The Top Financial Mistakes
FOR PHYSICIANS
INTRODUCTIONS

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Larson Financial Group
The Physician’s Specialist®

6,000+ physician clients
25 offices
40 advisors around the nation
PHASE 3
Alternative Investments

PHASE 2
Retirement Planning
(Qualified, Non-qualified, and Tax-advantaged accounts)
Increase Practicing DI (FIO)
Mortgage Purchase
Tax Planning
Education Planning
Estate Planning

PHASE 1
Risk Management
(Life and Disability)
Asset Protection
(Property and Casualty)
Debt Management
Cash Flow Management
Contract Negotiation
Establish a Spending Plan

Benjamin Franklin supposedly once said, “If you fail to plan, you are planning to fail.”
DEBT

The Good, the Bad and the Ugly
Debt: The Good, the Bad and the Ugly

- Owning a Home
- Student Loans
- High Interest Consumer Debt
Debt: The Ugly

• High Interest Debt
  • How did you get the debt?
  • How can you get out of debt?
  • What does snow have to do with any of this?
# Debt: The Bad

## Student Loans

<table>
<thead>
<tr>
<th>Plan</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard or Extended Term</strong></td>
<td>• Most Housestaff need payment relief during training</td>
</tr>
<tr>
<td><strong>Forbearance</strong></td>
<td>• MOST COSTLY!</td>
</tr>
<tr>
<td></td>
<td>• MPH/other students CAN waive deferment if in residency</td>
</tr>
<tr>
<td><strong>Refinancing</strong></td>
<td>• Available with attractive underwriting profile</td>
</tr>
<tr>
<td></td>
<td>• May be appropriate for some residents</td>
</tr>
<tr>
<td><strong>IBR</strong></td>
<td>• 15% of discretionary income, 25 year taxable forgiveness</td>
</tr>
<tr>
<td><strong>PAYE</strong></td>
<td>• 10% of discretionary income, 20 year taxable forgiveness</td>
</tr>
<tr>
<td></td>
<td>• Only available if no loans outstanding on Oct 1, 2007</td>
</tr>
<tr>
<td><strong>REPAYE</strong></td>
<td>• 10% of discretionary income, 25 year taxable forgiveness for grads</td>
</tr>
<tr>
<td></td>
<td>• 50% of accruing interest not charged, no borrowing restriction</td>
</tr>
</tbody>
</table>

[www.dwoq.com](http://www.dwoq.com)
Debt: The Good

• Owning a Home
  • How much home *should* I afford?
  • Good mortgages vs. great mortgages.
  • Are “physicians only” loans all equal?
Risk Management

- Life Insurance
- Disability Insurance
- Umbrella Policy
- Estate Planning
Only buy insurance for something...

1. Has a low probability of happening
2. Would be financially devastating
Philosophy of Insurance

- Insurance companies make a profit, therefore, self-insure whenever possible

Don’t over-insure
TAXES MATTER
Account taxation impacts asset classes to hold in each account

**Tax-Deferred**
Contributions Made with Pre-Tax Dollars

- 
  - IRA
  - 401(k)/403b
  - 457

Distributions from Account are Taxed as Income

**Taxable**
Contributions Made with After-Tax Dollars

- 
  - Brokerage Accounts
  - Bank Accounts
  - Stocks & Bonds

Growth in the Account may be Taxable

**Tax-Advantaged**
Contributions Made with After-Tax Dollars

- 
  - Roth 401(k)/403b
  - Roth IRA
  - Permanent Life Insurance

*Distributions from Account are Tax-Free

*Distributions of growth from the “Roth” account types referenced are tax free provided that all tax guidelines are followed. Distributions of contributions taken from life insurance are tax-free provided the insurance is not a Modified Endowment Contract. Withdrawals of growth in the form of a loan from permanent life insurance are not subject to tax providing the product is not surrendered, it is not a Modified Endowment Contract, and/or all other product and tax guidelines are followed. Please consult the prospectus, contract, and your tax professional for specific details regarding any investment’s potential tax consequences and other fees or charges.
TAX STRUCTURE MATTERS

Typical Investor

Tax-Efficient Investor

Up to 2.5% per year in added results

<table>
<thead>
<tr>
<th>Service</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rebalancing</td>
<td>.35%</td>
</tr>
<tr>
<td>Behavioral Coaching</td>
<td>1.5%</td>
</tr>
<tr>
<td>Location Optimization</td>
<td>0 to 2.5%</td>
</tr>
<tr>
<td>Retirement Spending Strategy</td>
<td>0 to .7%</td>
</tr>
<tr>
<td>Cost Effective Implementation</td>
<td>.45%</td>
</tr>
<tr>
<td><strong>Potential Value Added</strong></td>
<td><strong>“About 3%”</strong></td>
</tr>
</tbody>
</table>

Working with Larson Financial Group

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Private Seminars available