

## Take care of your money, or it might leave you.



The person behind the mask you see here is my daughter, Betsy. She's a dental hygienist and has been in practice here in Slidell for more than 15 years. Her patients love her.

During her final year of training at the LSU dental school, Betsy had to take one of her qualifying examinations, the one that tested her on how to administer Novacain. Having moved on from injecting oranges with needles, she needed a real, live patient for her test, and she asked me if I would volunteer. "I'm really good at it," Betsy said, "and I promise that it won't hurt a bit. It'll be a piece of cake." How could I say no?

On the day of the exam, I showed up at the dental school ready to make Betsy look good. She was a little nervous, but I assured her that she would go great. "Besides," I said, "it's only one injection, right?" "No, dad," she replied, "actually, it's 11 injections, in different parts of your mouth." "But don't worry," she said, "after the first couple of shots, you won't feel a thing." She tried to hide it, but I thought I heard her giggle a little bit. About that time, her professor came over and said it was time to begin. "Get in the chair, dad," Betsy said, "it's show time!"

You might imagine that enduring 11 Novacain injections in one sitting tends to focus the mind, and you'd be right. However, I took them like a man (and a dad). The good news is that Betsy passed her exam, went on to graduate in the top three of her class, and now has a thriving dental hygiene practice.

And, it took only a week for me to stop drooling.

When I was in college, I read a book about teeth, and I remember the author writing something like, "If you don't take care of your teeth, they will leave you." Just recently, I went to see Betsy to have my teeth cleaned, and I was thinking that money, too, can leave you if you don't take care of it. How can that be, you ask? Let's count some of the ways...

- 1. Life has risks, and we have to protect our money from them.** If your family depends on you and your job for money, you need life and disability insurance. For life insurance, the most cost effective approach might be to use term insurance to protect your family during your working years. You know those commercials you hear on the radio about cheap life insurance? You might want to pay attention. Term life insurance can, indeed, be very inexpensive, and for lots of age groups. Disability insurance, on the other hand, is not as cheap, but it covers a different type of risk, that is, the inability to work due to an accident or illness. Many people have group disability insurance as a benefit. The coverage is often not great, but at least it's something. However, if you are the family's breadwinner, and you don't have group disability insurance, you really should think about getting your own policy. Call me to find out.<sup>1</sup>
- 2. Money does not grow on trees.** Now I'm sounding like my dad. However, dad was right. Money doesn't just appear. Most of us have to work for it. And, most of us have to save and invest, sometimes over a very long period of time, to have enough money to fund a long retirement. I've said this before in my articles: if you don't save money for the future, it's unlikely that anyone else will do it for you. Here's a happy thought: a 25-year old who invests \$300 a month at an average 6% rate of return can amass about \$600,000 in 40 years. That's real money, and \$500 a month makes him or her a millionaire. It doesn't happen overnight, and there are no guarantees. Also, you have to be consistent, and it helps a lot if you have an advisor to help you manage risk. No matter the amount of money you have to work with, practically anyone can use this strategy, and the best time to start is today.<sup>2</sup> Call me, and we'll crunch the numbers.

- 3. When you are old, you might need to pay someone to take care of you.** My grandfather spent all – all – of his money, accumulated over more than 50 years of work, on nursing home care. It's something our family members still talk about. If you've been a long-time reader of my articles, you know the numbers by now: there is a 70% chance that the average person over the age of 65 will need some type of care before he or she dies.<sup>3</sup> For many of us, that care is going to have to come from someone other than a family member, and it's probably going to cost a lot of money. The good news here is that some types of long term care insurance are not "use it or lose it," meaning that, if you don't need the insurance for long term care, the policy can still pay a death benefit, or, you might even get your money back. To find out how this might work for you, call me.<sup>1</sup>

I do not want my teeth to leave me, so I see Betsy regularly for a cleaning. Likewise, I don't want your money to leave you, either. If you'd like to discuss more ways to try and keep that from happening, call me today for a free consultation.

<sup>1</sup> Benefits are based on the claims paying ability of the issuing company.

<sup>2</sup>This is a hypothetical example and is not representative of any specific situation. Your results will vary. The hypothetical rate of return used does not reflect the deduction of fees and charges inherent to investing. Investing involves risk, including loss of principal.

<sup>3</sup><http://longtermcare.gov/the-basics/how-much-care-will-you-need/>

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