


Financial Planning 101



Presented by: Bradley Turnwald

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HANTZGROUP

- 1) Financial Position
- 2) Adequate Protection
- 3) Wealth Accumulation
- 4) Tax Management
- 5) Retirement Planning
- 6) Estate Planning




AGENDA


- Market and Investment strategies
- Taxes
 - 2010 law changes
 - Education credits
 - Investment diversification
- Retirement Planning
- Mortgage Opportunities
- Estate Planning
- Protecting with adequate insurance

To Build a House you need a Blueprint

- Get the Goals down on paper.
- Establish how much you will need to save to hit the goal
- Prioritize which goals are most important (College vs. Retirement)



THE EMOTIONAL CYCLE OF INVESTING



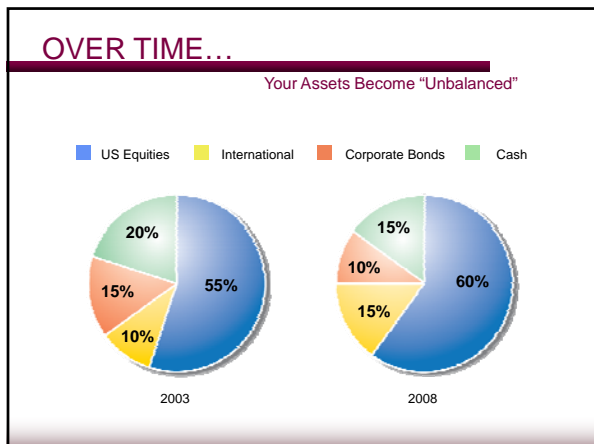
GREATEST RISK

GREATEST OPPORTUNITY

ASSET CLASS RETURNS

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	4Q10	10-ys
REITs	26.4%	9.9%	23.9%	6.3%	31.0%	1.6%	35.9%	39.9%	6.2%	79.0%	28.0%	8.3%	100.0%
DJ USBS	Market	Market	Barclays	Russell	MSCI	DJ USBS	MSCI	MSCI	Barclays	MSCI	Russell	DJ USBS	REITs
Comdy	Neutral	Agg	Agg	Agg	Comdy	Comdy	EMF	EMF	Neutral	EMF	EMF	Comdy	Comdy
Market	Barclays	Market	MSCI	MSCI	MSCI	MSCI	DJ USBS	Asset	REITs	MSCI	S&P	Russell	Comdy
Neutral	Agg	Neutral	EMF	EMF	EMF	EMF	Comdy	Agg	Agg	EMF	EMF	EMF	EMF
6.5%	8.4%	7.4%	10.2%	20.7%	16.0%	26.5%	11%	23.8%	28.0%	9.2%	8.8%	8.8%	81.3%
Russell	Russell	REITs	REITs	Russell	REITs	Russell	Market	Russell	Russell	Russell	DJ USBS	REITs	Asset
Agg	Agg	Agg	Agg	Agg	Agg	Agg	Neutral	Neutral	Neutral	Neutral	Comdy	Agg	Agg
11.6%	2.5%	3.8%	17.7%	9.3%	12.2%	9.4%	3.3%	-33.9%	27.2%	9.7%	7.4%	80.2%	80.2%
Asset	MSCI	Asset	S&P	Asset	Asset	S&P	Asset	DJ USBS	S&P	S&P	Market	MSCI	Market
EMF	EMF	EMF	EMF	EMF	EMF	EMF	EMF	Comdy	EMF	EMF	EMF	EMF	EMF
0.9%	-2.4%	-5.4%	10.7%	12.5%	8.9%	13.8%	7.3%	-26.6%	-9.5%	10.7%	7.2%	76.3%	76.3%
Russell	2000	MSCI	Agg	S&P	Market	Market	Asset	Barclays	S&P	Asset	Asset	MSCI	Barclays
2000	Agg	EMF	EMF	EMF	EMF	EMF	EMF	EMF	EMF	EMF	EMF	EMF	EMF
-3.3%	-3.4%	-6.0%	25.2%	9.0%	6.9%	14.5%	7.0%	-37.9%	22.5%	12.7%	6.7%	76.3%	76.3%
S&P	S&P	MSCI	DJ USBS	DJ USBS	S&P	Market	S&P	REITs	DJ USBS	MSCI	Market	MSCI	Market
S&P	S&P	EMF	Comdy	Comdy	S&P	Neutral	S&P	Comdy	Comdy	EMF	EMF	EMF	EMF
-9.1%	-11.9%	-6.7%	27.7%	7.4%	4.9%	11.2%	5.5%	-37.7%	9.3%	6.2%	6.4%	47.3%	47.3%
MSCI	MSCI	Russell	Market	Market	Russell	Barclays	Russell	MSCI	Barclays	Barclays	Barclays	DJ USBS	Barclays
EMF	EMF	Agg	Neutral	Neutral	Agg	Agg	Agg	EMF	EMF	EMF	EMF	EMF	EMF
-14.6%	-13.2%	-20.5%	1.7%	6.5%	1.0%	4.7%	-1.0%	-5.3%	6.5%	6.5%	1.5%	11.7%	11.7%
MSCI	DJ USBS	S&P	Barclays	Barclays	DJ USBS	DJ USBS	REITs	EMF	Market	Market	Market	Market	S&P
EMF	Comdy	Agg	Agg	Agg	Comdy	Comdy	EMF	EMF	Neutral	Neutral	Neutral	Neutral	EMF
-20.6%	-22.2%	-22.8%	4.1%	4.1%	-2.7%	-0.2%	-0.2%	-0.2%	0.2%	0.2%	1.5%	6.6%	6.6%

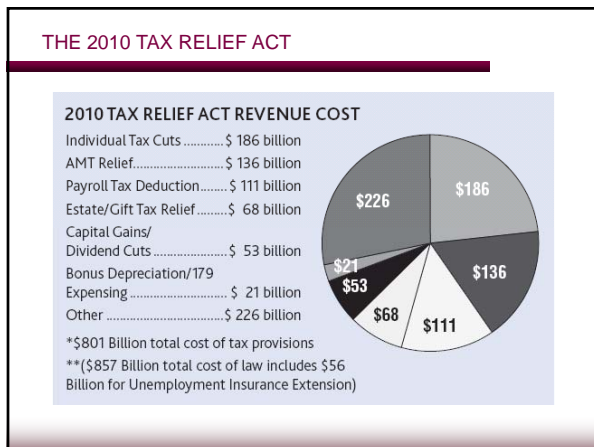
Source: Russell, MSCI Inc., Dow Jones, Standard and Poor's, Barclays Capital, NAREIT, J.P. Morgan Asset Management



REBALANCING...

Helps "Buy Low and Sell High"

		US Equities	International	Corporate Bonds	Cash
Total 70% Equities	2003	55%	15%	20%	10%
Total 80% Equities	2008	60%	15%	10%	15%
	Rebalance	55%	15%	20%	10%



PAYROLL TAX HOLIDAY

- Employee payroll tax reduction for 2011 only
- 6.2% tax reduced to 4.2% on first \$106,800/year
- Example: Tom Earns \$50,000/yr in Wages, because of the 2% reduction he will realize a \$1,000 tax savings.
- Use funds to increase Retirement Plan Contributions?

KNOW WHAT TAX BRACKET YOU ARE IN

2010-12	Single	Married Filing Joint	2013 Expected	Single	Married Filing Joint
10%	0 - \$8,500	0 - \$17,000	N/A	N/A	N/A
15%	\$8,500 - \$34,500	\$17,000 - \$69,000	15%	0 - \$35,011	0 - \$68,022
25%	\$34,500 - \$83,600	\$69,000 - \$139,500	28%	\$35,011 - \$84,841	\$68,022 - \$141,402
28%	\$83,600 - \$174,400	\$139,500 - \$212,300	31%	\$84,841 - \$176,995	\$141,402 - \$215,501
33%	\$174,400 - \$379,150	\$212,300 - \$379,150	36%	\$176,995 - \$384,860	\$215,501 - \$384,860
35%	over \$379,150	over \$379,150	39.6%	over \$384,860	over \$384,860

CAPITAL GAINS TAXES

- Capital Gains rate will hold for the next two years, take advantage of the 15% bracket

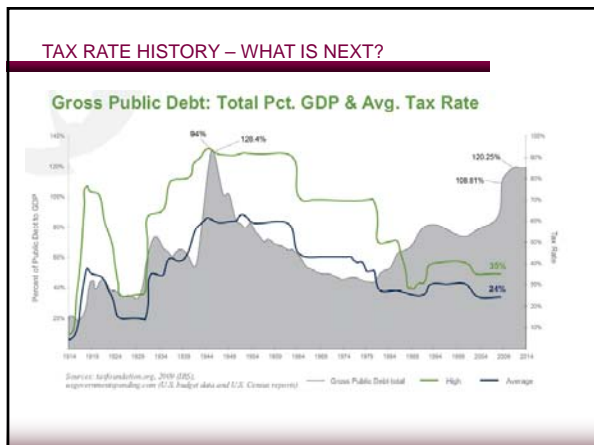
Capital Gains Rates	2011 -2012	2013
15% Income Tax Rate	0%	10%
25% Tax Rate or Higher	15%	20%

EDUCATION TAX CREDITS AND SAVINGS PLANS

- Provides a \$2,500 tax credit for college tuition and related expenses *Extended* for 2 more years
- Phased out for couples making more than \$160,000
- 529 Plan is available for Education savings – Contributions are State Tax Deductible for Michigan Plans
- 4.35% Tax Savings on Contribution

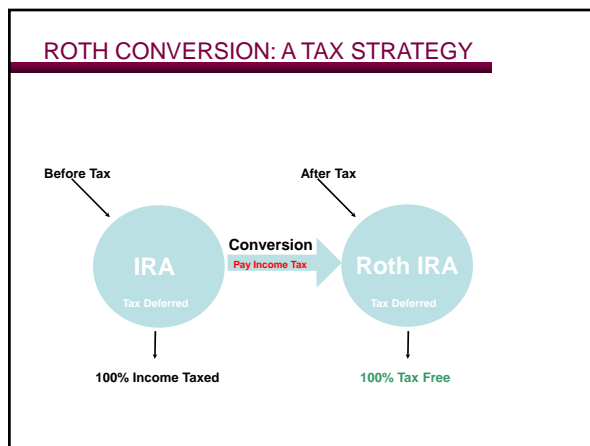
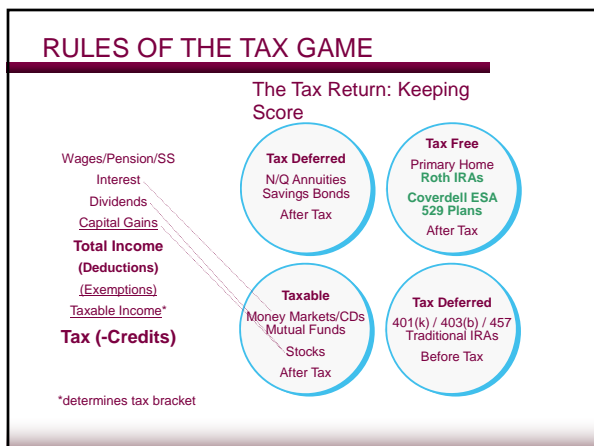
OTHER TAX HIGHLIGHTS

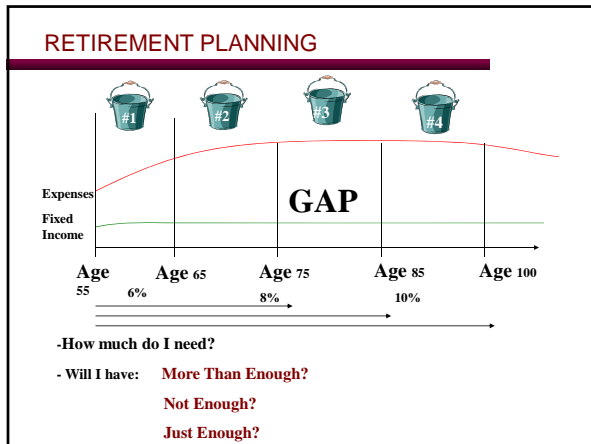
- AMT is patched for 2010 and 2011 impacting 21 Million households
- Child Tax Credit will remain at \$1,000 for 2 more years
- Estate Tax Compromise – 5.0 Million at 35%
- Dependant Care Credit - moved from \$2,400 to \$3,000



TAX PLANNING VS TAX PREPARATION


After December 31st, most of the best tax ideas are out the window!





MORTGAGE REFORMS

- Refinance up to 125% of current home value, no PMI.
- Currently available to people who already have a Fannie Mae or Freddie Mac
- Search the web to find out:
makinghomeaffordable.gov



ESTATE PLANNING

If you have kids... you need a basic document

- Power of Attorney Documents
- Wills (Establish Guardianship)
- Trust Documents (Avoid Probate)

HOME AND AUTO INSURANCE

- Uninsured Motorist coverage is important in today's environment
- Review your coverage's, some areas may be over-insured, and some may be underinsured
- Align your coverage with your needs
- Shop for price after coverage's

THANK YOU

Two Favors:
Comment Card
Take Action

