



THE EDUCATED INVESTOR

TODAY, TOMORROW, AND THE HEREAFTER

The financial and investment planning process can be confusing. It is easy to become overwhelmed by the details and alternatives, leading too many investors to procrastinate making decisions.

To cut through the confusion, it is useful to realize that there are really only seven fundamental planning issues. Everything else stems from one of these. Address these seven subjects, and you've got your bases covered.

To help you make sure that you have covered all of these important considerations, at Rollins Capital Management we organize these seven issues into three categories labeled *Today*, *Tomorrow* and the *Hereafter*.

Today

Of the seven planning topics, the first three fall under the Today heading. You need to attend to these first — Today — before worrying about Tomorrow or the Hereafter.

Failure to address these needs today could mean financial disaster today.

All three relate to insurance: **life** insurance, **disability** insurance and **long-term care** insurance. (Three other insurance needs, health, home/auto and personal liability, are important also, but aren't subject to this discussion.) An entire issue of THE EDUCATED INVESTOR could be easily devoted to each of these. For now, we'll discuss only one.

Most investors underestimate the importance of disability insurance. Life insurance is well understood, and is frequently purchased by many people. However, the financial repercussions of disability can be more devastating than premature death. While death (like taxes) is a certainty, it generally arrives late in life, after the income-producing years. Disability, on the other hand, is 2 to 3 times more likely than premature death during a person's working years. It therefore presents a greater financial threat.

Rollins Capital Management does not sell insurance. However, we can help you identify potential gaps in your insurance coverage and suggest how to close those gaps. We can refer you to a qualified insurance agent if needed.

Today
Life Insurance
Disability Insurance
Long-Term Care Insurance

Tomorrow
Retirement Investments
Higher Education Investments

Hereafter
Inheritance
Charitable Giving

Tomorrow

Two of the seven financial issues affect Tomorrow: Investing for **retirement** and saving for children's

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Company Profile

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ROLLINS CAPITAL MANAGEMENT is a fee-only investment management firm serving individuals. Using a consistent, patient investment strategy, our focus is long-term, high-quality, personalized investments. Clients have their own individualized accounts. ROLLINS CAPITAL MANAGEMENT handles all the daily investment decisions.

higher education (or other large future expenses).

Investing takes time. It affects tomorrow, but needs to start today. Failure to begin investing won't hurt you today, but it can mean financial disaster tomorrow. As soon as Today's insurance needs are taken care of, begin investing for Tomorrow.

Retirement is the single largest future expense facing investors. Most investors significantly underestimate the amount of savings that will be required for retirement.

Most investors significantly underestimate the amount of savings that will be required during retirement

There are two primary reasons for this. First, people are living longer, with retirement periods easily lasting 30 years or more. It takes diligent saving and thoughtful investing to finance a thirty-year retirement after only 35 or 40 years of active employment. Second, retirement is more expensive than it used to be. Increased health care costs are large part of the problem. But, retirees are also more active than previously, leading to a more costly lifestyle.

An added problem is that investors are overestimating how much the federal government will be able to afford to contribute to retirement in coming decades. In the next 20 to 30 years, a budgetary crisis is looming for Social Security that will surely reduce the level of benefits available to all except the most needy retirees.

Investments are the centerpiece of what we do at Rollins Capital Management, and retirement investing is a particular emphasis. We can help you formulate your retirement goals, estimate your financial needs during retirement,

and then help you establish an investment program that will get you there. We handle retirement investments through personal investment accounts, and through established retirement programs like a traditional or Roth IRA.

Hereafter

The final two financial issues affect the Hereafter. They relate to the legacy you want to leave after you are gone. Do you want to leave an **inheritance** to your children or grandchildren? Do you want to

contribute meaningfully to your church or other **charitable** institution?

These topics are conventionally referred to as estate planning. The primary goals of estate planning are to facilitate the transfer of assets after death and to minimize estate taxes (why leave it to Uncle Sam?). Estate planning should start today, but will evolve over time as your circumstances change.

The most basic estate document is a Will. Everyone should have a Will. Beyond that, a revocable trust should be a consideration. Also, a dedicated trust to hold life insurance policies can significantly reduce the taxes paid by your estate, leaving more available for your legacy.

Estate planning is a complex, and ever-evolving area. We can help you formulate your estate planning goals. Estate documents themselves require an attorney. We can refer you to a qualified estate attorney if you need one.

For readers interested in more detailed information on this topic, or other investment topics and strategies, please feel free to visit our website at www.rollinscapital.com, or call or drop me an email.

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