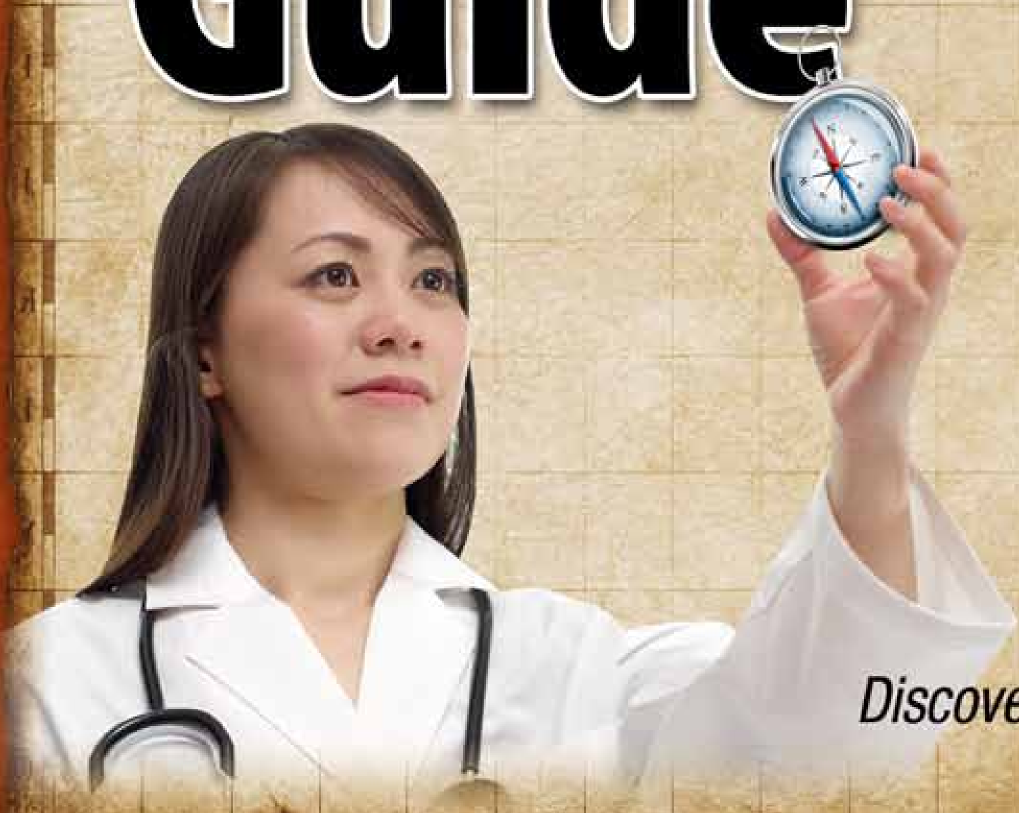
ADVENTURES IN MEDICINE

Career & Life Planning

Survival Guide



Finance Basics

Discovery Resource

ST-09

Your Financial Guide:

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Previously, Jean served as a senior planning consultant and product manager with US Bancorp Piper Jaffray, where she trained over 900 registered representatives. She also held client service positions at a local investment management firm and a Wall Street broker/dealer. Jean's hobbies include training her three dogs, playing golf and volleyball, and gardening.

In This Stage: Finance Basics

Trekking unprepared through a parched, dusty **DESERT** is a dangerous proposition. But with good planning, even the most driest patches on the planet can be tamed.

Every physician faces financial challenges, whether struggling with a job change, a looming tax bill, school loans, a loss, or major family expense. And when it shows up on your doorstep, it can seem like you're walking across the desert, parched without water.

In this stage, you will develop a plan to assist you in being prepared for financial challenges you soon will face. You will learn about maximizing your paycheck to enjoy the perks and lifestyle you want. You'll see how little you need to save today, to preserve your family's lifestyle when that unexpected crisis hits.

And it begins today, for who knows what tomorrow will bring?

But before we start… you might want a drink of water….

CONTENTS

Get Your Finance Head On Straight

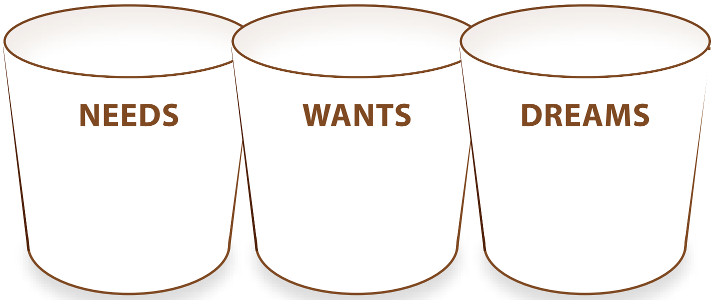
If you talk to physicians who graduated before you — whether it is five, 20 or 30 years — most will say they have **REGRETS** about choices they've made when it comes to personal finances. Decisions like buying a big house and luxury car resulted in a huge amount of debt, or high-risk investments have left them with little money or assets to show for all their hard work. Now they face situations where they are forced to work longer hours and more years before they can enjoy the life that they truly wanted in the first place.

Be wise and make prudent decisions now so you can look back without regret and achieve the goals you have set for yourself.

Keep in mind that financial matters and decisions can be complicated, confusing, and overwhelming. A high-level overview of finance basics is provided in this stage, but for information that relates more specifically to your particular situation, we advise you to speak with a financial-planning professional.

Make Money

In order to spend money, you must make it first! By now, you've accepted the job, negotiated the contract and know your salary and compensation package. Based on your salary, which is framed by your specialty, geographic location and demographics, it's important to calculate **NET INCOME** (after **TAXES** and **DEBT**) and develop a simple budget taking into account the three life buckets: Needs, Wants and Dreams.



Reflecting on the exercises and assessments completed in Stage 4, you should have a good understanding of your values, life purpose and priorities. As you work through this segment, financial decisions tied to needs, wants and dreams should become clearer once you understand how much money you make and what you can afford to spend now and in the future.

SPEND MONEY WISELY

How much money will you take home each month? Financial success relates to decisions regarding expenses, spending habits and savings goals, and understanding taxation on your income.

Discretionary income represents money left over after supporting basic financial needs. In many cases, new physicians overestimate this amount due to a lack of understanding of the impact of taxes, additional insurance costs or ultimately the amount of spending they can afford. Make sure you review large discretionary purchases with a keen eye toward "**CARRYING COSTS**." For example, you purchase a luxury vehicle without examining the cost to insure and maintain it. Clearly understanding the sunk cost (cost to purchase) and carrying cost (cost to own) will help you to make wise decisions based on affordability now, later or never.

GUIDE POINTS

Facts & Figures

- The average total debt for a physician graduating from medical school in 2009 was roughly $158,000.[9]
- Right now, most physicians are men, age 42 and older; however, women made up half of medical school graduates for the first time in history in 2007.[8]
- In light of these trends, you may also have to manage:
  - Family issues such as childcare, if both spouses work
  - Intermittent career disruptions (e.g., maternity/paternity leave) as well as sabbaticals and training enhancement gaps to work around
  - Relocation or dislocation due to the impact of the latest government changes impacting the U.S. healthcare industry

EXAMPLE

To provide a good working example of income, saving and spending decisions, let's review this case.

Facts of the Case

- An internal medicine physician
- $210,000 annual income
- Five years into the practice
- Has two children
- Spouse doesn't work outside the home

1. **Calculate income tax impact.**

One of the largest impact single items decreasing take-home pay is federal income tax. The table on the following page lists the federal income tax rates for 2013 for married filing jointly.[10] (In addition to federal taxes, remember to consider all state and local taxes as well.) Let's see what this physician's federal income tax is.

2013 TAX RATES

Tax rate	Single filers	Married filing jointly or qualifying widow/widower	Married filing separately	Head of household
10%	Up to $8,925	Up to $17,850	Up to $8,925	Up to $12,750
15%	$8,926 - $36,250	$17,851 - $72,500	$8,926- $36,250	$12,751 - $48,600
25%	$36,251 - $87,850	$72,501 - $146,400	$36,251 - $73,200	$48,601 - $125,450
28%	$87,851 - $183,250	$146,401 - $223,050	$73,201 - $111,525	$125,451 - $203,150
33%	$183,251 - $398,350	$223,051 - $398,350	$111,526 - $199,175	$203,151 - $398,350
35%	$398,351 - $400,000	$398,351 - $450,000	$199,176 - $225,000	$398,351 - $425,000
39.6%	$400,001 or more	$450,001 or more	$225,001 or more	$425,001 or more

The updated figures are provided at the below site:
http://www.bankrate.com/finance/taxes/2013-tax-bracket-rates.aspx

2. Calculate expenses.

Identify monthly and annual expenditures. For this example, this physician's insurance costs were covered through the practice but he added a supplemental disability policy (under living expenses).

EXPENSE ITEM	2010 AMOUNT Annual	2010 AMOUNT Monthly	EST. 2015 AMOUNT (3% inflation adjusted)
Living expenses (food, utilities, clothing, cell phones, entertainment, cable, disability insurance)	$48,000	$4,000	$55,645
Kids' activities, sports, college savings	$7,500	$625	$8,695
Vacations	$7,500	$625	$8,695
Home mortgage ($300,000; 30-year fixed, 5.5% interest rate)	$20,000	$1,666.67	$20,000
Debt servicing: medical school, credit card, car	$16,000	$1,333.34	$16,000
Real estate taxes	$4,020	$335	$4,660
Auto/home insurance	$3,000	$250	$3,478
Life insurance	$5,000	$416.67	$5,000
Charitable contributions	$2,000	$166.67	$2,319
TOTAL	**$113,020**	$9,418.35	**$124,492**

3. Determine discretionary income including savings.

Study the chart that follows. At the end of a year, for this physician making $210,000 gross income, his discretionary income remaining after debt and retirement deferral savings is about $8,000. It doesn't seem like a lot of money for someone who draws a six-figure income.

ITEM	AMOUNT
Salary	$200,000
LP (practice)	$10,000
Gross income	**$210,000**
Less 401(k) contribution	($16,000)
Less intermediate savings (next car)	($5,000)
Less income tax ($47,081 federal income tax calculated previously, assuming with other taxes totalling approximately 32% of gross income)	($68,000)
Less spending (calculated previously)	($113,020)
TOTAL ANNUAL DISCRETIONARY INCOME	**$7,980** $665/month

This physician's desire is to save 10 % of his income for the unexpected (e.g., emergencies) which equals $20,000. Where will these savings come from? Our doctor must reconsider things like:

- Reduce spending on debt service.
- Reduce spending on vacations.
- Increase deferrals to additional retirement savings. (Can he? Is there the opportunity to do this?)
- Less education savings for his kids.

As you can see, it won't be easy. These important decisions will have **LONG-TERM RAMIFICATIONS**.

We've discussed the effort you have taken to secure a position in the type of practice that fits you perfectly. Now let's make sure you keep the income you need for obligations such as a mortgage and school debt.

ROADBLOCK

Avoiding the Spending Frenzy

Your needs, wants and dreams can get tangled in the rush and frenzy when making your first real paycheck. You survived on crackers and water for a decade or so, and now you deserve to indulge in as much chocolate and champagne as your heart and stomach desires. Your spending appetite feels huge since you've lived in delayed gratification mode for so long.

Before making any large purchases, step back and do your research! Consider the cost of living in your town. Check out the local, state and municipal taxes. Consider the cost of housing, as well as the cost of utilities and maintenance. Research the schools (even if you are single) and consider whether you will utilize public or private schools for your future family. All of this homework will enable you to understand what your life and lifestyle will be.

Cover Your Risk

Risk is a vague term that up to this point has possibly been more about liability in your career than any other component. Risk may equate to making **RISKY** decisions with your career track, but in this area we will explore risk related to disability or death, additional liability risk, health costs (out-of-pocket expenses), and investment risk or loss of investment principal. Managing and controlling risk associated with these items can primarily be covered through insurance options. The following is a brief overview of common types of insurance.

DISABILITY INSURANCE

Disability insurance is very important. As you know, sometimes health issues are outside of your control. Let's review how disability insurance works. If you are covered under a group plan, there are usual limits based on the policy and coverage. Identifying your income needs and suitably covering 60 to 80% or more will be your goal. When securing a policy, we recommend that you:

- Make sure your coverage is suited to your profession. This is truly important when comparing costs. Conducting a fine-line review of coverage is very important.
- Review the economic and tax impact of payout from your group policy and supplemental policies. Typically group policies have a maximum benefit of $5,000 per month, and if you pay with pre-tax dollars, your benefit after tax is notably less. Consider that if you pay with after-tax dollars, your benefit can be received free from income tax. The rationale for 60% coverage is that if you receive benefits equaling 60% of your income, and your combined federal and state taxes equal the other 40%, your net benefit will be 100% of your net pay.
- Make sure the company is reputable and well rated (for example, AM Best A+).
- Consider an inflation rider, and consider a 90-day waiting period to lower costs. Cost is typically 1 to 4% of compensation.
- Review other sources of income with your disability; short-term disability income, workmen's compensation insurance and Social Security will be considered.
- Use a specialist or possibly a broker instead of a company representative.

LIFE INSURANCE

Simple rules of thumb typically don't apply with physicians. Based on specialty and student loan debt, your life insurance needs may be more **COMPLEX**. Many physicians consider complex insurance strategies that combine benefits of cash accumulation in universal life insurance policies rather than basic level term insurance. We would advise caution in your review of insurance due to its cost and variances; consider your debt, your personal obligations (e.g., dependents, spouse) and your desire to at least cover the bare minimum. We suggest a thorough life insurance review periodically due to changing products, rules and mortality tables.

TRAILBLAZERS

"I wish I would have created a financial plan early on in my career and hadn't wasted precious time, because now I have to work twice as hard and twice as long to make up for what I didn't save early on."

"I wish I hadn't bought the brand-new Mercedes and a million-dollar house because now I'm stuck with debt I can't get out of."

"I'm on my third job in five years and if I had done a better job knowing what I wanted in the first place, I wouldn't have gotten myself in this situation."

LIABILITY INSURANCE

This is simply making sure you have adequate liability insurance in all other areas of your life. It is wise to have adequate liability coverage on vehicles and homes. You may also want to consider an umbrella policy that provides additional coverage. Note that with the "doctor" title, unscrupulous individuals may target you for additional nuisance lawsuits.

HEALTH INSURANCE

Generally the trend for practices large and small has been the increased use of Health Savings Accounts (HSA) combined with a High Deductible Health Plan (HDHP). This combination has continued to replace the traditional HMO/PPO type of program that many companies used to offer. The pros and cons of these programs will not be addressed here but will have noted impact on your coverage needs. We would recommend thorough review of the plans and the administrative design of whatever program you access. Consider other insurance areas for additional needs.

Typically with the HSA/HDHP option, spending management and review of out-of-pocket expenses will require more thoughtful review of your program. Some clients can be better served net out of pocket with an HMO versus this option. If you are able to access a spouse's employer benefit, we encourage a fine-line review of all programs and the realistic goals of your health insurance needs. Consider possible family needs in this as your own personal health may not be of significance, but the need for increased healthcare by your spouse and family may change your insurance needs dramatically from one year to the next.

INVESTMENT RISK

As your income grows, so do investment risks. Some simple rules of thumb to keep in mind:

- **DON'T** invest savings that are set aside for emergency or intermediate needs in investments that are highly concentrated, themed or leveraged (e.g., mortgage, college loans). This isn't the money you need to attempt huge returns with.
- Invest in strategies you can understand. If you can't explain the strategy to your mother or, even better, your grandmother, you're probably in over your head.
- Risk is price volatility or standard deviation or loss of principal — make sure to review these when investing for long-term purposes.

Save Money

Spending and saving should go hand in hand with your life buckets. It's important to put aside money for emergencies (i.e., needs that surface), short-term savings for wants, and long-term savings for dreams. This is based on the premise of paying for things with cash versus taking on debt, and what constitutes good versus bad debt.

"Cash is king" is a common phrase, often times used to describe a company or investor's fiscal responsibility. In simple terms, money that's readily available — whether it's deposited in a checking, money market, savings or CD (certificate of deposit) account — will keep you out of debt and in a positive cash flow situation.

Consider saving money to serve three goals:

- Emergency funds — used for unexpected, unplanned expenses; keeps you from using credit or incurring more debt to cover these expenses.
- Intermediate spending goals — saving for larger purchases in the next one to 10 years.
- Long-term savings (investment vehicles) — money saved for 10+ years, such as education funds for young children (under age 10), retirement funds, or mid-career changes.

EMERGENCY FUNDS

"Save for a rainy day" is a common saying, as is "hope for the best, plan for the worst." Many individuals unfortunately fall into the credit card debt trap by not planning and saving for emergencies. We suggest three months spending reserve as a general rule of thumb, but in some cases we may recommend higher reserves. These funds should be invested with low-risk, liquid investment tools. One popular, low-risk, short-term option for saving and having access to "liquid" funds is through Certificate of Deposits (CDs).

Dr. Smith is investing $24,000 into a bank-sponsored CD. He invests in a five-year or 60-month CD, which is the total number of months for his CD to mature. His bank credits his interest annually. The Interest rate is posted as 5%. For this example, we will assume this rate is the effective annual interest rate earned and compounded annually for this CD. A CD's annual percentage yield (APY) depends on the frequency of compounding and the interest rate. For this purpose we will assume the APY is the same at 5%. For the first year, Dr. Smith wants to calculate his net annual return after taxes. Dr. Smith's federal marginal (highest) income tax is 33%; his state income tax rate is 9%. His first year's annual interest rate credit is $1,200 (5% of the $24,000). He files this income on his tax return and is given a 1099 from the bank notifying the IRS of the interest credit to Dr. Smith. He files his income tax return and pays $396 in federal income tax and $108 in state income tax. His net income after tax impact is now $696. Based on the original investment of $24,000, he has made 2.9% net of tax return. If he also concerned about the current annual rate of 2% inflation – his real rate of return, net of inflation and tax, is now a small 0.9% return on his investment. This final number is the real net rate of return. With all investment strategies – costs to invest, tax impact, and inflation impact should be reviewed.

INTERMEDIATE SPENDING GOALS

Intermediate goals can represent items on the wants and dreams lists. These goals would typically take less than 10 years to fulfill. They might include, for example:

- Replacement items such as vehicles
- Purchasing a particular larger item like a boat, specialty car or collectible
- Remodeling
- Significant travel plans
- Funding 100 % of your kids' college costs
- Vacation home or second home where you'll retire

Use caution as it relates to investment risks on these items. Many investors were dramatically impacted by bear markets by maintaining overly aggressive investment strategies for planned spending in these areas.

GUIDE POINTS

Essential Actions

- Reassess your three life buckets: needs, wants and dreams.

- Clarify your spending and savings goals.
- A good rule of thumb is to spend 70% and save 30%.
- Identify your saving goals, e.g., 10% as cash reserves, 10% for retirement, and 10% as a college fund or for an intermediate large purchase.

LONG-TERM SAVINGS

Long-term savings are for spending that is 10 to 20+ years away. This usually represents retirement funding through appropriate retirement plans such as a 401(k), profit sharing, or SEP IRAs. When thinking about saving for retirement, it's important to understand some concepts that will help you get the most out of your hard-earned money. The online Farlex Financial Dictionary provides the following definitions.

Compounding: "The process of earning interest on a loan or other fixed-income instrument where the interest can itself earn interest. That is, interest previously calculated is included in the calculation of future interest. For example, suppose someone had the same certificate of deposit for $1,000 that pays 3%, compounding each month. The interest paid is $30 in the first month (3% of $1,000), $30.90 in the second month (3% of $1,030), and so forth. In this situation, the more frequently interest is compounded, the higher the yield will be on the instrument."[11]

Time Value of Money: "A fundamental idea in finance is that money that one has now is worth more than money one will receive in the future. Because money can earn interest or be invested, it is worth more ... if it is available immediately. ... This concept may be thought of as a financial application of the saying, 'A bird in the hand is worth two in the bush.'"[12]

EXAMPLE: COMPARE TWO PHYSICIANS

	DR. A	DR. B.
Amount invested	$2,000 per month	$2,000 per month
When	Immediately after residency	After 10 years of practicing medicine
Investment time	30 years	20 years
Total out-of-pocket expense	$720,000	$480,000

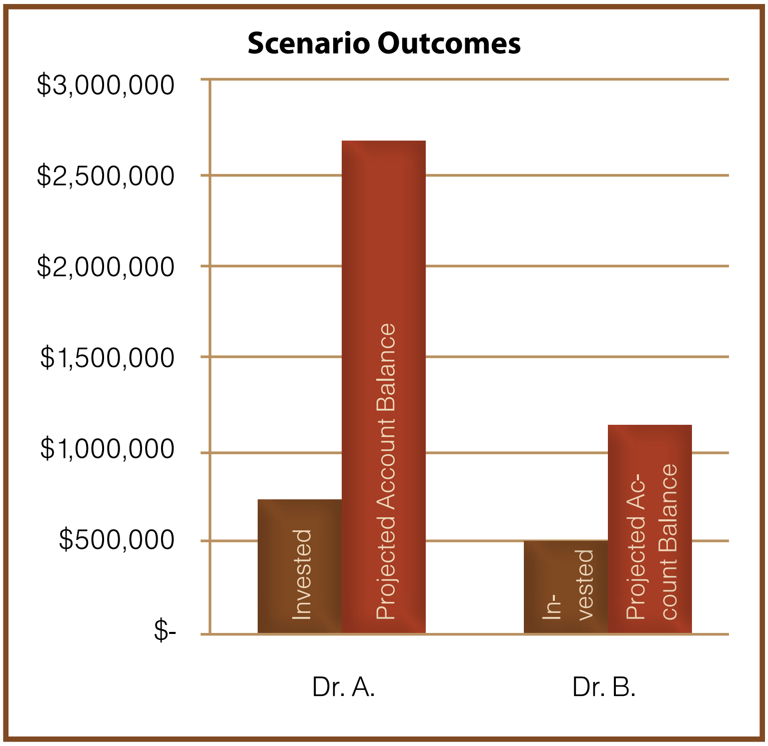
The two scenarios are very realistic as most young professionals rarely consider retirement savings as an important component of their spending plan.

When saving for retirement, we consider various approaches. For this example, we took a very simple approach to show the impact of compounding using real market investment scenarios. The example has several components worth noting:

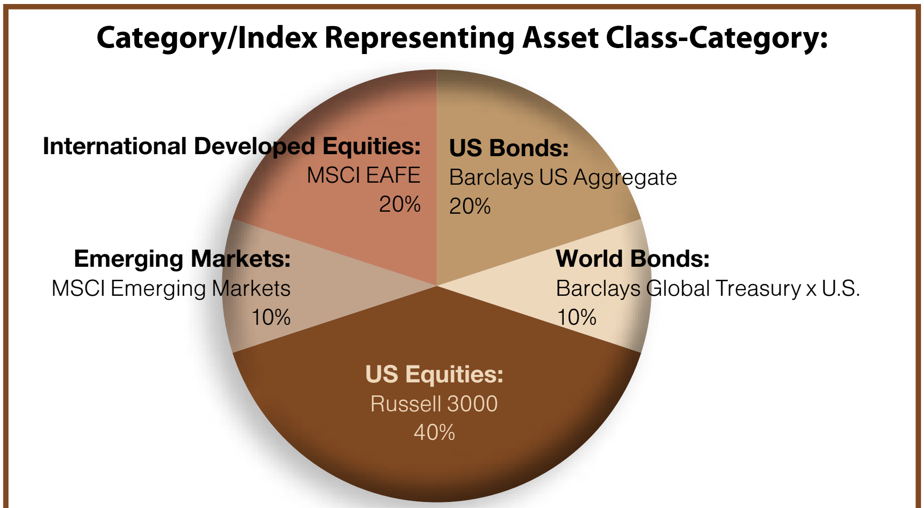
1. **SIMPLE:** A consistent dollar figure added annually. $24,000 is not a large sum annually but can grow to a large balance due to the impact of compounding.

2. **TAX-DEFERRED:** When these dollars are added to a qualified retirement account, the investor would pay no tax on the gains or income/dividends of their investment until they distribute these from the account in retirement.

3. **REAL:** We also used "real" capital market proxies or indexes to represent a basket of investments. This demonstrates the impact of several large global bear market environments and various interest rate environments. The impact on a long-term rate of return and volatility is also measured (worst case scenarios). The data used is based on the market of January 1990 through March 2010 producing returns of 8.04 % and volatility of return based on a standard deviation of 11.15 %.



Supposing this investment contains a mix of stocks and bonds, and both doctors add $24,000 annually at year's end, the impact on the size of this account can be remarkable. With the returns and volatility previously noted, the average balance (50th percentile) of **DR. A'S ACCOUNT WOULD BE $2,683,505** (after 30 years of investing) and **DR. B'S ACCOUNT WOULD BE $1,131,137** (after 20 years of investing). See the difference 10 years makes!



Sources: Zephyr Style Advisor, Barclays Capital Indices, Russell Investments, MSCI Inc.

Note: This reflects an IRA that is non-deductible with no taxes and no inflation rate increases. Keep in mind that past history is no guarantee of future events, and that these illustrations are based on a simple use of index returns, which do not reflect taxes, costs of trading or management. The outcome illustrates the best use of the rule of compounding combined with diversified investments and rebalancing to target weight allocations annually.

EXERCISE: CREATE A SPENDING AND SAVINGS PLAN

Now that you've had a chance to learn more about spending, risk and savings, it's your turn to create a spending and savings plan. The following is a worksheet to create a budget and estimate discretionary income. By this time, you may know your starting salary; however, you may not have the actual amounts of some of the expenses listed. Do your best to estimate based on what you would like to or plan to spend. (If you're in a rush, use the express budget method.)

Go back and look at your life buckets. You may need to move some of these items from one bucket to another based on the outcomes of this exercise.

Once you've filled out the chart, you'll see what discretionary income you have left, and you can then adjust your assumptions as needed. By completing this exercise, this information provides a more realistic picture of what you can afford before you make large purchases such as a home or car.

Spending

EXPENSE ITEM	AMOUNT	DESCRIPTION
Living expenses		Food, utilities, clothing, cell phones, entertainment, cable
Kids' activities/daycare		
Vacations		Discretionary?
Home mortgage		Consider fixed or variable.
Debt servicing: education, credit card, car		Review all schedules to plan when increased amounts are due.
Real estate taxes		
Medical insurance		
Auto/home insurance		
Life insurance		
Charitable contributions		
TOTAL		

Income, Savings and Discretionary

ITEM	AMOUNT	DESCRIPTION
Salary		
Bonus/additional income (e.g., Limited Partnership)		
Gross income		
Less 401(k) contribution		
Less education savings		
Less income tax (federal and state)		Review IRS tables and state tax rates.
Less spending		Calculated previously
TOTAL ANNUAL DISCRETIONARY INCOME		Divide by 12 to calculate per month:

Express Budget Method

Combined net income (take-home)	
Minus monthly savings	
Equals monthly expenses	

KEY QUESTION: How much money do you plan to save every month?

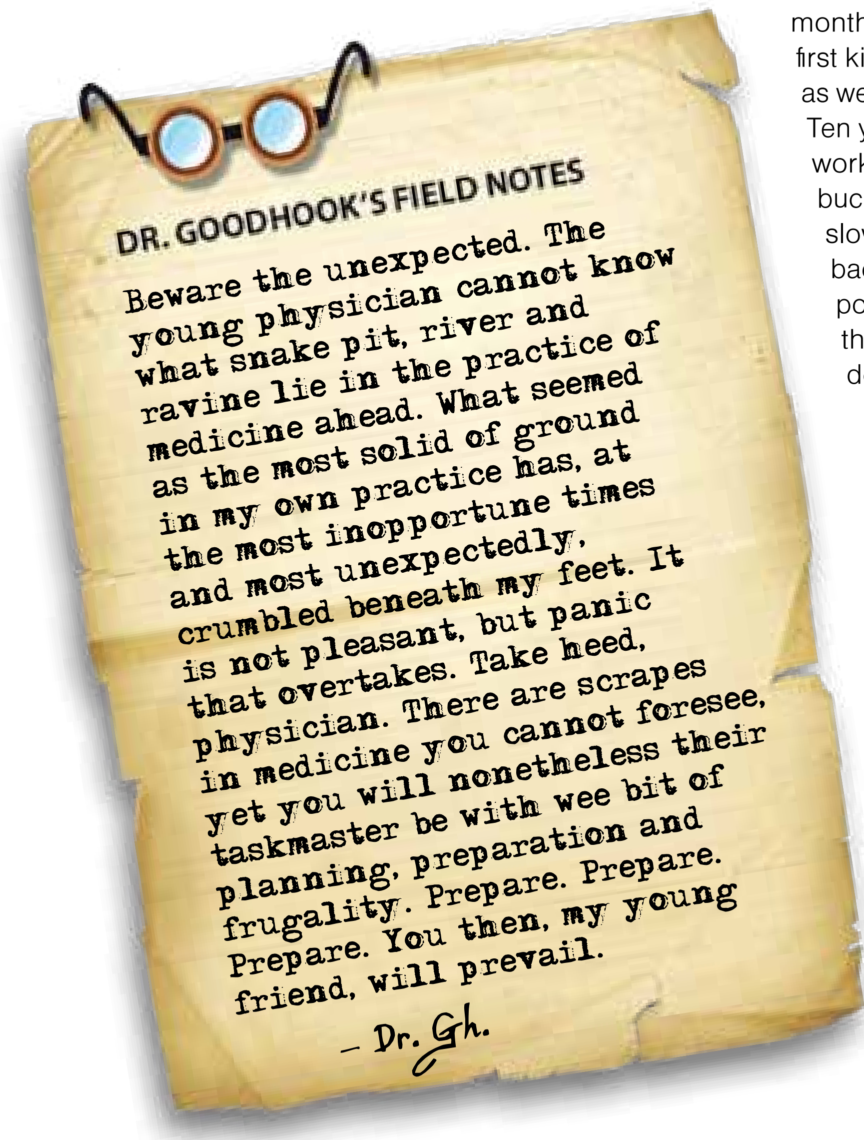
In liquid assets: savings account, money market, CD	
In a deferred retirement account: IRA or 401(k)	

A WORD OF WARNING

Note: This story is hypothetical and does not represent an actual client; however, it is realistic and portrays doctors we work with.

Dr. X was hardworking and motivated with a passion to make a difference in his patients' lives, and was excited to begin his medical career after graduation. As his first day approached, Dr. X created a financial and investment wish list. Although he earned an income that put him the top 2 % in the nation for wages, he looks back now and states, "It is very easy to spend as much money as you bring home, regardless of whether it's $150,000, $200,000 or $300,000."

Dr. X continues: "My intention after residency was to start investing right away with my first job. I remember saying to myself, 'Right after orientation I will start.' But I didn't. Then I said, 'Once I get a few months into my practice, I will sit down and initiate the process.' But it didn't happen. A few months came and went, and then I said, 'Once my first kid is born, I will knock out my investment plan as well as savings for my child's college education.' Ten years later, I have nothing to show for my hard work. As I see it, over the next ten years I have to buckle down and invest so I can be in a position to slow down and perhaps one day retire. Looking back, it would have been easy to put away a good portion of my monthly income. It's very frustrating that I spent money on things that I could have done without!"



Is this story unique? Sadly, no. As with any activity, the attention you give to setting up and managing your financial affairs will be rewarded. Intentions are not actions.

GUIDE POINTS

Creating a Spending and Savings Plan

- Compile all income sources; this is an important part of your budget process and will be necessary to establish base compensation with supplemental income sources that may be established in your first years in practice.
- Review employer benefits and any additional costs to your budget beyond employer-covered costs (health, disability, life and liability).
- Review costs of basic needs (housing, transportation costs, food).
- Do a plan even if it's a simple budget with a goal of saving 3% of adjusted gross income.
- Make the budget real and, if appropriate, do this with a spouse/significant partner and keep track of your expenses.
- Review the budget on your birthday or if you get a raise – or on both dates. (You'll possibly think about the speed of your life moving forward at the former and consider saving more of your pay raise at the latter).
- Review debt servicing (med school debt, consumer credit card debt, mortgage/rent and real estate tax/insurance).
- Calculate remainder income for additional debt servicing, discretionary savings or purchases.
- Review your immediate goals of any discretionary savings to the benefit of utilizing any retirement savings programs you can participate.

GUIDE POINTS

Investing Tips

- Run your own race with regards to investing, return and risk goals. Financial planning and investing is not just about budgeting and stock picking or about the market or what Dr. Smith your colleague is doing.
- Review the cost of credit and your investment returns — balance these.
- Make sure your debt is tax deductible (mortgage primary).
- Live within your means.

Invest Wisely

Investment management for growth, for tax and investment efficiency, and for different funding needs with your discretionary savings is very important to consider.

Understanding how and what to invest in both **NON-QUALIFIED** (taxable) accounts versus **QUALIFIED** (non-taxable) accounts is also vital.

Consider the 33 % federal tax level if you and your spouse make combined income of $210,000, plus a state tax of 9 %, to take a base estimate of 42 % of any interest into account. With tax rates in most states approaching 10 %, many physicians can be in the **HIGHEST MARGINAL TAX RATE** within a few years of practicing medicine.

There are many factors that impact your ability to grow financial assets:

- Risk and return goals for the assets are dependent on purpose and timeline
- Tax-qualified (tax-deferred) status and impact of taxes eroding the returns of stocks and bonds
- Costs of the investment strategies: management costs, trading costs, etc.
- Incorporating a timing decision with investment strategies (buying "high" prices and selling "low")
- Cost of monitoring your investment assets equated to rebalancing (transaction cost) or lack of creating a modification of your allocation without rebalancing

YEARLY CHECK-UPS

The last part of your financial plan is monitoring the plan to make sure you stay on track or adjust to changes in your career, family, tax or health.

Similar to advice given to patients, we suggest an annual check-up. This will help keep your financial life **HEALTHY** and may solve painful issues that surface that need to be treated.

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GUIDE POINTS

Finance-Related Online Resources:

- **www.fpaforfinancialplanning.org**
  for general planning topics
- **www.ssa.gov**
  Social Security
- **www.bankrate.com**
  for loans, rates and amortization schedules
- **www.moneychimp.com/calculator**
  for expense and other calculators
- **www.fool.com**
  Motley Fool

9 COMPLETED

Stage 9 Action Checklist

Make sure you have completed these tasks by the end of this stage:

- ❑ Construct your budget, first considering the next two years, then the next five years.
- ❑ Review your “dream” compensation package.
- ❑ Review your insurance needs, including disability and life insurance that could be necessary to pay off your debts.
- ❑ Review your retirement plan check list. Consider your life and career goals, and identify your debt and savings goals at benchmark birthdays: 35, 40, 45, and 50.

“When defeat comes, accept it as a signal that your plans are not sound, rebuild those plans, and set sail once more toward your coveted goal.”

— Napoleon Hill