



Mr Leicester Gouwland

Managing Director

Business Services

William Buck Christmas Gouwland

Auckland

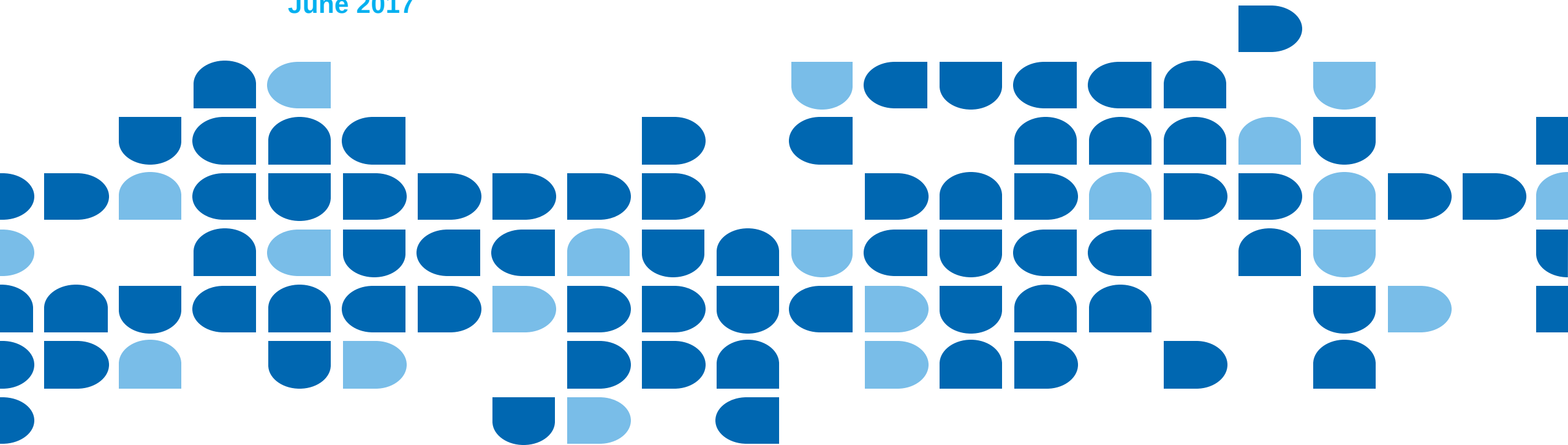
Friday, June 9, 2017

10:00 - 10:30 Financial Management Through the Life Cycle of A Doctor

Financial Management through the Life Cycle of a Doctor

June 2017

 **William Buck**
Christmas Gouwland



Leicester Gouwland

*Changing
Lives.*

wbcg.co.nz
CHARTERED ACCOUNTANTS & ADVISORS

Financial Stages of a Professional

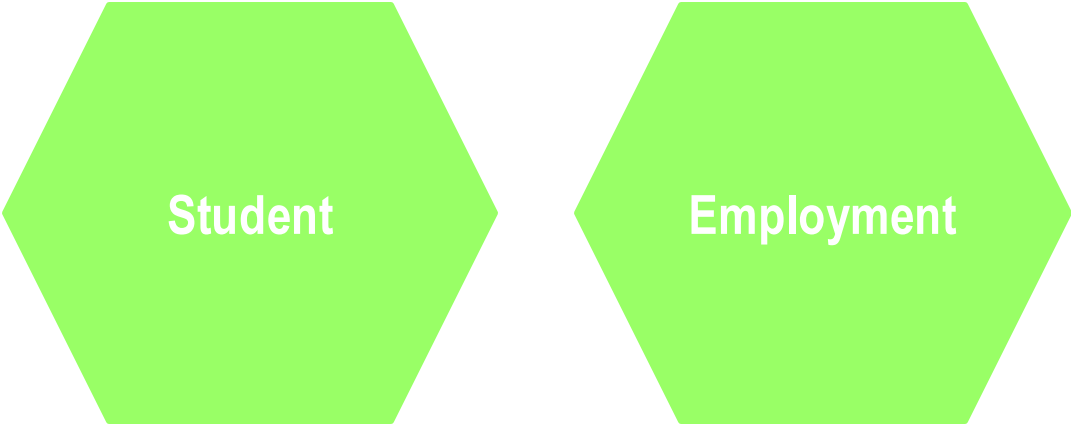
Learning

Earning

Splurging

Splitting

Learning



Student

Employment

Earning



New Business
Owner

Seasoned
Business
Owner

Tired
Business
Owner

Splurging



**Loving Life
Retiree**

**Declining
Retiree**

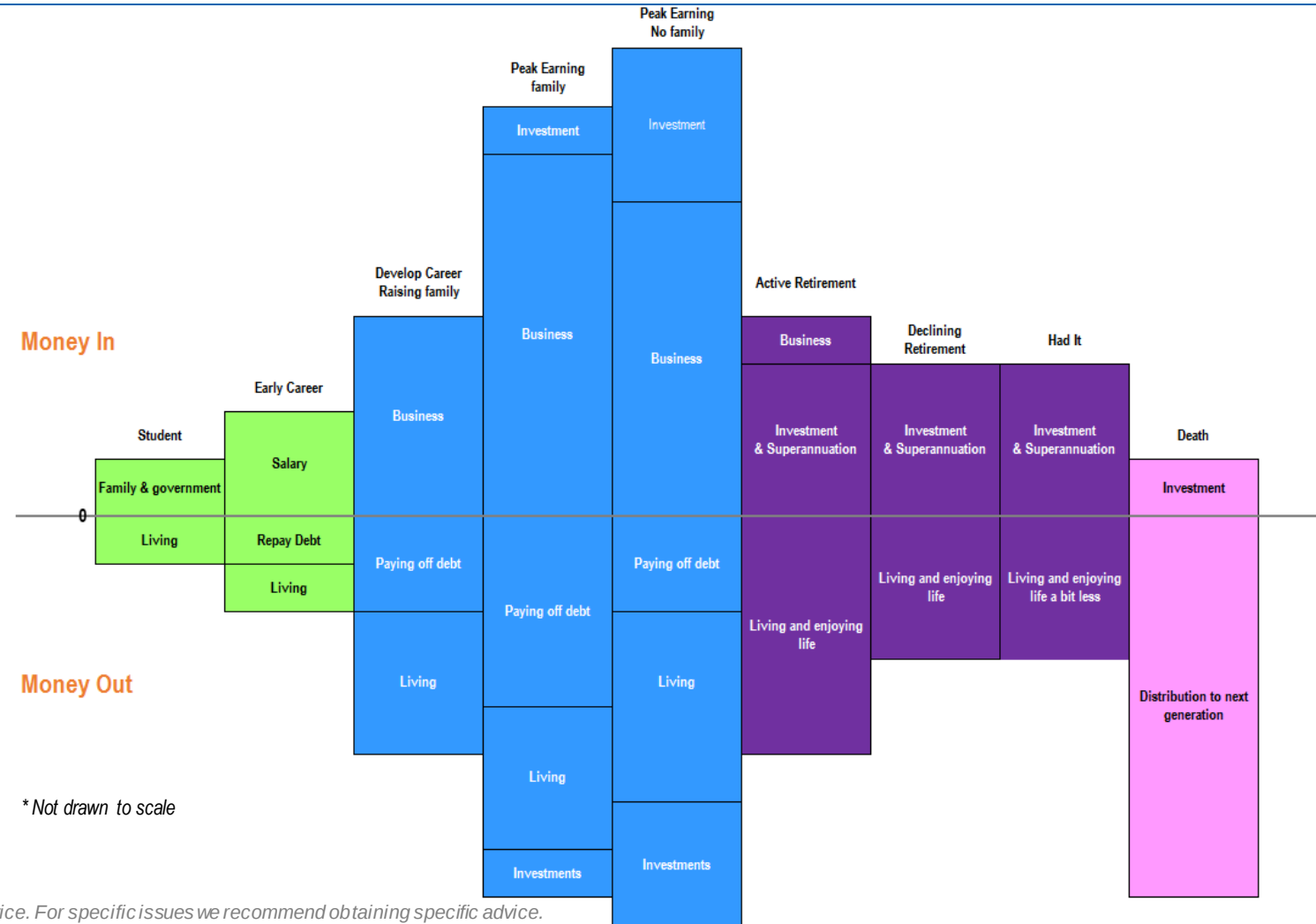
Ready to Go

Splitting

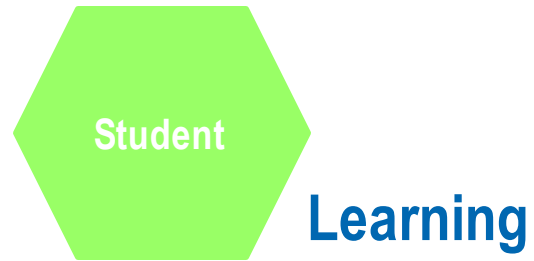


Show Me The
Money

Money Flows





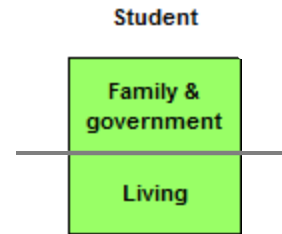


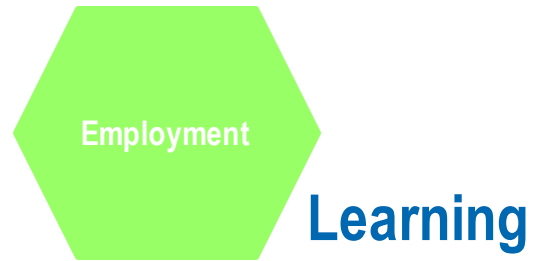
Outgoings:

- Living expenses
- Studying expenses

Funded by:

- Family
- Government
- Casual employment



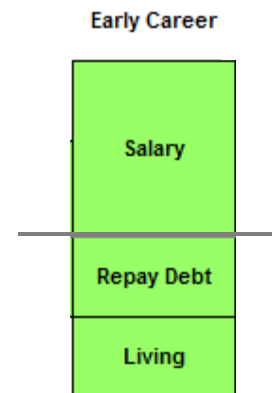


Outgoings:

- Living expenses
- Paying off debt
- Savings (home / mortgage)

Funded by:

- Regular career employment income



Twenties:

Starting your career

Mortgage



Earning

Outgoings:

- Living (family)
- Savings (mortgage)
- Business debt

Funded by:

- Business income

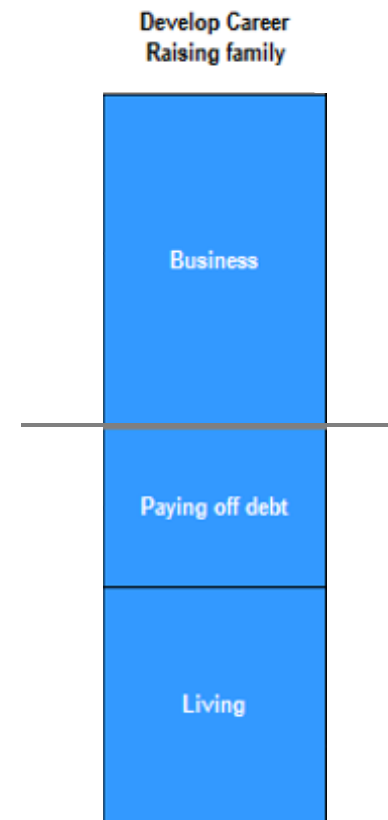
Thirties:

Taking on risk and commitment

Family costs

Business acquisition

Loans





Earning

Outgoings:

- Living
- Savings (mortgage)
- Business debt

Funded by:

- Business income peaking
- Investment income

Forties and Fifties:

Accelerated debt repayment and savings

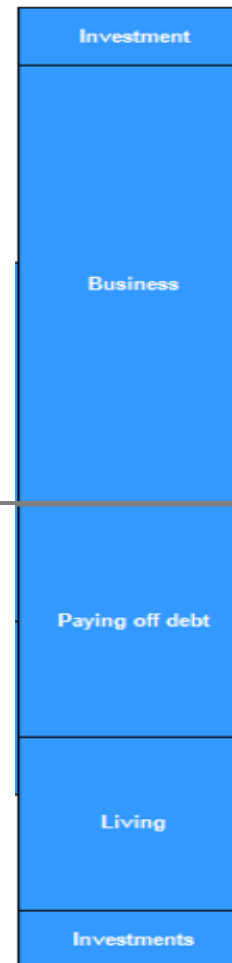
Reducing family costs

Inheritance

Lifestyle assets

Higher standard of living

Peak Earning family





Earning

Outgoings:

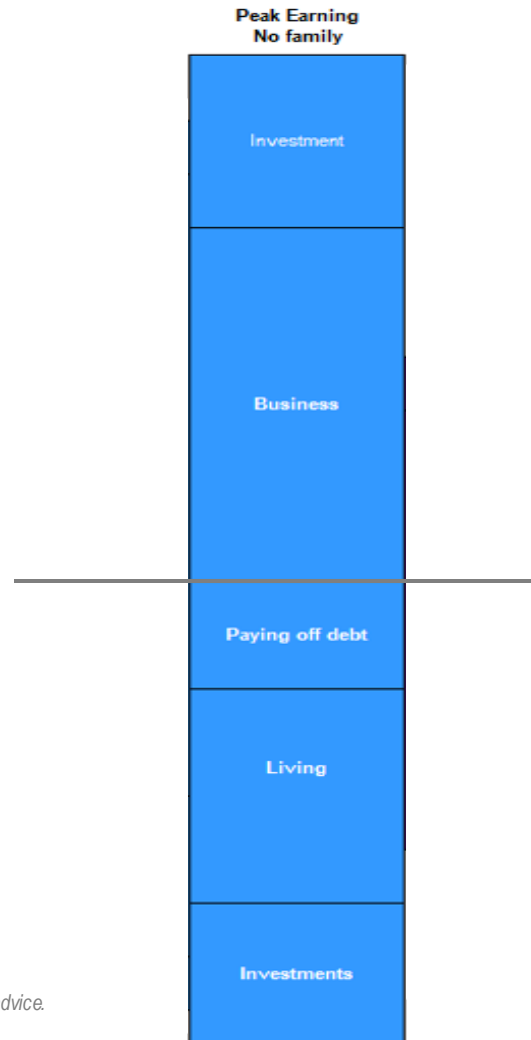
- Living
- Savings (mortgage)
- Investing

Funded by:

- Business income peaking
- Investment income

Sixties:

Debt paid off
Preparing to retire
Sale of business
Family left home





Splurging

Outgoings:

- Living
- Travel

Funded by:

- Investment income
- Superannuation
- Part time work

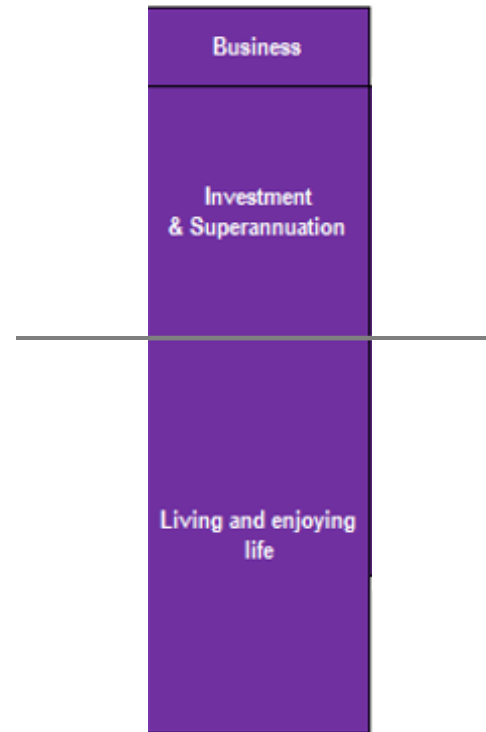
Sixties and Seventies:

Having fun

Travelling and having experiences while still able

Spending more than before

Active Retirement





Splurging

Outgoings:

- Living
- Medical costs rising

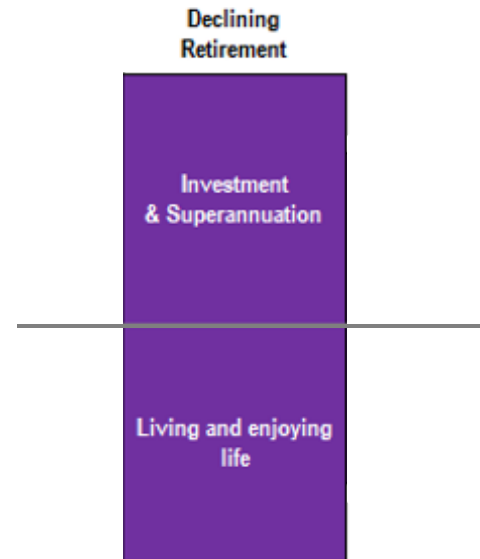
Funded by:

- Investment income
- Superannuation

Eighties and Nineties:

Requiring more assistance for basic human needs

Don't travel – family come to you





Splurging

Outgoings:

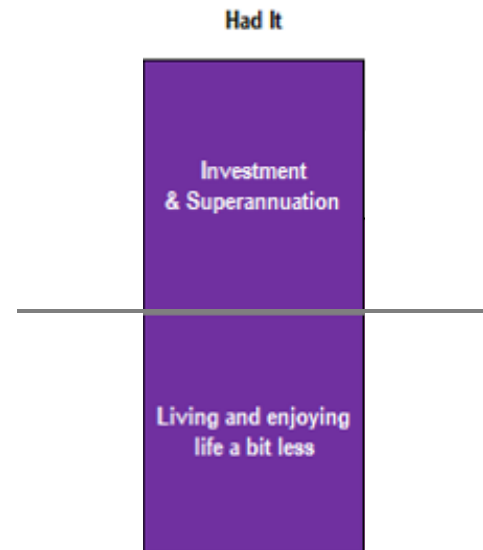
- Living
- Aged care and medical

Funded by:

- Investment income
- Superannuation

Eighties and Nineties:

Requiring more assistance for basic human needs



Show Me
The
Money

Splitting

Outgoings:

- Distribution to beneficiaries

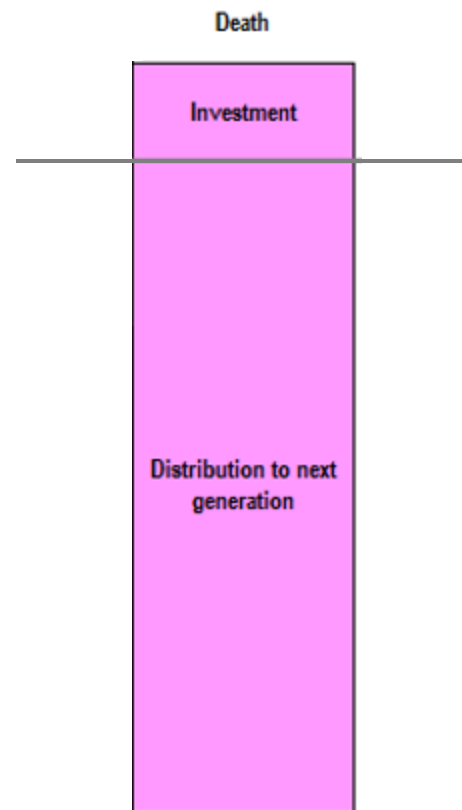
Funded by:

- Investment income

Death:

Realising assets

Families issues may come out.





Protect yourself against financial risk

Health

- Insurance – life, trauma, income, medical
- Insure your spouse too
- Look after yourself

Business

- Insurance – PI, business
- Structure, including trust

Investment

- Understand risks of each type of investment
- Diversity investments
- If it sound too good – be careful
- Independent advice

Relationship

- Trust for separate property
- Relationship property agreement

Tax / Legal

- Good advice

Become educated about finance

Understand financial statements enough to think about what they are telling you

Understand cash vs profit

Monitor your personal spending – use an app

Become knowledgeable about investing in the sharemarket and property

Borrow prudently – borrow for shares

Become educated about finance

Understand your risk profile

Different investment profiles will produce different results

Obtain independent advice

Understand the effect of interest rate changes, when interest rates drop keep making the same payments

Understand the fees charged for investment management

Become educated about finance

Borrow at the cheapest interest rates

Don't over invest in your house

Understand inflation

What is an acceptable rate of return – all related to risk

Have a plan

Start early

Write it down

Set some goals

Monitor

Adjust as circumstances change

Start with the end in mind – how much will you need to retire on. Work it out

Resist buying lifestyle assets until you can afford them

If you don't see it you won't miss it

Could I earn more by getting a job

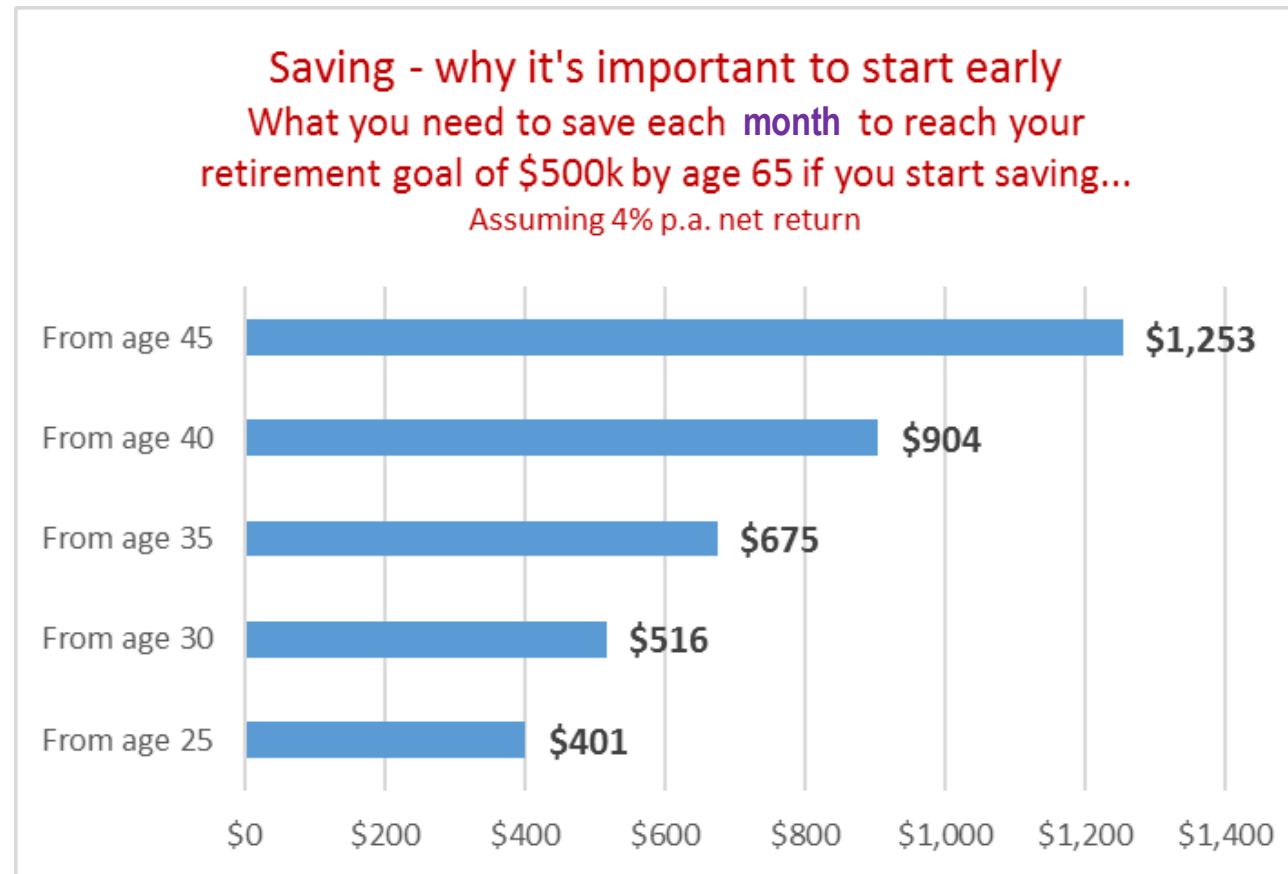
How much do I need?

Be wary of assuming you have the 'average' life expectancy. Half of us will live longer than the average, and in fact around 27% of people at 65 will live to age 92! You could well be one of them.



Source: MAS

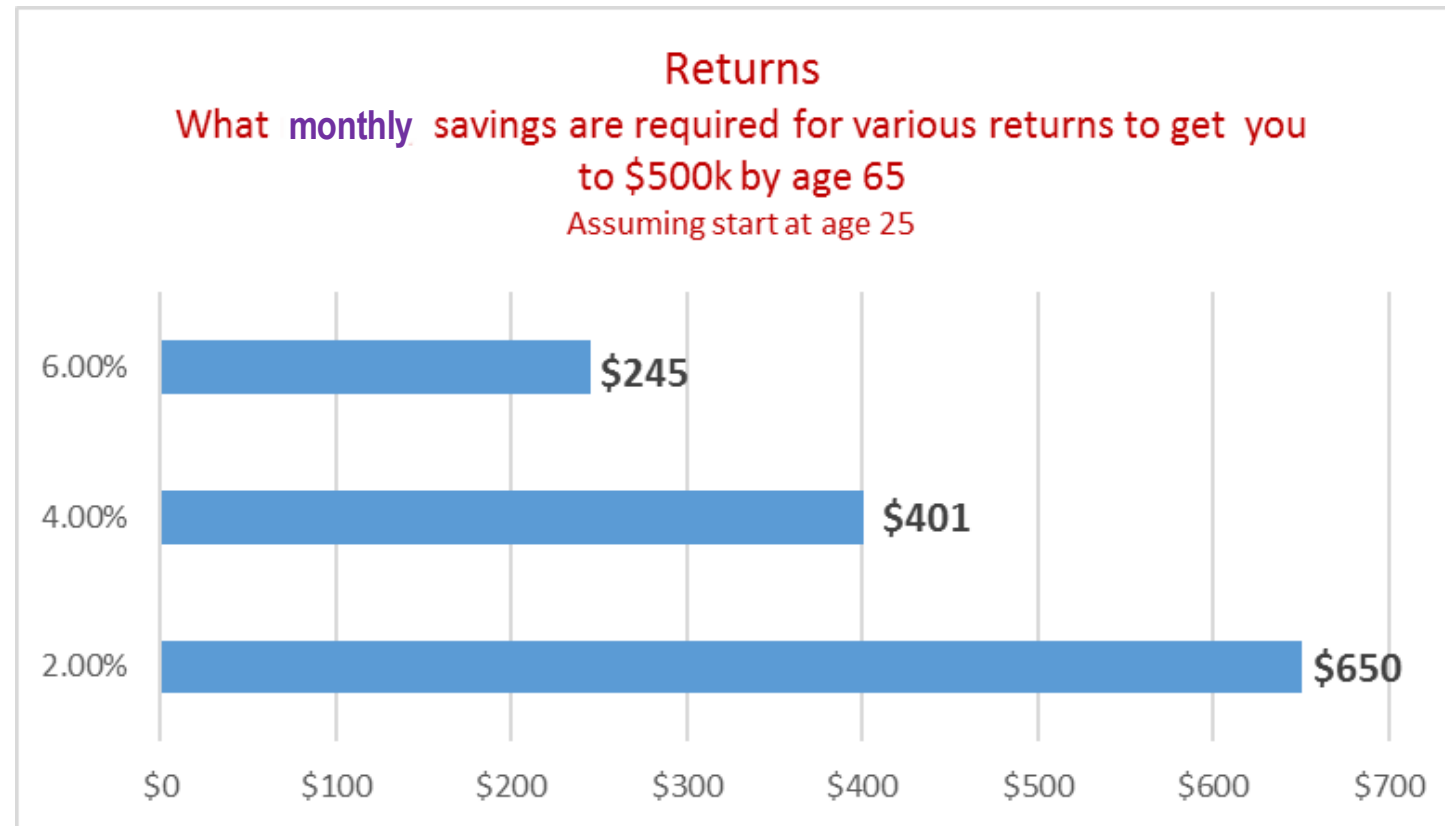
Saving – benefit of starting early



Source: MAS

Disclaimer: The information provided is for general purposes only and does not take into consideration the personal circumstances of any individual. The information contained herein is subject to change at any time. Past performance is not necessarily indicative of future returns.

Effect of higher return (but you need to take higher risk)



Source: MAS

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Understand the effect of tax

- Lower tax rates of individuals
- New Zealand dividends have imputation credits
- Foreign Investment Fund income
- What expenses are tax deductible
- Depreciation – particularly commercial buildings
- Borrow to acquire investment assets
- Pay off private debt first
- Use your own money for lifestyle assets

Plan for death

- We don't know when
- Plan for the long term
- Wills up to date
- Powers of attorney
- Records accessible and understandable
- Talk to beneficiaries before death
- Beneficiaries living overseas

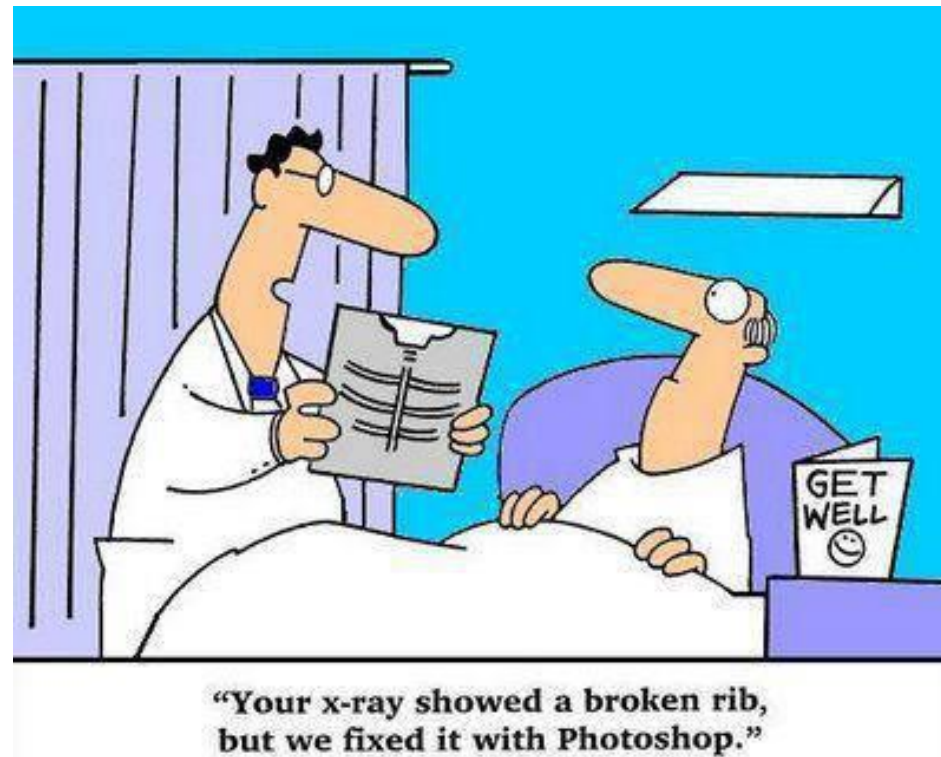


Key Themes

- Different stages of life have different characteristics
- Start saving early
- Different investment profiles have different results
- Start with the end in mind
- Don't underestimate how much you spend and need to save
- Monitor spending
- Protect yourself against risk

Key Themes Cont...

- Resist urge for lifestyle assets until you can afford them
- Understand effects of tax
- Plan for death – we don't pick the date
- Get educated about money
- Change your plan as circumstances change
- Have a plan – write it down
- Teach your children



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