

LIFE STAGE FINANCIAL & ESTATE PLANNING FOR VETERINARIANS

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This is a guide to the types of financial and estate planning issues facing veterinarians of all ages (from young adults to families to retirees), and the conversations that should be taking place with professional advisors.

Financial planning can allow you to fulfill a wide range of personal and professional goals. Planning not only increases your personal satisfaction, it also helps you to shift from a transactional mindset with your advisors to one that is more consultative, which also better aligns with your own professional approach to your chosen line of work.

Regardless of where you are in your career, it is helpful to consider (a) what life stage you are in and (b) what needs you have and the opportunities afforded by focusing on your personal financial planning needs. Of course, you may not fall neatly into one compartment or another; however, the table below should provide a guide to the areas of concern you may have and the conversations you should be having about them.

LIFE STAGE	DEFINING CHARACTERISTICS	ISSUES & OPPORTUNITIES
New to the Workforce	<ul style="list-style-type: none"> • Single • Recent college graduate • First real job • Paying down debt (e.g., student loans, car, credit cards) • Saving for a down payment on a home 	<p>Financial Planning:</p> <ul style="list-style-type: none"> • Creating a spending plan • Tracking expenses • Managing debt and understanding credit scores • Identifying savings goals and ways to save • Establishing an emergency fund • Systematically depositing some of each paycheck to savings • Taking advantage of 401(k) and other plans at work • Choosing between a Traditional and a Roth IRA <p>Estate Planning:</p> <ul style="list-style-type: none"> • Durable Power of Attorney for financial matters • Durable Health Care Power of Attorney • Living Will • Beneficiary Designations

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...with Children	<ul style="list-style-type: none"> • Raising children • Arranging for childcare • Moving to a bigger home • Greater income need • Career advancement 	<p>Financial Planning:</p> <ul style="list-style-type: none"> • Using credit wisely • Starting a 529 savings plan or other education fund • Estimating college costs • Prioritizing education, retirement, and other savings goals • Maximizing employee benefits (e.g., retirement plans, flexible spending accounts) • Evaluating life insurance needs • Providing for family health care • Ensuring adequate disability, property, and liability insurance <p>Estate Planning:</p> <ul style="list-style-type: none"> • Guardians • Contingent beneficiaries • Protective trusts (e.g., QTIP trust for the survivor, long-term trusts for children)
Empty Nest	<ul style="list-style-type: none"> • Prime earning years • Helping children to pay for their education • Helping parents pay for their care • Enjoying more free time • Nearing retirement 	<p>Financial Planning:</p> <ul style="list-style-type: none"> • Maximizing income tax deductions • Catching up on retirement plan contributions • Developing a business exit strategy • Paying off debt • Evaluating future expenses • Planning for medical and long-term care costs • Re-evaluating investment risk (while assessing the risk of inflation) • Retirement income planning (e.g., making Social Security and pension elections, taking qualified plan/IRA—and, as needed, 72(t)—distributions, evaluating a sustainable withdrawal rate) <p>Estate Planning:</p> <ul style="list-style-type: none"> • Crystallizing objectives • Making necessary adjustments • Trust planning (e.g., testamentary trusts, revocable living trusts, irrevocable trusts)
The Golden Years	<ul style="list-style-type: none"> • Reducing some expenses (e.g., job-related, housing) and increasing others (e.g., travel, medical) • Working part-time and/or volunteering • Staying healthy • Spending more time on hobbies • Enjoying children and grandchildren 	<p>Financial Planning:</p> <ul style="list-style-type: none"> • Exiting the business • Managing inheritances • Consolidating investments • Protecting capital • Reducing risk • Taking retirement plan distributions • Social Security and Medicare planning • Ensuring adequate income • Considering annuities • Re-evaluating life insurance needs <p>Estate Planning:</p> <ul style="list-style-type: none"> • Reviewing and updating documents and beneficiary designations • Making gifts to family and charity • Estate tax planning

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