Financial Planning in Uncertain Times

My name is Andrew Hall. Thank you. I am a representative for the Institute for financial education. I am the head CPA of the organization. I provide financial education are all are the country to not only federal employees but all people, all over the country whether it is in the community, other it is and libraries or different organizations. Especially with the federal government. I helped run an office out in Washington I've given any presentations at the Pentagon, you know, the Congressional Budget Office. And, the Department of Defense and all different places out east maybe some of you on this call may see me in person. But, we are a nonprofit specializing in education. I personally specialize in teaching financial advisors. Have an organization that teaches financial advisors how to properly plan. All of that stuff will come out today as we talk about financial planning in uncertain times. You could check us out online. That information is shared with you. That is our website. Our contact information is there. As a result of this, if you have any questions, we want to go over your individual situation and need help, we are absolutely available to help you when you reach out to us. With that being said, let's go ahead and dive into it.

Our objectives here, let's skip into the planning for uncertain times. Planning for uncertain times is really important. Whether it is financial planning in John, whether it is good times or steady times, the keyword in all of this is planning. We have to have a plan. Uncertain times happened all the time it might be a job transition. You might lose a job. You might retire. You might change your career altogether. You might stay at home. There are all kinds of different things that can happen from the job transition. There's obviously economic changes that happened. Market changes, corrections, recessions or bear markets. What happened last March, the whole world got COVID. Stuff can switch at the drop of a hat. Some of us may lose 30% in one month. That is a big thing want to plan for. Of course, emergency issues. These things happen. It is very easy, as these things don't happen, as we get further way, it is easy for us, as humans, basically to remember what have you done for me lately? We haven't seen a major market correction that stuck around for longer than two months since 2008. We haven't seen a mass exodus of the job market until COVID happened. COVID has given us, I think, a renewed vision of what can happen now quickly it can happen. We have plans. We need to be good in the good and not bad and the bad. Right? We need to be even. Weathering uncertain times really is not about deciding how do I invest my money? What is the best way to invest my money? What is the best investment to pick? What is the best stock, bond, mutual fund? What is the best thing to grow my money more? It is about having a sound financial strategy which cornets all the aspects of your financial life. We might have a CPA telling us the state planning and life insurance individual handling our insurance. A money manager handling our money. When you ask each one of those different professionals in your life, how that cornets with all the other aspects of your life, very rarely do they know. When I am out there I'm teaching to actual financial advisors that make a lot of money, a lot of money, and have a lot of assets underneath management, it is surprising how much they don't really coordinate that if it's. It makes me nervous. It is important, it is a good step to take having a sound strategy is incredibly important what is your strategy? The individual financial product falls into line. Let's really focus on what your individual strategy is. Your strategy is what will determine how you can help yourself during uncertain times, when the you know what hits the fan, etc. The most important thing here, it is a strong foundation. It is the key to weathering a financial storm. I have a five tiered area what needs to be important. Will go through each one of these. Are busy, protecting against economic crisis is very important. What if you lose your job ask what if you have a medical emergency? What if your car breaks down? What if there's a bear it. What if the market doesn't earn money like it did for 10 years from 2000 to 2010. What about your tech strategy? What are you doing? That's a very uncertain thing right now. We are in a all-time low tax bracket right now. A los text bracket we have ever been in pretty much the course of our lives. We know, it will go up in 5 years. Not to mention, with the amount of money the government is printing, and inflation and all that stuff, it could go up sooner. The government is literally telling us, taxes are on sale right now. And the other thing that is certain, will have to pay taxes, at some time, in this life or next, either us or our errors have to pay taxes on our money. Would you rather get those taxes on sale? Would you rather wait and get them at an all-time high? Establishing liquidity and control. We won't have access to our money that if we do need it, we have to be there. We also rate later on in life and how do we create an income stream that we can outlive? We don't know how long we will live. If you live to 103 years old, do you have enough money to survive? Pensions, Social Security, those are two strong incomes. All right, what else is going on ? After this, not watching your estate get wiped out from inheritance. Right? Taxes. Probate. Inefficiency of passing on that E state. These are the areas that have to be on the mentally strong. You have to have a strategy for each one of these areas in order for your foundation to be strong. In order to whether a financial storm. In order to plan for uncertainty and Diversey by your strategy. Putting all of our money in the market to cover our taxes is not a good strategy. It is a strategy. It is not a diverse strategy. It is all our eggs in one basket. We won have that strategy level diversification.

The first thing we need to do , as individuals is sit down and take a serious inventory of our lives. We, at the Institute, what I do is every single person, when you talk to me, we will, literally sit down and figure out what you have in your life, take a lifetime inventory. Build a model that says this is everything I have in my life. And, we'll give some financial evaluations. Where can I be more efficient? This life and Tori is incredibly important. You need to understand everything that's going on. It is not uncommon for me to talk to someone and ask them the questions you see here on the screen. And comp them not have an answer per when you're trying to whether uncertainty, and you're trying to build a financial plan, when you try to see where you are versus were you going to be, you absolutely have to fully understand what's going on in your life. Okay? So, the key here is that once that's what is your salary or what your take home versus your gross? What is the current versus the future? What about your Social Security, pensions, asset withdrawals, etc.? What about that? What is your balance? What is your minimum payment. What is your interest rate? How many remaining payments do you have? Those are important to note. I can quantify, for you, pretty easily and you can quantify for yourself, if you have payments, how much money are you paying an interest over the course of your life? How much better will it be if, if you do a better strategy. Snowball your dad or have a special strategy. What is in your emergency fund? Do you have an emergency fund? What is in your IRA, your 401(k), are invested in stocks, bonds, mutual funds, you have asset allocations? Do you know what your current home value is versus how much you got it for? What is your mortgage interest rate? What is your principal and interest amount. Are you still paying PMI on your house? With the raising market, the home market going crazy, a lot of folks aren't paying PMI. They may be able to drop PMI by refinancing their house or calling the broker and look my house is appraised much higher. Maybe we can drop that PMI. Do you have rental property? Do you depreciate it? What are the tax ramifications when you sell it? What about your insurance planning? You have big Leonna times your salary? Are you planning on keeping vaguely in retirement? Do you know how much vaguely cost in retirement? Do you know when you turn 55, the price skyrockets every 5 years, it'll most doubles, continuing through your 70s. To know the difference between term and permanent? Do you have cash value? Do you have long-term care? I'm asking this. I'm asking these questions to you. I am hoping your sitting there saying I need to ask these questions to myself. Do I need these questions? That is really the very first step. Okay? Here's a question that came in. What is the federal group life insurance? It is your employer's sponsored life insurance plan. There is another question I might as well address it. Could you explain how the taxes are the lowest now. I believe they were higher in the past few years than before doing to tax deductions.

The marginal rates are lower than they have ever been in the history of the country. You can make $325,000 per year. And, B in a 24% tax bracket. 2 years ago, we made $75,000 as a married couple, you would be at a 25% tax bracket. You could make a couple hundred thousand dollars more and be in a lower marginal tax bracket which is prime time for long-term tax planning. Roth conversions, tax-sheltered insurance. We can do these really big tax planning things. Another question that is coming through, what is PMI? PMI is insurance you pay on your house if you don't have at least 20% value in it. The mortgage company just calls you, just tells you look, you have 20% equity in your home. You need to pay me Nectar $150 a month think that back a lot of you do have equity in your home. Okay?

That is the things that are really important for you to understand. Once you have asked this comp you evaluate your territory for strength and weaknesses. Formulate a plan for long-term success that can whether uncertainty. This plan should include a budget. Understand your classroom needs. Debt reduction and a limiting interest on debt. Improving your credit where you can. Saving, investing, and earning interest retirement. And of course, estate planning. It sounds pretty simple. I'm not having groundbreaking stop a lot of it is behavioral and just getting you to ask the questions, do I have a budget? Do I understand my cash flow needs? Am I on the right side of interest? Budgeting is really important. And not budgeting from the standpoint of -- I need to watch every single dollar going in and going out. I too much month at the end of my paycheck. Debbie that's the case. A budget will be very good for you in that situation..com it is really understanding your cash flow needs. Especially as you get older and older and starting to plan for walking away from your job competently taking a lesser income. Or can't really understanding, hey, if I lose my job tomorrow and something happens, or COVID lays me off for furloughs me or something of that nature, if that happens, what are you going to cut? When, where, why, and how? You can react quickly. It is important to categorize your expenses and understand what's going on in daily living, monthly, quarterly and yearly bills etc. You want to be living on 70-75% of your net income. And saving between 25 and 30%. Saving doesn't mean investing that money. You want to have that cushion in case of an emergency. Most important, you have to understand your cash flow needs. I sit down with a lot of people getting ready for or are in retirement. They have a pension. They have a Social Security and they have a chunk of assets. And, they might say, okay, so I have half $1 million in my TSP. I'm retiring and I say okay. How much money do you need to live on a month-to-month basis? If you could get a paycheck every month, after tax, for X amount of dollars, how much is that? It is more common, than not, that the person I asked that question two does not know. I would venture to say, over have to you, if I asked that question to you, would not know at the top of your head. That is important to know. It is important to know. It is important to build into your budget. It is important to understand your cash flow needs. It is understanding your plan for uncertain times. Okay. So, that is a very important first step. Once you have that, and once you understand your cash flow needs, there will be different phases of wealth that you need to consider. Planning for uncertainty is different in each thing. Contributions. That is where most of us are right now. Obviously, we are still working and contributing. We are still accumulate wealth so we can get to the day where we retire. We have an income. We are saving. What are the things we need to worry about when we are having what we are doing in the contribution phase? During this phase, we are working. We are earning. We are saving and investing, perhaps some of us are raising children. Liquidity of money is imperative. A limiting debt is crucial. Utilizing color cost averaging is key. By liquidity, let's not put all of us. A lot of us might put all of our money into PSTs. 1% of our savings is in TST. We have an investment vehicle where we are working. How located is at in case of an emergency? You could take a loan from it. And again, we have a question of what PSP is. It is an employer sponsored savings plan, like a 401(k). You have this money that you saved. How flexible is it? What if you need that money for kid's college? What if you need that money for an emergency. You can take a loan from it. But, you can only take one loan at a time. In my be, you might make sense what if I in addition to saving money and taking advantage what the government in -- that is absolutely important. But, under the thing, we have to think about is additionally, maybe I can have a Roth IRA. With a Roth IRA, you can always take the principal out if you needed. Brokerage account work you are saving money for an emergency fund. This elimination of debt is crucial during this phase. We are, human nature, that is often times more behavioral than anything. If I could sit here and say I can guarantee you a return of 18% if you follow my financial plan, that is a pretty good guarantee. 18% rate of return. The best way to do that, tier your credit cards up. Right? Paying a 2% interest on a credit card is the same as earning 18%. The exact same the dollar if you do the math. We really need to focus on getting rid of this debt and eliminating, as important as it is, there is, but this is a good question that popped up regarding that. Regarding debt elimination, can you speak to the importance of paying off a home mortgage versus investing? Mortgages can be really good right now. They are at all-time lows. A lot of that time, with the way the economy is right now, mortgages can be good. The big that you want to focus on are like credit cards or high interest personal loans, student loans and even a car loan. Mortgages can be good. Often times, will again come it is different for everybody. I'm not giving advice here. It is educational. A lot of the times, I lean on keeping a mortgage. Me personally, I keep my mortgage. I have no other debt. And I save , and invest call my money instead of putting it in my mortgage. But, it is different for everybody. There's another question that came in which is also very logical during this contribution phase of our lives. It says, when, where, and how his whole life insurance useful should one consider Mucil live for guaranteed whole life option? I think insurance is incredibly important. If used properly, can be a very great tool to give you some of that the committee use and control. Permanent life insurance policy does two things. It builds cash value that you can use. The second thing it does, it actually gives you a debt benefit in case you pass on. That benefit is tax free which is really big when you talk about taxes and estate planning which is in today's conversation. But it is really important. One key thing we need to know, jagged whole life or universal life? Well, that depends. Universal life insurance is not -- a very easy sell for an insurance person due to the , basically illustrations you can show our awesome. The cost of insurance, in the universal life policy, continues to increase fray high during the years. Where the whole life policy, both costs are considered upfront. Life insurance policy is a great way to dice for suffice your strategy and invest in something study that will earn interest over time and give you the committee and use and control of your money.

Eliminate mandatory payments as a best practice. Make a list of debts, sort them by los balance owed. Payoff the smallest at first and paid the minimum on larger debts. The most efficient way to typically pay off debt is to absolutely just do everything, put everything on one debt at a time and play all the minimums on the other one. That is the most efficient way to do it. There are other ways to pay off debt as well. Or build a financial plan. That often times is behavioral. That has to deal with hang yourself first. Putting money into an account etc. What you have enough money top, pay off that debt. And continue to snowball it that way. When you talk to me, on a one-to-one basis, if there is a serious situation with that, we have some good counseling services available at the Institute that can show you ways to pay off debt quicker and better. The idea, it all revolves around this right here. Restructure debt if you can is there a zero balance transfer opportunity from one credit card to another? Refinance your house. House loans are at a all time low. There are starting to come up a little bit. Take advantage of that. Don't be afraid of a 30 year mortgage. You can always turn a 30 year mortgage at 215, but not the other way around. A 30 year mortgage can lower your mandatory minimum payment. If you want to say more on the house, save more on the house. I am a big fan of paying off other , paying off other debt first and getting a cash flow. Here's a good question. It is kind of relevant. If you student loans, is it better to pay consistently now or not pay until the interest rate is not 0% due to the pandemic? Really great thing about student loans, you are having a very percent interest rate which means, if you're used to paying $300 a month, and 200 that is going to interest, that three dollars a month will be knocking out all the principal. That is really good. I would say, you need to focus on all other debts that are sitting at 0% interest. But, if you're saving money, we don't have 0% interest on student loans for 2 years, if you have it plan to say that money up, maybe earn a little bit of interest in meantime? Right when they start charging interest on student loans again, put a big chunk on it, it will be the same thing.

So, saving money. No magic investment will make you rich overnight. Saving money efficiently is more advantageous. It is the process that get you there. Not necessarily picking the right investment. At least six months of mandatory expenses, food, mortgage etc. should be established in the emergency fund. Whether that is cash, whether it is a volatile investment, something that is not super risky, that you can take money out of. Keep things liquid. Don't put all of your eggs, all of your eggs in an employee's sponsor 401(k). Spread it out a little bit. How do I decide what to put into a 401(k) versus another investment? That is a tough question. Every single person is different. There is no rule of thumb that says 10% of your money should go here. My general rule of thumb, that I talk about when people sit down with me is, let's take advantage of the employee's sponsored match. Let's take advantage of that 5% match. After the 5% match is taken care of, that is free money. That is 100% rate of return. Let's look at establishing some other savings account that has more liquidity and flexibility for other chunk of money. If we still have money to save, left over, then, let us go back, we still have money left over, let's go back and put money back into the PSP or whatever. I think it is smart to use a couple of different strategies, and not all of our eggs -- here's the stock record basket. It could be a rough IRA, an individual Roth IRA. Could be a tax shelter life insurance policy. It could be using more money to pay off debt. It could be anything. That strategy level of diversification, it is important. All right? Key ways to save during this phase of our life, PSP IRAs, 401(k)s etc. There are two ways to qualify the account. There is the traditional and there's a Roth. Okay? Qualified traditionally means you haven't paid any taxes on that money. But, a Roth account is money that you have paid taxes on and it will never be taxed again. I got the cart ahead of the horse pick what I'm saying last time, take advantage of matching programs offered by the government. For example, DSPT will match 5% after you invest 5%. Consider looking at other liquid options or a Roth IRA. A Roth IRA is a qualified account. You put money in after you pay taxes on it. It grows tax-free forever copy 459 and have taught you always have access to the principal. Money stays in these accounts, they do have restrictions. There is a 10 1/2% penalty for withdrawing money are 259 and have unless, it is a Roth IRA. You can withdraw the principal penalty free anytime. TSPs 401(k)s allow you to take a loan up to 50% of the value. Then, there's nonqualified accounts. The other side of the equation. These are your savings accounts, your brokerage accounts, your insurance, etc. This can be a great way to say for access to money. First, establish an emergency fund, then designate monthly flow toward investment accounts that can be accessed without penalties. I want to ingrain these things I continue to repeat are good ways for you to start taking action. There is no cookie-cutter advice that everybody should do ask, why, and Z. I know there's a talking heads of the world. And those individuals, they say this is absolutely what you need to do. There is no absolutely what you need to do. These are the concepts you should be thinking about. Every single person is different. All right? Many people are asking what's different? I get this question again. Able are asking what the TSP as. TSP is an employee's sponsored plan for the federal government. Just like a 401(k) in the private sector, eight TSP is the government's plan. TSPs are only for federal employees. 401(k)s are for private employees. TSPs/401(k), it all works the same. It is an employer's sponsored plan that may, or may not, have a match, depending on where you work. Income and that's it. If I say TSP or 401(k) it is kind of the same. It depends if you're federal or private employee.

I do so much stuff with federal employees only, I say TSP a lot. If an employer, it is an employer sponsored plan. The qualified plan. Now, let's look at nonqualified accounts. Savings, brokerages, insurance, we talked about that. Get insured to circumvent emergencies. Insurance is a great way to plan for uncertainty. Property and casualty insurance. This is like your home, auto, etc. What about long-term care? That's a big one. We have in our presentation just off long-term care we have talked about. Life insurance. Permanent life insurance is useful in several ways. On getting several questions about it. Permanent life insurance basically means you can put money into a life insurance plan. The cash value can be used for everyday purchases. You can take a loan against yourself for the money you have built in it. But, it gives you a death benefit you can use in case you die. And that that benefit is completely tax-free. That that and if it can be used for long-term care if you needed. It is a very strong tool , as part of a long-term financial strategy. Especially when it comes to tax and estate canning -- estate planning a long-term insurance planning. This should be a conversation that is had and everybody's life. I use a quite a bit of myself and my family. I just bought a car. We took money out of our life insurance policy by our family car. Now, we are paying ourselves back. Is great in case something catastrophic happens or I go into long-term care and become disabled. Permanent life insurance warrants a look at, how it fits in your plan. Part of the problem with this area, we go to a insurance person and say you make $50,000 per year. We need 10 times your income. You need a half-million dollar policy. Here you go. I want to use term insurance and invest the difference I can charge you a 2% fee on that money. Indicating coordination of benefits. The stuff has to coordinate. These are some things you need to start inking and looking at in your life. It is not easy. They did a study and the sad four out of five people do not understand finances. You will not be able to get all the secrets unlocked to you in an hour long course. I have been going around the country for 10 years educating people. I give workshops almost on a daily basis at this point. And, every day, I learned something new even. Four out of five people don't fully understand finances. Yet, nearly 80% of people do not consult with financial advisors. I think, what happens a lot of the times, we get turned off by some of the sales or trying to investor money. I think it is important to talk to experts. Umbrella insurance here, at the end, somebody asked, what is umbrella insurance? If I have a home at it is insured for $100,000, one umbrella policy does, it takes that one of the thousand dollar coverage and was a two million dollars. Is a cheap and easy way to get a bunch of insurance in your home and auto. Is probably $100 or $200 a year depending on what you have going on. It is typically worth it. Your insurance agent will look to sell it to you.

Let's move on and talk about a couple other things as we get a little bit older in our life we move on to a thing called the fragile decades. The strategy and timing for uncertainty shifts a little bit. Early in the game, we are trying to save money and invest money and pay off debt and keep things liquid and get our insurance great away. The fragile decades is what we call the fragile decade, it is the 5 years before you retire and the 5 years after you retire before and after. That's a really crucial time. Is something catastrophic happens 2 years before you retire, you may not be able to retire for another six, seven, eight, or 9 years. If something happens catastrophic, the year after retire, that will script the next 30 years of your life. Protection becomes even more paramount. Consider shelters for your money that have lower volatility, specifically in qualified accounts like your TSPs, 401(k)s, and your IRAs. Set yourself up for the next 30 years. Consider long-term care before being prone to age related issues. During this phase, economic corrections are a real threat. Utilize concert types of investment like lifecycle funds. Particularly some different types of annuities eventually some insurance or voluntary indices. +1 to 2 years of saving need to be used efficiently. The last year savings doesn't make or break your retirement. The first 39 due. Guys, I'm seeing a ton of questions coming through on taxes with IRAs and Roth IRAs and traditional IRAs. I love that. That is my area of expertise in my forte. If I have time to answer those questions at the end, I will. I will throw this out to you. I just gave a presentation completely open to the public yesterday on IRAs. And 401(k)s and traditional and rotten how that works. It is being replayed this Saturday at 10:00 AM, central time. You just go to our website, you can sign up for that webinar. It is free. It doesn't cost anything. It will look just like this. This is a replay. I ready gave it. If you want, all of the questions are being asked, they will be answered at that 10:00 AM workshop. It is open to everybody. I will get back to that. I just saw so many questions coming in that I had to address that. So again, this fragile decade becomes important. We want to start stepping away and saying the risk profile of my life needs to change. I need to start systematic divesting. What happened over the last one, two, 3 years. We have that double digit rates of return year after year. That is like take some of those earnings of the table. Play with house money. If you plate mic check in Las Vegas, and you throw $100 down, you win $100, was the first thing you do? You take that original $100 and put it back in your life insurance plan. Life insurance plan, I read a question at the same time. Someone asked me about life insurance. Anyways, the first thing you do is you take that $100 and put it back in your pocket. Okay? That is, play -- same thing in your life. You just made 25% rate of return over the last year. Maybe you could shelter some that money. I'm not sold that uncertainty is done. I think we have been in good economic times for a really long time. Let's take some of those earnings of the table. This last point is pretty big as well. The last 2 years of saving space to be used efficiently. Because, what you need to do, for the last 2 years of savings, in order to be efficient, like maybe, they beat it makes sense to say okay, instead of $25,000 into my 401(k) which is allowed by law, I am going to take that $25,000, instead of saving it, I will pay off all the steps. That frees up cash flow. It frees up cash flow. That $25,000, that you save last year of your life, that might produce what? Thousand dollars of income per year? For 5% of 25,000? What's that? $1200 a year of income? Also could be used converting money from traditional to rat thing taxes while they are low. Getting your insurance set up. Setting up your long term care. Being able to delete your Social Security for a year or two while it grows. It is a lot of things that can due. Systematic investing and systematic planning is important. Then of course, you're the Jewish mission phase. The final phase. The final phase is in this phase, a New City of risks involved. The sequence of returns risk. Long-term care. Tax and estate planning. All these risks happened as we are growing, the contribution phase, the fragile decade phase. Now, knew risks are evolving. The sequence of returns, long-term care, they are cost prohibitive. Do still recommend them? Absolutely. Long-term care is the one thing that will wipe us out. Long-term care has evolved a lot. A lot of them, like me personally, I personally use my life insurance policy as a long-term care benefit. And, I am earning interest on the cash I pay into it. Technically, I'm not paying anything into long term care. I'm leveraging the assets I already have. I think we may have a workshop coming up on that too that you can pop in. Check our website. But come tax and estate planning Professor Roth and the tax in the state all that that is important. This is tough to sleep -- see on the slide. Hopefully it is bigger on your computer. What this says is something, as you are distributing money, the order of returns is very, very important. On the left-hand, basically what this chart says, on the left-hand side, you start with $100,000. You take $5000 a year out every single year. And the rate of return, on the money you have invested is right there in the right-hand column. And, there's a bunch of losses in there as well. On the left-hand side, if you took 5% out, you get an average rate of return of 14%. You end up with $105,000. On the right-hand side, the only thing that is switched here is the losses happen early and the gains happened late. Same rates of return. Same average rate of return. But, a different order. And, the green investor, or the investor on the right-hand side, they actually only have 35,000 dollars. Despite having the same annual average rate of return. -- This is due to have the sequence happened. That becomes a very big risk. As we get order, we have to consider, we are not in the distribution phase. It is something to start thinking about as you get closer, and closer, and closer to retirement. Limiting those risk of losses can be crucial in a letter phase in your life. Even if you want to keep taking the risk, systematically, divest from your gains. Put them where they can't lose ever again. Considering leveraging all of your assets. We spend all the money in your IRA, your TSP, your 401(k), whatever employer's sponsor plan you have under your specific organization. Most of us plan to live on 4 to 5% of our assets. If this holds true, a vast majority of money in our account will not be touched. Michael, when I sit with somebody, when you talk to me, and you say luck, Andrew, let's build a financial plan. Our goal is to live off of no more than four or 5% of what we have today. If we do that, we can very easily figure out that the money we have today is probably not going to go anywhere. It will not deplete.

We have $100,000 and we take for thousand dollars a year off of it. 20 years later, we should probably have around $100,000. Might have 90, we might have 110. It will be right around that. This is great. But that also means, all of us, we end up passing on with the same amount of money in our accounts when we retied. I hear that all the time. I hearing from first-hand knowledge. I've been doing this for 15 years. First-hand knowledge tells me, the vast majority of people I have talked about, they pass on with at least 90% of the same money that they had the date they retired. If this is the case, we want to use all of our money to make sure we are as efficient as possible. And using small portions of our wealth, maybe 10% of our overall wealth, uses to predict against a catastrophic event. Maybe we do something that protects against large market swings. Maybe we utilize an asset based long-term care for solace see. Maybe we use it to pay taxes on the conversion from traditional to rat. I don't know what that strategy looks like are you using your dollars as efficiently as possible? Unfortunate, a lot of people, and these workshops, they get mad. I wanted to do -- is different for everybody. I'm hoping to give you the questions you need to have you're not alone. Your EAP, MILLI will tell you that. Our organization, the Institute for natural education, myself, I'm available for you to talk to. You just have to step up and make an important appointment to addresses situation of long term care. 70% of adults need long-term care at some point in their life. The national average runs anywhere from $8000-$12,000 per month. If you go to our website, and you scroll over and you drop down and there's this button that says more. Is a button that says long-term care, you click on that, I've got like seven or eight videos I have made just on long-term care it deals with this exact issue. Feel free to listen to it. The resources are open to the public. There is basically three ways. We do traditional, hybrid, or asset based long-term care if you consider long-term care. It is so important. Start asking questions. And, lastly, as we are finishing up and getting towards the end. Maybe we have time for a couple of questions. Estate plan don't wait. Estate lining is for the living. It is too late when you are dead. Everybody should have a well, there are three parts to a well. What happens to your assets? Who can make financial decisions for you? And who can make ethical decisions for you? Do this while you are alive. Once you become incapacitated, and you will watch your healthcare directives down. It can be very, very messy. Or, if you have young children, he would have a will because you need to have guardianship laid out in that. There -- it is not the end-all, be-all document. Pop on one of our estate planning seminars to talk about this. What happens to your assets? Who can make financial decisions? Who can make medical decisions? Get it done. It is cheap. You don't have to spend hundreds and hundreds of dollars that a lawyer. You can go to Quicken will make her. There is a trust. Eight trust is a legal document server for my well that ensures your assets get distributed exactly the way you want. The key thing I want to say but eight trust here is trust her not the best tax planning tool unless you set it up exactly right. A lot of people say I will just leave my 401(k) to my trust. And he think it will be a good tax plan. That is the worst possible tax plan you can have. A trust is a very good document to make sure that you know exactly where your money is going and what happened to use it every -- not our buddy needs a truss. Not everybody needs a truss. But, it can be an important document for sure.

As always, focus on good financial sense. Control what you can control. We can't control market volatility. We can structure our debt more efficient. We can leverage your current assets, especially our mortgage at all-time lows run out. Weekend element that sequence of return risk through financial products. We can estimate guesses on her taxation. And we can develop an exit strategy. That is what we can control. Let's control that. Tax, estates, insurance, assess. These four different areas of our life have to be combined. CPAs, lawyers, insurance, money managers. These are the professionals we want these four areas to be coordinated. The main thing I have here says earning more interest by picking the right investment is not a strategy. It is nice to have. But that is not a strategy. We want to have a strategy. Okay? That is really important. I will let Melanie talk here in a second purchase because, we have some resources here. Underneath the website, the very first website, you see the agency for financial education. That's us. That is my leadership team. We have an organization. We help people all over the country. So, if you need to have a consultation, or you want to sit down and do, figure out your life and figure out a plan for you, just let me know. All right? Let me know. In addition, I will hit a couple of questions. I have about 1 million questions and only one or two minutes dancer. I will talk about two of the biggest items that keep coming through. The first I am, with traditional and rough in conversion since things like that. A traditional 401(k), you can't convert money from it original 401(k) to a Roth 401(k) like 90 times out of 100. Have only seen a couple employer sponsored plans that allow you to convert inside of a plan. You can contribute to a Roth or a traditional a lot of the times. Typically, you can't convert. In order to convert from traditional Roth, you have to have that money outside of your employer plans your own individual IRA. Okay? When people are asking should I do Roth or traditional? I can't answer that. It all comes down to the tax rate. If you think you will be in a lower tax rate environment than you are now, traditionally, it makes sense. If you think you'll be in a heart tax bracket than you are now , Roth makes sense. Check out that video at 10:00 AM Saturday morning for more information. We are fired up about it. That's a good one. Another question that keeps popping up is what do you mean by permanent life insurance? There are two types of insurance. There is term life insurance which Mays -- means you pay a low amount. Insurance policy builds cash and you can use it for ever. You can keep the policy and therefore ever. Melanie, do you want to talk? Do you want anything to add at the end?

Yeah. I do have a few things that. I will let everyone know that these are life links. If you want to go ahead and click on them, and bookmark them, you can get back to them. Click on the link and it will open up to the webpage. I want to remind you that you do have your EAP and if it's which are available to you. Some of these have financial and legal benefits through your EAP. If you do, you can contact your HR department. If you're not sure what your EAP website is. They can give you that information. You can call and see what is available. Andrew has his nonprofit organization that can also help. So, it looks like we are out of time today. I want to thank you so much for the wonderful presentation. And, her one who asked about the courses coming up, it is 10:00 AM on Saturday, central time. I did sure the link with everyone. You can click on that to find out that information. Please rate your satisfaction for today. Click the rating button. The responses are very satisfied, satisfied, dissatisfied and very dissatisfied. Please note you will not see anybody's -- if you click on that radio button, your vote will be tallied. We can see. Thank you so much for attending. You can download your certificate of completion. Have a wonderful rest of your day.

Yes, absolutely. Thanks, guys. That link is right there. Thanks again. Take care. [Event Concluded]