Young Alumni Network Webinar

Financial Management for Young Professionals

Presented by:
Annalisa Barrett
Lecturer in Finance
USD School of Business Administration
Budgeting

Choosing a Financial Planner

Elderly Loved Ones and Money
Why Do You Need a Budget?

- Do your spending habits reflect your values and priorities?
  - The process of creating a budget will raise awareness of your spending habits and sometimes can be quite a surprise.
- Businesses have budgets so they can track their money and make the best use of their resources.
  - You should have a budget for the same reason.

Source: Budgeting: Managing Your Money with a Spending Plan, Financial Planning Association
Creating a Budget

- Start by tracking your spending for one month
- At the end of the month, categorize your expenses to see where your money is going
  - If your “miscellaneous” category is a large part of your budget, add more categories
- Add in expenses that do not occur on a regular basis (e.g., property taxes, vacation expenses)
- Total your monthly expenses and subtract them from your monthly income

Source: Budgeting: Managing Your Money with a Spending Plan, Financial Planning Association
Savings and Other Goals

Once you have a picture of your typical spending habits, add in expense lines for savings and other goals

- Savings
  - Emergency fund
  - Retirement
  - College education for children

- Other goals
  - Capital to start a business
  - Down payment for a home
  - Vacation
  - Charitable giving

Source: Budgeting: Managing Your Money with a Spending Plan, Financial Planning Association
Choosing a Financial Planner

Do you need a Financial Planner?
- You may not have the expertise, the time or the desire to actively plan and manage certain financial aspects of your life.
- You may benefit from an objective, third party perspective on what are often emotional, difficult decisions.
- You may need someone to help you stay focused and follow through with your financial plans.

How to find the right Financial Planner
- Working with a Financial Planner is a very personal relationship.
- Seek recommendations from people you trust or www.PlannerSearch.org.
- Interview at least three planners in person.
- Ask if he or she is a Certified Financial Planner (CFP).
- Request a written disclosure from the planner.

Source: How a Financial Planner Can Help You and How to Choose the Right One, Financial Planning Association
When & How to Start the Conversation

- Planning to take over an elderly loved one’s finances is best done in happier times when both sides are healthy.
- Address health & lifestyle issues before discussing money.
- Prepare questions in advance; include issues such as:
  - Is there a will, an advanced directive and a funeral plan?
  - Where are these and other important documents?
  - How are household expenses paid?
  - What medicines are being taken?
  - Where is the contact information for their doctors, attorney, accountant, financial adviser, insurance agent, etc.?

Source: “Aging Relatives and Their Finances” by John F. McAvoy, CFP
Know Where These Are

- Bank accounts
- Investment accounts
- Real estate deeds
- Mortgage statements
- Insurance policies (companies and policy numbers)
- Lists of medication and medical history
- Funeral and burial preferences
- Titles for personal property
- Tax returns
- Safe deposit box keys
Fundamental Estate Planning Tools

- **Will** – A document that details where you want your estate’s assets to go (after debts and taxes are paid) and who is going to oversee its execution. It may also state who is going to care for your minor children.
  - Without a will, the laws of the state will determine what happens to your estate’s property
- **Durable Power of Attorney** – A document which allows you to designate a representative to perform certain actions for you (i.e., pay bills, make financial decisions) if you become ill, incapacitated or otherwise unable to manage your affairs
- **Living Will** – A written declaration of life-sustaining medical treatments you would allow or not allow if you are incapacitated
- **Medical Durable Power of Attorney** – A document which authorizes a person to make medical decisions on your behalf

Source: Thinking the Unthinkable: What Everyone Needs to Know About Estate Planning, Financial Planning Association
Thank you

The Young Alumni Network Programming Committee would like to extend a special vote of gratitude to our presenter Annalisa Barrett.

Upcoming Events

Portland Summer BBQ 2014
Date: August 10, 2014
Time: 1:00 PM to 4:00 PM
Portland Alumni Chapter

Palo Alto Networking Happy Hour
Date: August 14, 2014
Time: 5:30 PM to 7:30 PM
Hosted by the Alumni Association and the School of Law

Honolulu Alumni & Family BBQ 2014
Date: August 31, 2014
Time: 11:00 AM to 1:00 PM
Honolulu Alumni Chapter