Whole Life?
- VUL? LERP?
- 7-10 times your annual income

# Responsibility

- Let's SEE... In our planning we must always think about?
- Cost of College Education for our children (529 plans)  
529 vs Ed IRA
- The cost of inflation in your planning? A spouses worst nightmare
- Tithe?
- Social Security (students are you ready?)

# College Education

- What if you want to help your child with college?
- Three main choices, pay as you go? (wow)
- Educational IRA's -- things of the past
- 529 Plans
- This the best current option
- Several Loop holes that can be used to your advantage

# Your Retirement Table

- **How Many Legs are do you have in your table?**
- **The more legs the stronger the table!**
  - **Pension – work sponsored**
    - **How many do you have?**
  - **403-b/ 401K/ Keogh/ Sep IRA/ TSP**
  - **Social Security**
  - **Personal Savings**
  - **Home**
  - **Inheritance**

# Work Pension

- Do you have one?
- Do you understand how it works?
- Do you know when you are vested?
- Have you run the numbers?

# Self Retirement Plan

- **403-b/ 401K/ Keogh/ Sep IRA/ TSP**
- **Pay yourself first 2010 max contribution to the 403b is \$16,500 --monthly contributions = dollar cost averaging**
- **At age 30: \$16,500 for 30 years at 8% = ?**
- **At age 30: \$16,500 for 30 years at 10% = ?**
- **The single greatest investment tool is compound Interest**
- **Max this out!!!!**

# Social Security

- Put aside all the scare tactics and fear
- Will this be around – Yes it will. Should it be your only source of income ?-- NO WAY
- Remember with Social Security comes Medicare and Health Insurance
  
- Social security also covers family if you die early
- 40 quarters
- Dependent income
  
- [www.socialsecurity.gov](http://www.socialsecurity.gov)

# Personal Savings

- This is in addition to your retirement savings
- The golden rule
- Pay yourself first
- \$12,000 year for 30 years at 8% = ?
- The key to this is that this savings is liquid and you have complete access to it at all times

# Personal Savings

- Pay yourself first!
- How do we do this?
- Have the money come right out of your check before you have a chance to spend it.
- DRIPS; <http://www.betterinvesting.org>
- MF; watch for average rate of return of at least 10% for 5 years
- CD;s Series Savings Bonds EE or I;
- Beware of stock brokers
- MF watch for commissions; this is a long term investment; go with the no load MF; each class of shares means something else

# Your HOUSE (not HOME)

- Your house is an investment; your home is where you live
- Most people will say “my house is the greatest investment I ever made” this is usually because it is the only one they have
- The recent market has changed the view of ownership
- Last greatest tax deduction
- Rent is not bad; remember you need shelter and rent helps meet one of three basic necessities of life. Renting is one way to acquire shelter and in some cases it’s a very intelligent way

# Your House

- Tax Breaks; interest and property taxes
- Capital gains
- Individuals can exclude up to \$250,000 in profit from the sale of a main home (or \$500,000 for a married couple) as long as you have owned the home and lived in the home for a minimum of two years. Those two years do not need to be consecutive. In the 5 years prior to the sale of the house, you need to have lived in the house for at least 24 months in that 5-year period. In other words, the home must have been your principal residence.
- Second Home? Vacation Home? Rentals?
- By simply paying one additional mortgage payment a year you can decrease a 30 year loan by 6-8 years depending on your terms

# Inheritance

- This is simple for financial planning
- It's like playing the lottery ---
  - Don't count on it!

# Nursing Home Insurance

- So they called it Long Term Health Insurance
- Why don't we call it "Portfolio Insurance"?
- Purchase less as you are younger and add the inflation rider
- Purchase the joint purchase option (watch what they call it)
- 38 year old male \$150/day with 3% inflation yearly premium will be around \$700

# Saving and Credit

- Day to day financial thoughts?
- Pay off high interest credit cards
- Pack a lunch instead of buying out everyday
- Pay cash for purchases
- Are you a member of a health club and don't go?
- How many times to you eat out a week?
- Do you understand the difference between needs and wants

# Credit Report and Score

- Have you checked your credit report recently?
- Have you corrected your credit report?
- Have you checked your credit score recently?

Cancel unused cards -- but be cautious; this is a double edged sword

[www.experian.com](http://www.experian.com)

[www.tuc.com](http://www.tuc.com)

[www.equifax.com](http://www.equifax.com)

[www.myfico.com](http://www.myfico.com)

[www.annualcreditreport.com](http://www.annualcreditreport.com)

# Mistakes to that can happen

- Scams
- Phishing
- Identity theft

# Questions?

- Thank you