

Muhlenkamp & Company

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Muhlenkamp & Company, Inc.
Intelligent Investment Management

Welcome

- All participants are in a listen-only mode.
- We will conduct a question-and-response session after the presentation.
- This webcast is being recorded.



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MAPPING YOUR FINANCIAL FUTURE: It's Never Too Late to Save for College



Some questions to address first:

- “What’s next?” is a better question than “When do we get back to normal?”
- What does “educated” mean to us?
- “Go to college and get ahead” may no longer be the best advice.
- Who do you call when your water main breaks? A plumber or a PhD?
- How to budget for savings.
- The power of time and compound interest.



What Are You Trying To Accomplish?

- **Protect Against Financial Disaster**
- **Care for self and spouse (Retirement)**
- **Care for Heirs (Education)**
- **Provide for Charities**
- **Avoid, Defer, Minimize Taxes**
 - **Estate**
 - **Income**
 - **Capital Gains**



What Will It Cost?

– Retirement

- What do you spend now to live the way you want to live?

– Education

- Where do you want to send your children to school and what does it currently cost?



When Do You Need The Money?

– Retirement

- When do you plan to retire, and how long do you plan to live in retirement?

– Education

- When does school start, how long does it last?



What Will You Need?

- Assume what you make, spend, and save increases with inflation.
 - Average CPI (measure of inflation) over the last 10 years is 2.5%
- Assume a rate of return over inflation?
 - Bonds = 1-2%
 - Stocks = 5%
- Start your Financial Planning worksheet



How Should You Invest?

- **Statement of Investment Philosophy**
 - **Use your spreadsheet to create a Statement of Investment Policy**
- **Investment Manager**
 - **Decide whether you want to invest for yourself, or hire someone to invest for you.**



How Do You Defer, Avoid, Or Reduce Taxes?

- **Fact: If you make money from investments, you will pay taxes.**
- **Exceptions**
 - **Employer Sponsored Retirement (401ks, SEP/SIMPLE IRAs, etc.)**
 - **Traditional IRAs**
 - **Roth IRAs**
 - **CESAs**
 - **529s**
 - **UGMAs/UTMAs**



How Do You Defer, Avoid, Or Reduce Taxes?

– Strategies

- Tax-efficient Funds
- Gifting (*Check Gifting rules regularly.*)



How Do You Save To These Accounts?

- **Review your financial planning spreadsheet**
 - How much will you need?
 - How do you plan to invest?
 - Will you apply for college financial aid?
- **Evaluate each of the account types**
 - Fund those that meet your criteria to the maximum allowed



How Do You Save To These Accounts?

- Follow the order of priority
 - Employer Sponsored Pension Plans
 - Roth IRAs
 - Traditional IRAs
 - CESAs
 - 529s



Withdraw Money to Pay for College

– Child's money

- CESAs
- UGMAs/UTMAs
- IRAs

– Your money

- Personal Accounts
- Retirement Accounts



Questions and Responses

Click on the orange arrow in the upper right-hand corner of your screen to open the control panel where you may submit questions.

For some devices, look for the question mark at the top or bottom of your screen.

We will contact you if we did not have time to respond to your question during the event.



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