

Thoughts on Lifespan Financial Planning



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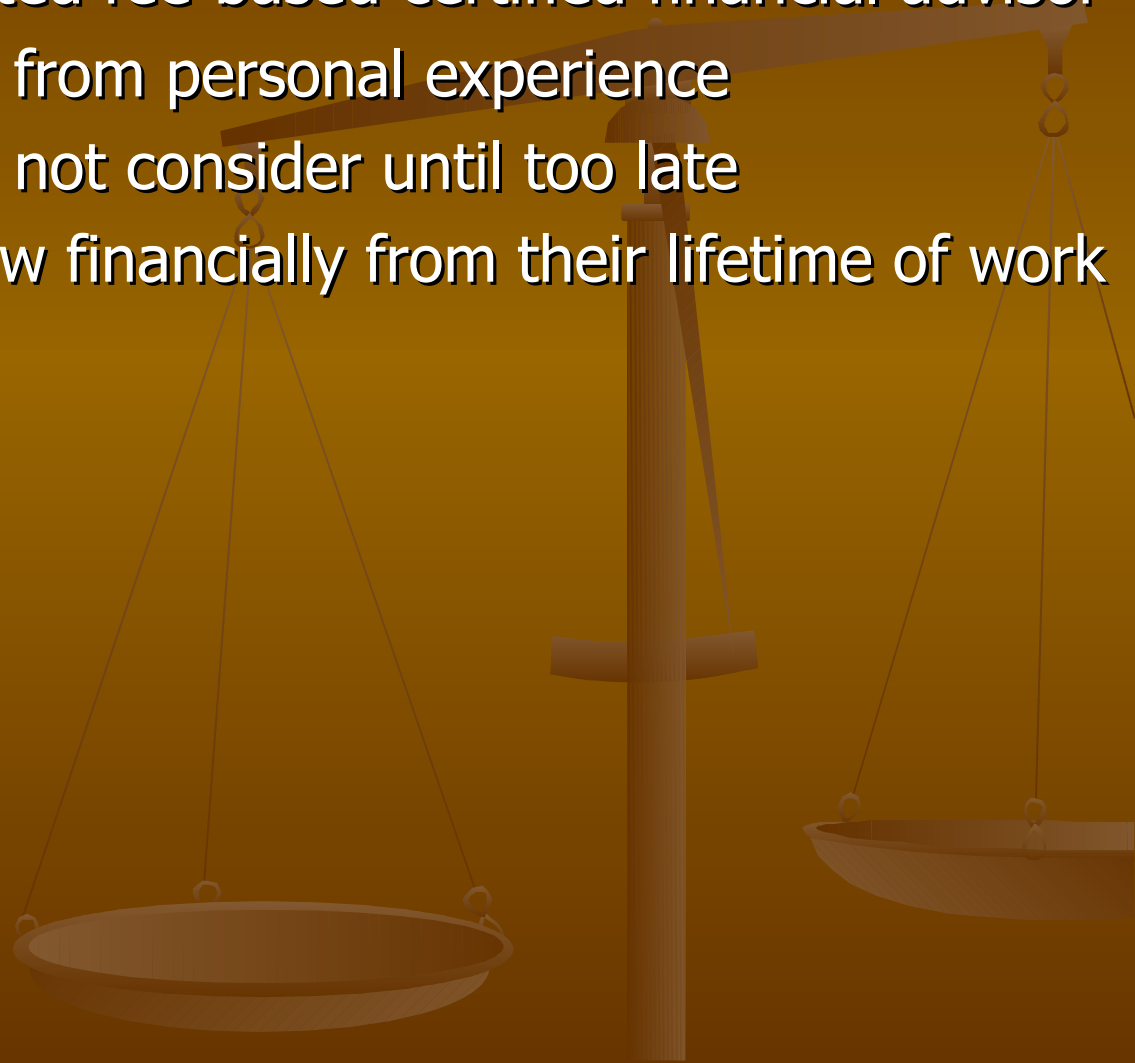
What we will talk about

- Getting started
- Avoid debt
- Managing life
- Financial foundations
- Future planning

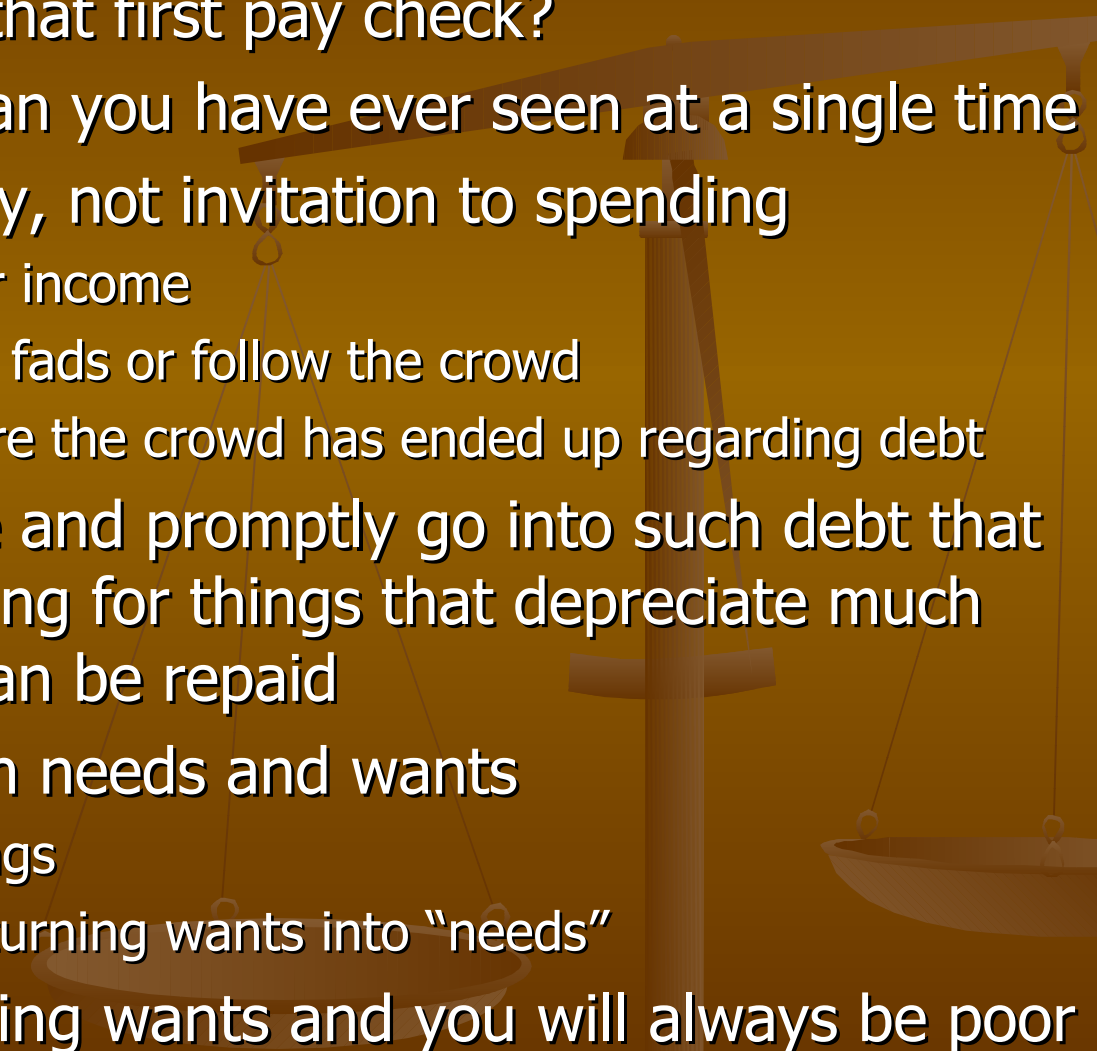


A layman's advice from experience

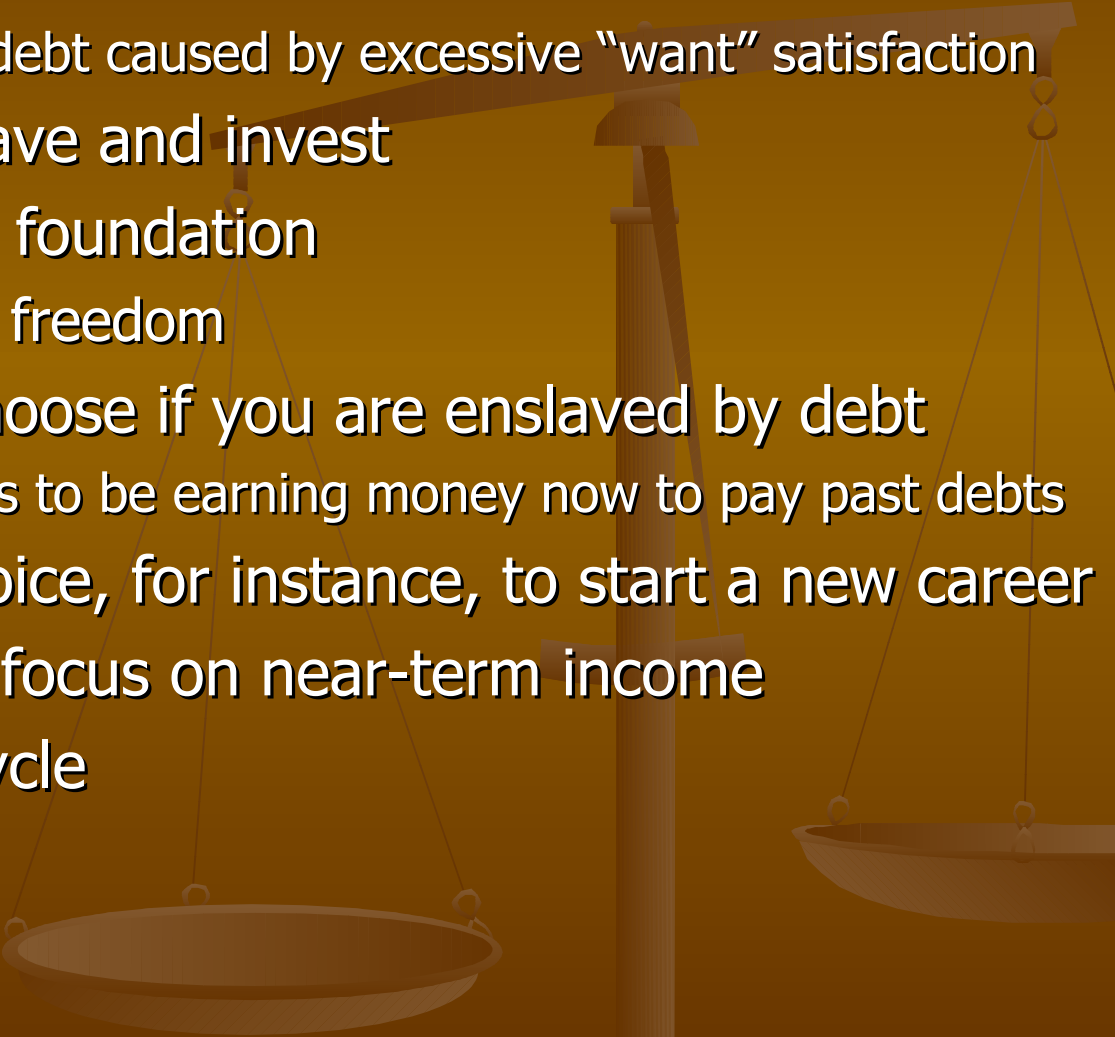
- I am not a financial advisor, just a common layman
- Seek advice from a trusted fee-based certified financial advisor
- Want to share thoughts from personal experience
- Will offer ideas most do not consider until too late
- Hope to help others grow financially from their lifetime of work



New Graduates

- You graduate and find a job
 - What do you do with that first pay check?
 - Likely more money than you have ever seen at a single time
 - Represents opportunity, not invitation to spending
 - need to live below your income
 - not necessary to chase fads or follow the crowd
 - newspaper shows where the crowd has ended up regarding debt
 - Many people graduate and promptly go into such debt that they will be years paying for things that depreciate much faster than the debt can be repaid
 - Big difference between needs and wants
 - not at all the same things
 - don't kid yourself into turning wants into "needs"
 - Be excessive in satisfying wants and you will always be poor
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Be Master of Debt – Not Mastered by Debt

- Don't be suckered into the slavery of debt
 - You can't easily wash your hands of debt
 - very hard to get out of debt caused by excessive "want" satisfaction
 - Instead of spending, save and invest
 - Establish your financial foundation
 - thereby your financial freedom
 - You are NOT free to choose if you are enslaved by debt
 - since your first focus has to be earning money now to pay past debts
 - You can't make the choice, for instance, to start a new career
 - Slaves to debt have to focus on near-term income
 - It becomes a vicious cycle
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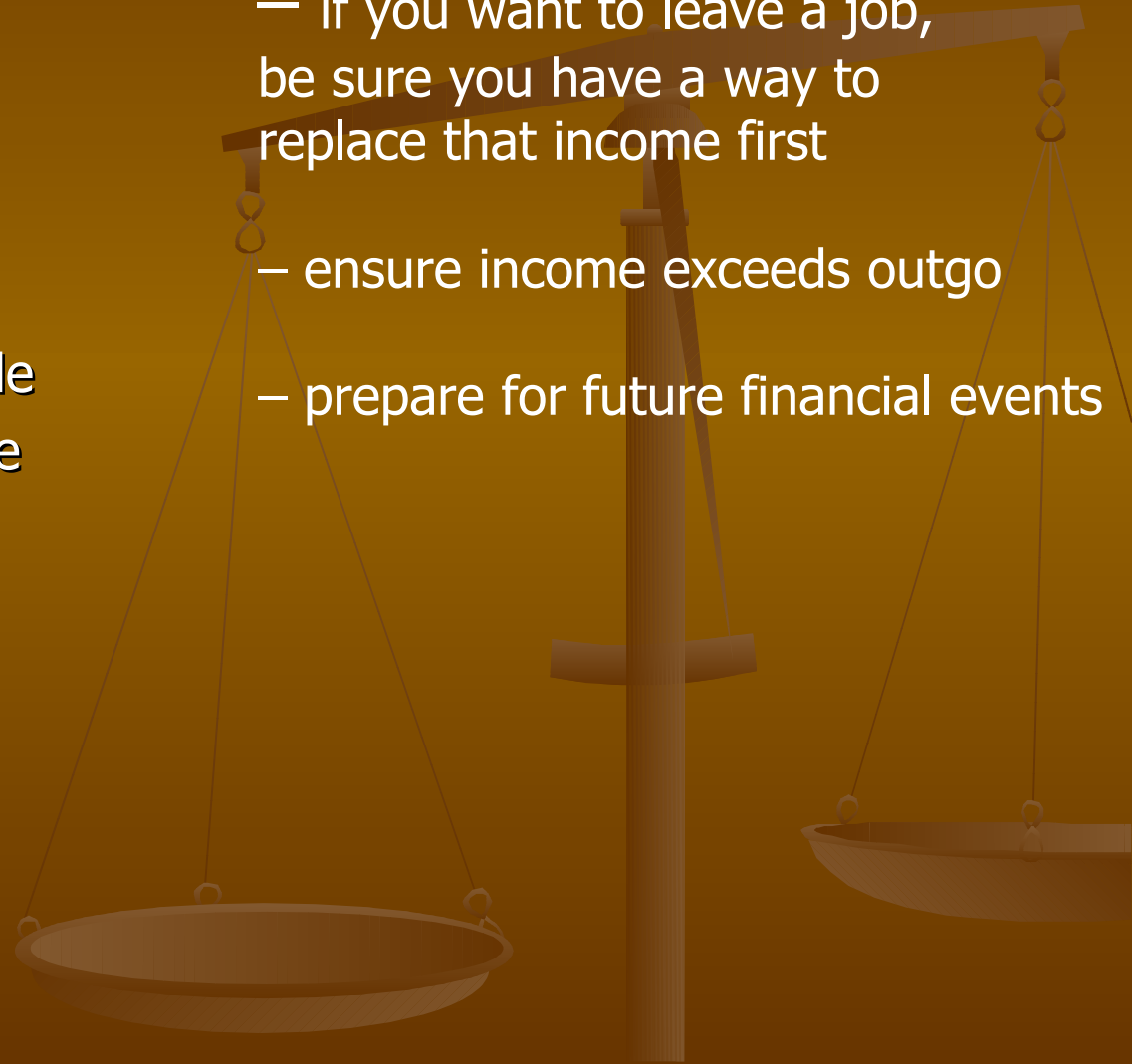
Manage professional life like a business

■ Basic Activities

- plan for future
- execute plan
- revise plan as needed
- perform due diligence
- provide to market
- maintain what you provide
- improve what you provide
- manage income
- manage expenditures
- make profit
- invest profit wisely

■ Watch cash flow

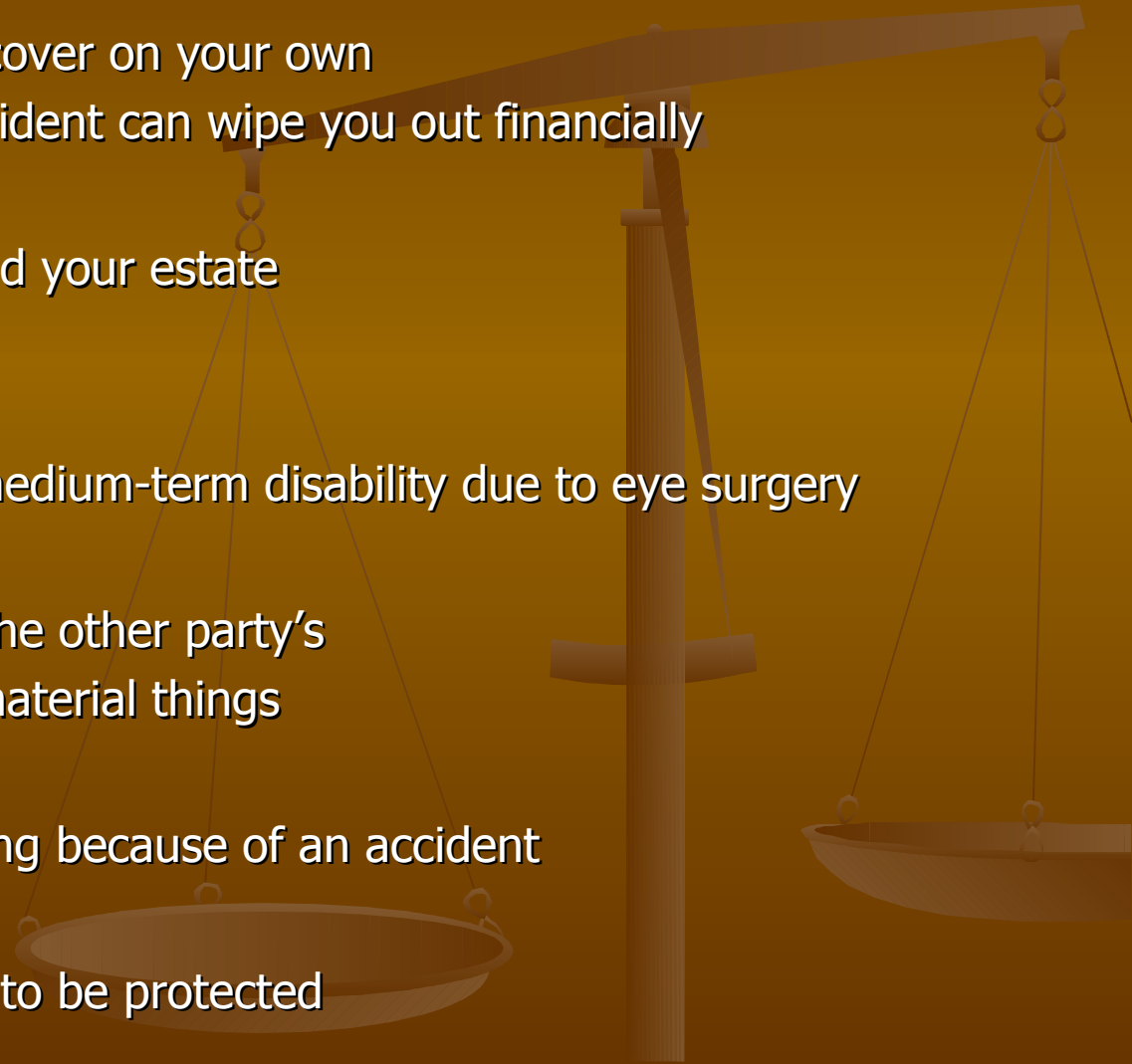
- if you want to leave a job, be sure you have a way to replace that income first
- ensure income exceeds outgo
- prepare for future financial events



Basic Financial Foundation

■ Insurance

- Health
 - extremely expensive to cover on your own
 - for instance: one car accident can wipe you out financially
- Life
 - to protect your family and your estate
- Disability
 - it happens
 - I myself have been on medium-term disability due to eye surgery
- Auto
 - covers your health and the other party's
 - also covers damage to material things
- Possessions
 - no need to lose everything because of an accident
- Home
 - a major purchase needs to be protected



Basic Financial Foundation (more)



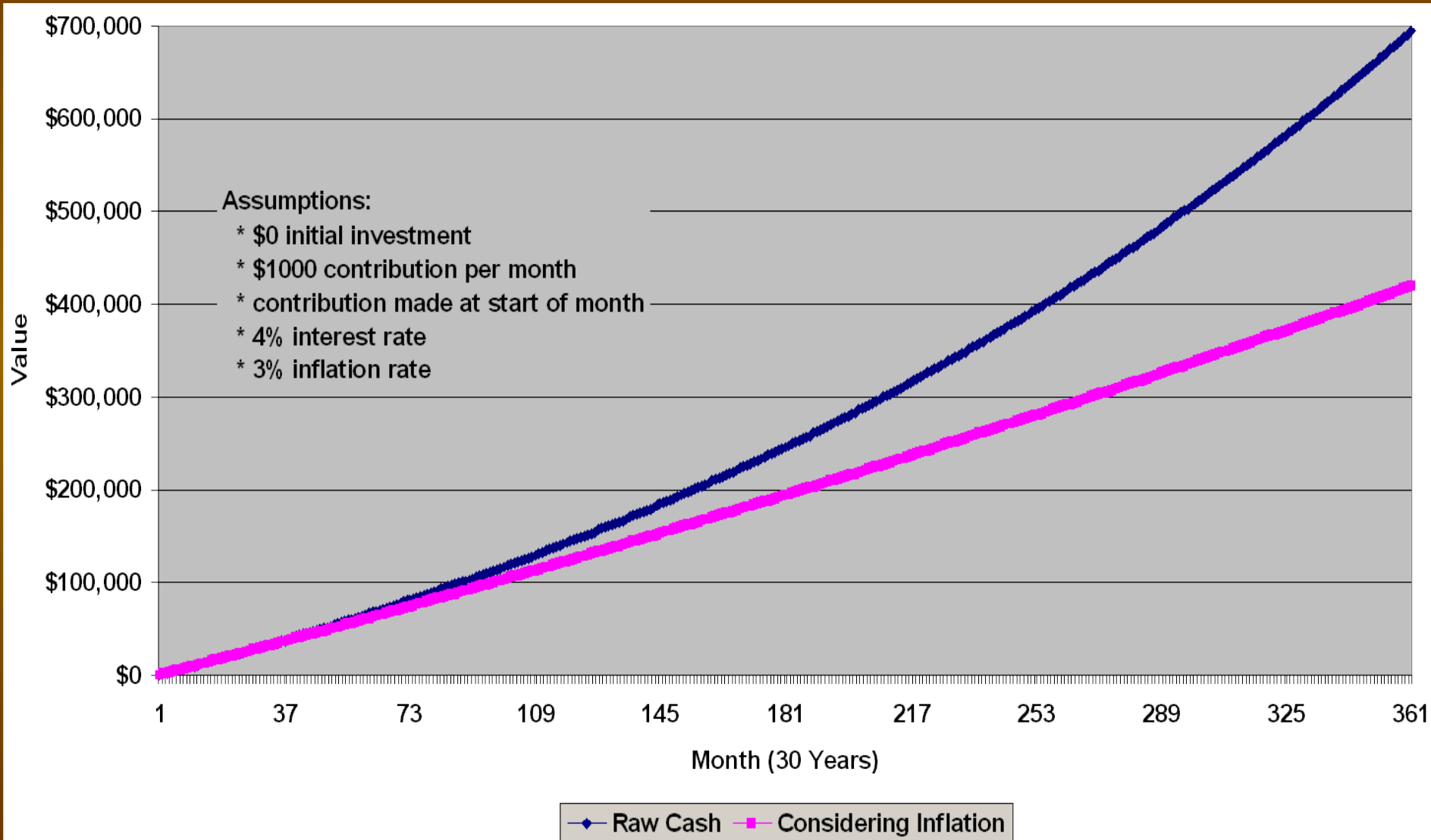
- Savings (liquid)
 - 4 to 6 months operating capital without working
 - don't let layoff put you into foreclosure or bankruptcy
- Investments (less liquid)
 - balanced for your point in life
 - a good fee-based financial advisor can guide you in this
 - don't just "play the lottery"
 - don't respond to pump-and-dump emails
 - if nothing else, read Value Line
 - aid to due diligence
 - available at most libraries
 - highly regarded investment newsletter

Future Planning



- What outcome do you want to achieve in life?
- Educate yourself so you can make good choices
- Where are you now financially?
- Where do you want to be, when, doing what, having what?
- Work with a trusted fee-based financial advisor
- Develop a solid plan
- Review that plan annually – Keep that plan up to date
- Be sure to address negative possibilities
- Plan too for life's big events
- Implement the plan – Don't let "gotta have" get in the way
- Adjust plan over time according to results, conditions, events

Let Time Work for You



Plan Necessary Debt vs. Income



- Want major debt paid by age 55
- Want minor debts paid at end of each month
- Develop self-sustaining income
 - independent of work hours
 - wise investments necessary
 - consult trusted fee-based financial advisor
 - pick this person carefully
 - due diligence absolutely necessary
 - you can't just make a selection blindly
- Self-sustaining income gives you freedom to choose

Summary

- Recognize the vast difference between needs and wants lest you become a slave to debt. Be excessive in satisfying your wants and you will always be poor, perpetually unable to do the things you really enjoy. Your financial foundation must be firm and free of debt.
- Seek advice from a trusted fee-based certified financial advisor. Do your due-diligence before selecting such an advisor.
- Use insurance wisely to cover unexpected events. Important categories of insurance are: health, life, disability, auto, possessions, home.
- Have all major debts paid by age 55. Pay minor debts monthly. Use credit cards only for convenience. Do not carry credit-card debt.
- Time is your friend. Let it work for you. Put a plan in place, follow your plan, and review your plan annually. The earlier you begin the better. To earn self-sustaining financial stability, establish a productive career based on a strong study/learn/work/produce ethic early in life.