



# **Money \$marts**

**Jonathan Pond**  
**SmartPlanner.com**

**April 30, 2016**



# Four legal ways to create wealth

1. Marry it
2. Inherit it
3. Win the lottery
4. Live beneath your means



# Countdown...

## Top Three Money Concerns

3

Helicopter Children...

Eviscerating the parents' wealth



# Countdown...

# Top Three Money Concerns

2

The Silent Epidemic...

Overspending in retirement



# **Countdown...**

## **Top Three Money Concerns**

### **1 (by far)**

Technology and disruptive innovation will impair income prospects for the majority of careers



*Financial success is not a function of how much you earn; it's a function of how much you spend.*



1

Your best investment is your career



## 2

# Getting the right kind of insurance at the right cost

- Close any gaps
- Shop for lower cost coverage
- Self-insure





3

Pay off the mortgage by the time you retire

Easy way to cut repayment time in half



*If medical science continues to prolong human life, some of us may eventually pay off the mortgage.*



4

Cars are a big waste of money...

Findings from my research



5

# **Why it's great to be an American (Part I)**

Practicing “Reverse Keeping Up With  
the Joneses”



6

## **Technology and Investing – Just the Beginning**

- NTF mutual funds and NTF ETF's will proliferate
- Rapid evolution of services that facilitate monitoring and analysis of family financial information



## 6 (part II)

- Major institutions and upstarts will offer low cost investment management using sophisticated platforms



# 7

Using low correlation asset classes to control risk and enhance return



# 8

## Be Wary of Market Seers

- Pond's "Golden Rule of Investing"
- Those who think they know need immediate psychiatric counseling.





*The difference between genius and stupidity is that genius has its limits*



# 9

When it makes sense to collect Social Security...

Later rather than sooner for most



# 10

## Retirement plans for the self-employed...

- Jet powered
- Rocket powered



# 11

Gradual retirement can work wonders on your retirement income

- 1 extra year = 10%
- 3 extra years = 25%
- 5 extra years = 40%



# 12

It costs a lot less to retire than you  
have been led to believe



# 13

## Three crucial assumptions when projecting your retirement income...

- Life expectancy
- Inflation
- Average investment returns



# 14

## Why it's great to be an American (Part II)

When is the latest time you can change your IRA beneficiary?

September of the year after the year of your death



# 15

Helping the younger set become financially responsible...

Set a good example

Help with retirement contributions





# Pond's Law of "How Did My Kid Turn Out to Be So Bad With Money?"



# 16

Helping children in a financial pinch...  
without enabling them



**17**

Seniors, for whom are you investing?



## **Pond's Law of Bedrooms**

*The more bedrooms you have in your home, the more likely it is that you will have children living with you in your dotage.*



# 18

Using life insurance to build an estate for children and grandchildren



# 19

## Strategies to minimize income taxes

- Maximize contributions to retirement accounts
- Minimize withdrawals from retirement accounts
- Emphasize “tax-friendly” investments in taxable accounts
- Convert traditional IRAs to Roth IRAs



# Why it's great to be an American

## Part (III)

Roth IRAs for estate planning

Roth IRA conversions make sense for many...

Even if you're in a lofty tax bracket



*The only two things in life that are certain are death and taxes...*

*But at least death doesn't get worse every time Congress convenes.*





*Did you ever realize that when you combine “THE” with “IRS” it spells “THEIRS”?*



*Do you know why it's called Form 1040?*

*Because for every \$50 you earn, you get \$10 and they get \$40.*



**21**

## **Finally...**

Coping with your spouse's or partner's financial peccadilloes.



# The Problem...

Spenders are attracted to savers and vice versa



What to do if your loved one is a  
**spender...**



*Whoever said money can't buy  
happiness didn't know where to shop.*



What to do if your loved one is a  
**saver...**



*Misers may be tough to live with, but they make great ancestors.*