

Consider This Program

Episode Date:

September 14, 2019 Episode

On This Show:

Big Joe Clark, CFP®: Managing Partner and Lead Advisor of Financial Enhancement Group

Ken Dilger: Former Tight End at Indianapolis Colts, Senior Loan Officer at Milestone

Angi Kinser: Event Coordinator at Financial Enhancement Group

Show Notes:

Topics Include:

- Trusts, Trusts and Trusts
- Special Guest, Attorney Ann Schneider
- Retirement Budget

Trusts -

- Do you need one or not?
- Wills.
- Revocable Trust
- Charitable Trust and how it can be used in planning
- Constructive trust. This was interesting to me because the question is, can the courts set up a trust for you if they believe that you had intended for something to happen?
- Is there a specific trust that's best tax wise as far as leaving assets to your children once both of you are gone?
- What you want to do is to leave it inside of a trust where the income is distributed once, once you have an irrevocable trust. So again, an irrevocable trust occurs when I'm incapacitated mentally or physically and we hit, or if I die, right then the rules can't change. The trustees could step in, my successor trustees step in and they have to follow the game plan, so to speak. A trust is taxed at the highest marginal tax rate. So



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right now it's a little bit about 37% on income. Once you cross \$12,600, so it's a very middle more amount of income is taxed at that rate. So you wanna make sure inside of your trust that the income itself is distributed and there's very special things. This is why it's important to have an estate planning attorney as opposed to somebody who says, yes, I can write a trust.

Other thoughts-

- Mortgages
- Social Security
- Other countries, Germany, Japan

Special Guest - Ann Schneider

- Our job today is to make sure that you are aware of opportunities and pitfalls that are out there in a general basis. And then you need to get counsel from good financial advisors, good CPAs, and of course good attorneys to make all of this come together in that, in best form and fashion for you and your family.
- Special Needs Trust
- What is your discovery process when a, when a family comes in, how do you ask them if about their beneficiaries, if there's anything that they need to consider or be aware of?

Can I expect spending to go down after retirement?

- So what we try to teach people to do is to look at your unique situation. The reality is, you and your family are unique.
- Retirement Budget
- Diversification. Secondly, it depends on market valuation. Whether the market is overvalued relative to the actual underlying assets or overvalued, it changes all the time. A properly diversified portfolio that is managed, we believe the numbers closer to 3.8%, right now people will say 4%, not that big of a difference. Run it out for 30 years. Engineers run it out for 30 and compound that in a negative rate. The biggest driver obviously is taxes, which just doesn't even show up in that number. How do I calculate inflation or know when to increase my distributions? You don't necessarily know and I



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wouldn't rely on the government numbers. When you get CPI, consumer price index, that's what tells us when our social security goes up.

- The inflation rate is established by the government, but it's made up of two things. It's made up of goods and it's made up of services.

Disclaimer: Joseph Clark is a Certified Financial Planner™ and the Managing Partner of Financial Enhancement Group, LLC an SEC Registered Investment Advisor. He is the host of "Consider This" found on WIBC Saturday mornings from 6-7a.m. as well as three other Indiana-based radio stations. Joe has served as an Adjunct Assistant Professor at Purdue University where he taught the capstone course for a degree in Financial Counseling and Planning.

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