

Money Problems

- Deflation
- Living too long
- Dying too soon
- Incompetence

Ways to meet money problems

- Four plus one
 - Adequate cash reserves
 - Fixed assets
 - Equity assets

Ways to Meet Money Problems

- Adequate insurance
- Legal documents

Problem 1: Not Enough Money

- Most common response
 Not enough money for medicine
- Early retirement plans



- Social Security 22%
- Pension plans 18%
- Investments 34%
- Work 24%
- Misc. 2%



Problem 2: Too Much Money

- Lump sum payouts
- Inheritances

Problem 3: Inflation

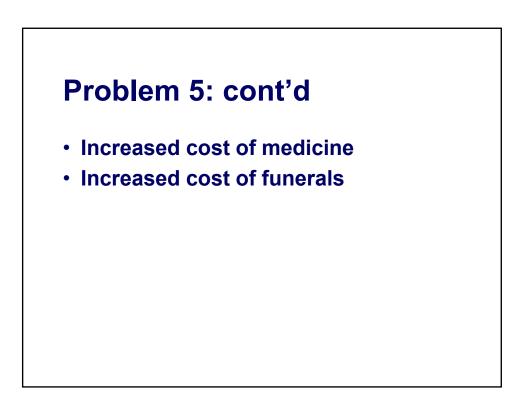
- A three percent inflation rate will boost your \$2500 real estate tax bill:
 - to \$3360 in 2012 and
 - to \$4515 in 2022

Problem 4: Deflation

- Investments
- Retirement plans
 - Defined contribution
 - Defined benefit

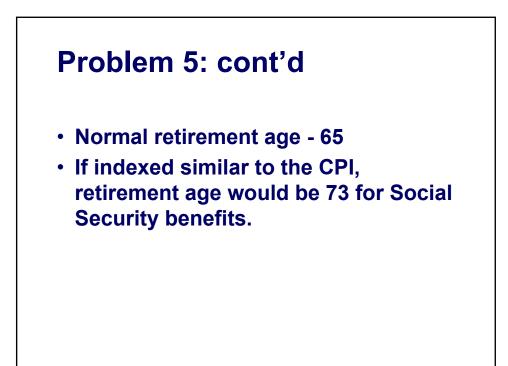
Problem 5: Living Too Long

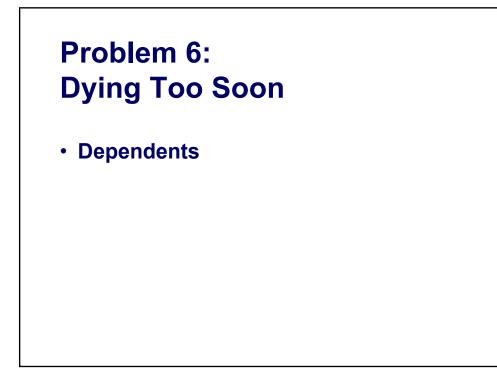
- Out living income
- 2/3 of all people who have ever lived to age 65 are alive today



Problem 5: cont'd

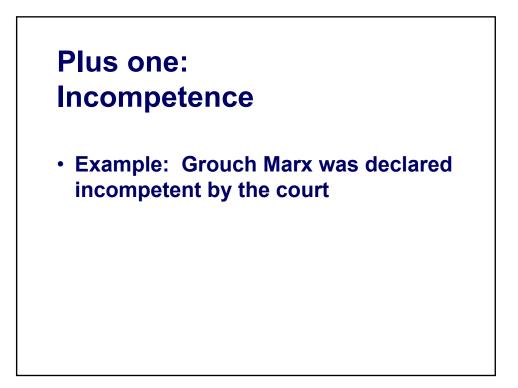
- 50% of women over 65 are widowed
- 14% of men over 65 are widowed





Plus one: Incompetence

- Loss of control of
 - Assets
 - Decisions
 - Privacy



Solutions

- Adequate cash reserves
- Adequate insurance
- Fixed assets
- Equity assets
- Legal documents

#1 Adequate Cash Reserves

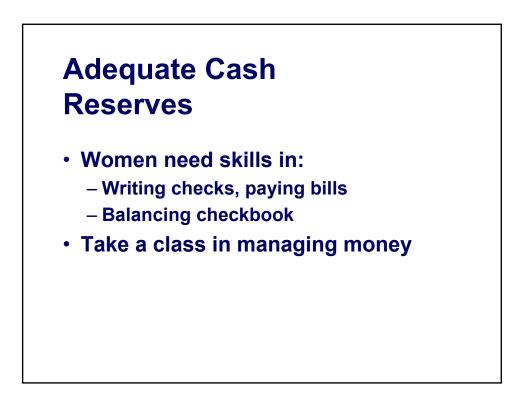
- Put and take dollars
 - Checking with interest
 - Credit Union Accounts
 - Money Markets

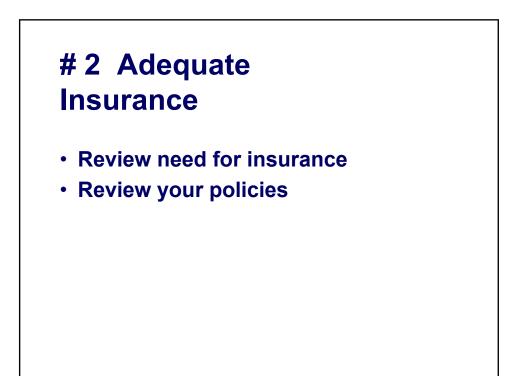
Adequate Cash Reserves

- 2 to 6 months take home pay or living expenses in one of the above accounts.
- Accessible credit



- Women because they live longer need:
 - Liquid account in own name
 - Knowledge of family finances





Need

- Life insurance
- Property & Liability
- Disability insurance
- Health insurance
- Long term care

Life Insurance

- Review policies
- Review needs
- Develop a plan to modify as needed



Disability Insurance

- Review need is there one?
- Review policy
- Develop a plan to modify coverage as needed

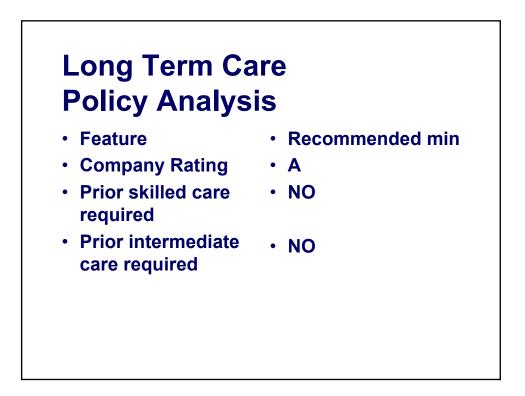


- Explore need for Medicare supplement policies
- Examine policies
- Develop a plan
- See chart

Long Term Care Insurance

- Do you need it?
- Can you afford it?
- Spend down
- www.quotesmith.com



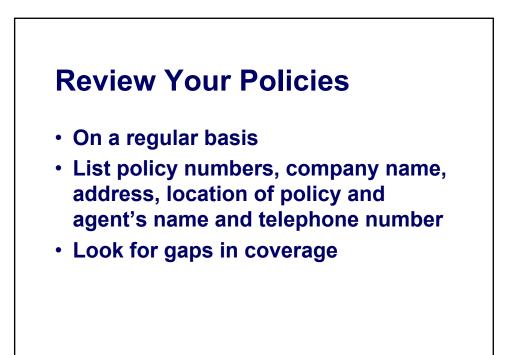


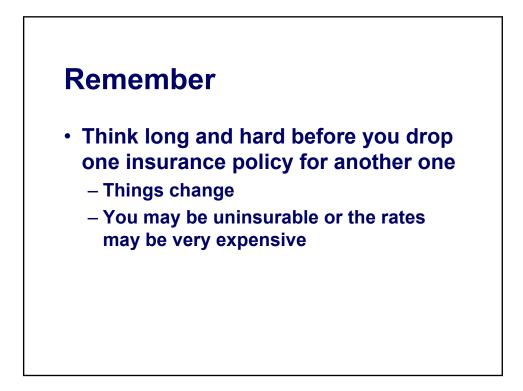






Sample Long-Term Health Care Policy Premiums at different Ages		
Age	Company 1 annual premium	Company 2 annual premium
50	\$1490	\$2,606
60	\$2,034	\$3,890
70	\$5,008	\$8,230





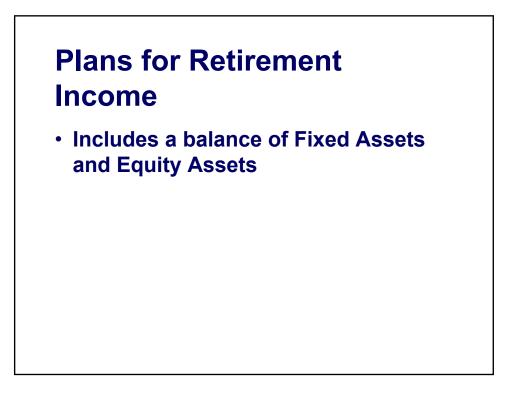
Remember

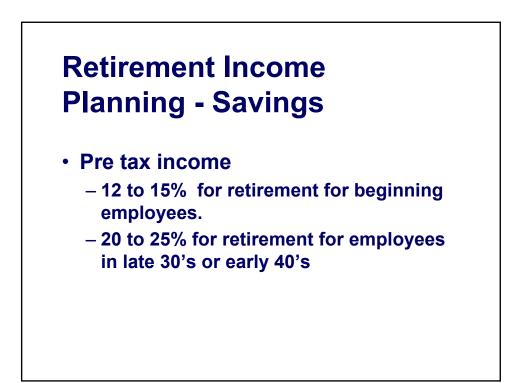
 Before you purchase long term health care – do the math – can you afford to pay the premiums now and in the future.

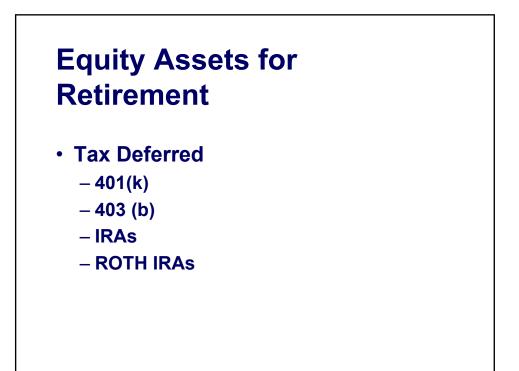
3 Fixed Assets

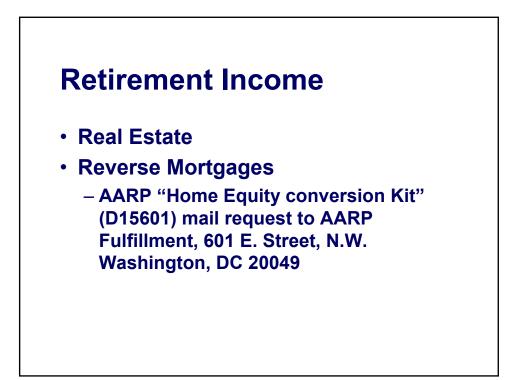
- Assets that protect against deflation.
- Lending Assets A portion of Retirement funds
 - Bonds
 - Certificates of Deposit

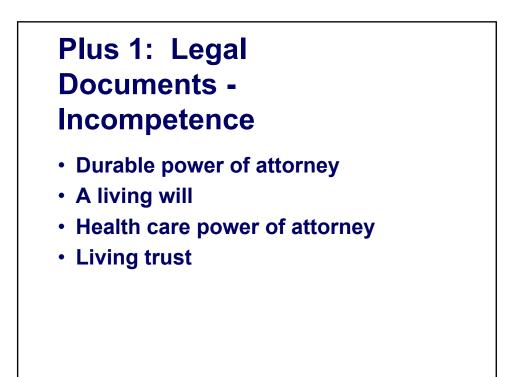


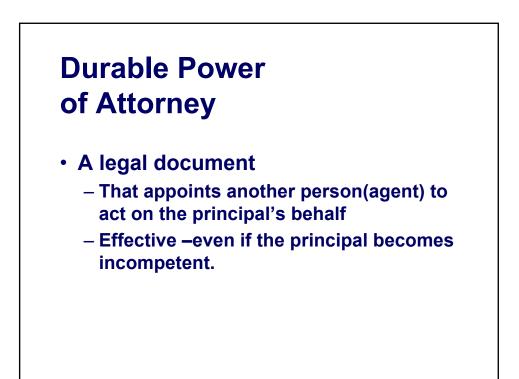


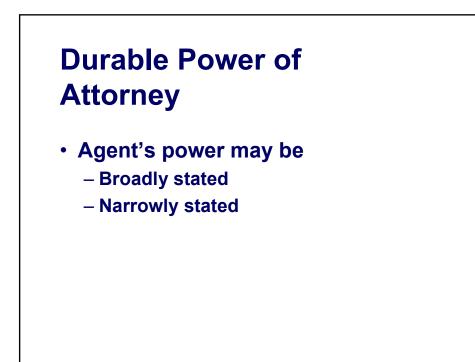












Living Will

- A document that lets family members know what type of care you do or do not want to receive if you become terminally ill.
- Doctor should have a copy
- Write with assistance of an attorney

Health Care Power of Attorney

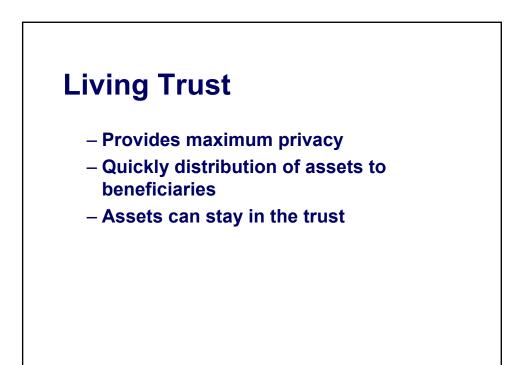
- Maybe called Heath care proxy
 - This document allows the signer to designate individual(s) to make healthcare decisions on his or her behalf if he or she is incapable of making such decisions.

Living Trust

• A legal arrangement between (you) the grantor and the trustee (person you identify) to control and manage the assets in the trust.

Living Trust

- If correctly set up
 - Avoids probate at death of the grantor
 - Prevents court control of assets at incapacity



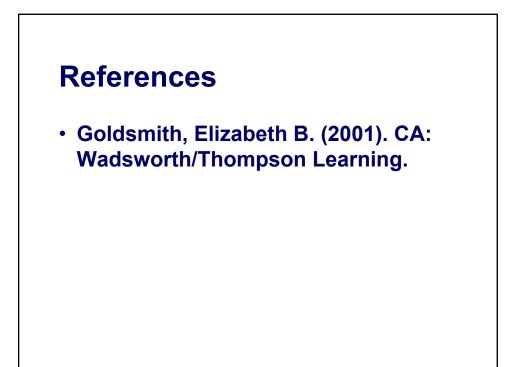


Plan to Transfer Property

- Will
- Joint ownership
- Gifts
- Beneficiary trust
- Living trust

References

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- Peterson, Peter G. (1999). Grey Dawn. NY:Random House.
- Weltman, Barbara. (1998). The Complete Idiot's Guide to Making Money After You Retire. NY: Simon & Schuster Macmillan Company.

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