Financial Planning

It’s Your Money
September 24, 2025

RS CRUM, INC.
WEALTH MANAGEMENT SINCE 1976

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TODAY'S LINE-UP

- What is Financial Planning?
- Goals & Assumptions
- Retirement Planning
- Tax Planning
- Finding a Financial Advisor

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CELEBRATING **OVER 45 YEARS** OF FINANCIAL MANAGEMENT

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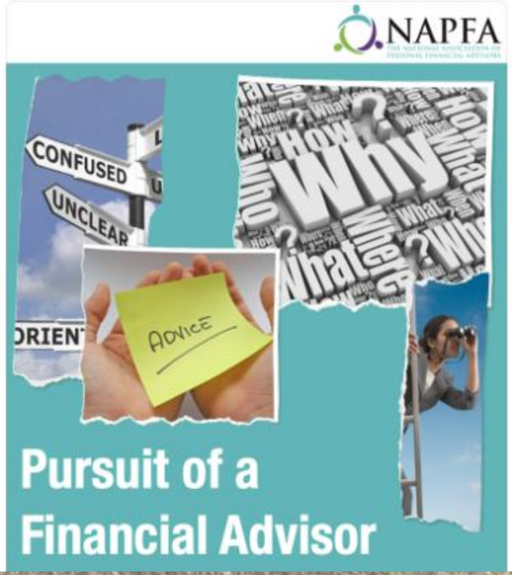
IT'S YOUR MONEY

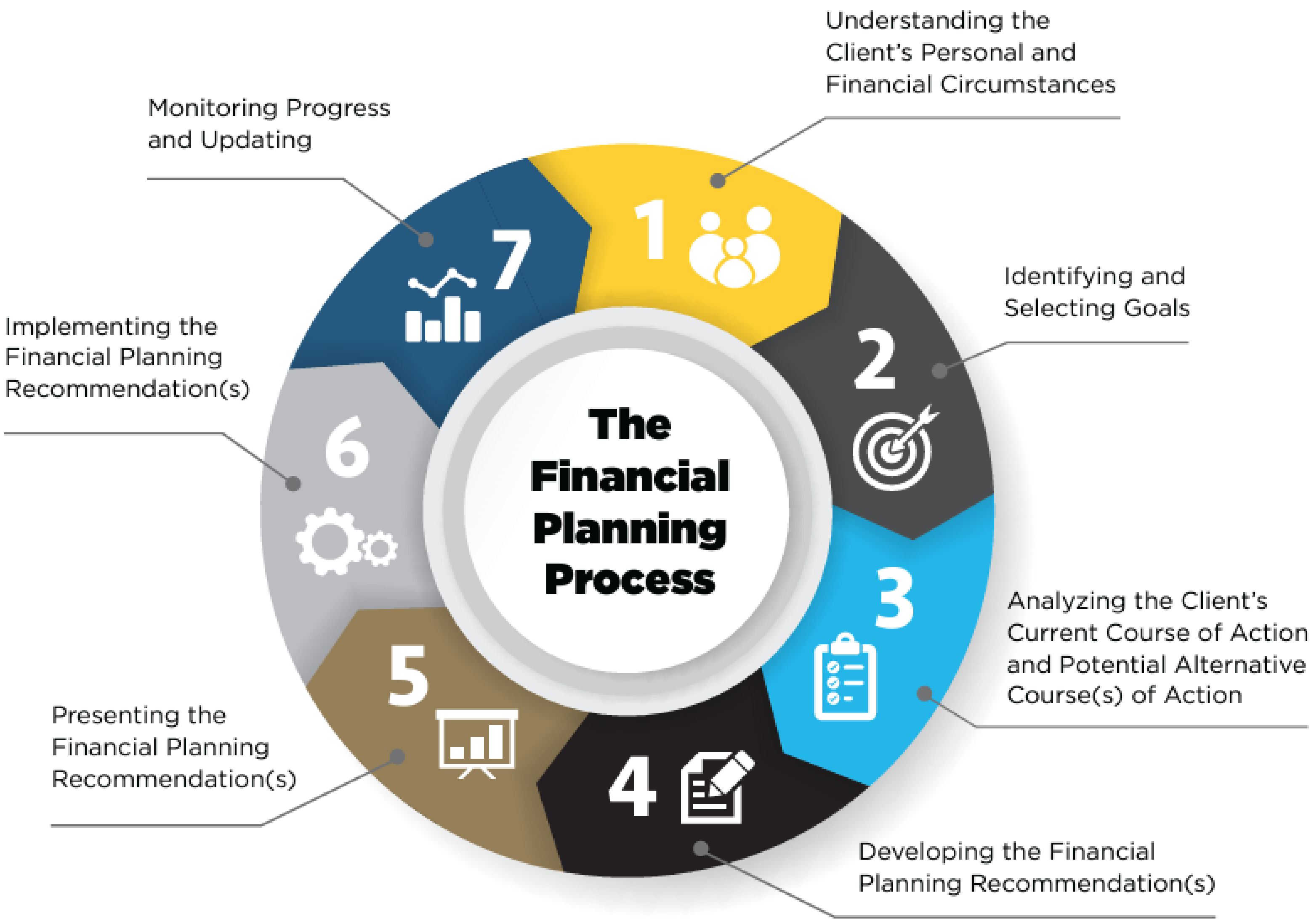
Finding trustworthy, independent financial advice can be challenging for many dedicated Americans. With numerous professionals labeling themselves as financial planners, advisors, counselors, or wealth managers, how can you be sure you've found someone who genuinely understands your needs?

The National Association of Personal Financial Advisors (NAPFA), a premier association for Fee-Only financial planners, has produced a series of checklists and documents that we believe better equips consumers as they are interviewing potential advisors. If you are interviewing our firm, we would be happy to provide answers to these same questions.



WHAT IS FINANCIAL PLANNING?

7 Steps: The Financial Planning Process



IN ENGLISH….

- Creating Future Cashflow (saving + investing)
- Protecting Your Income & assets (insurance)
- Successfully Transitioning Assets & Family Values (estate planning & family coaching)
- Special Situation Planning
- Having Fun Along The Way (balance now vs. future)

THE STAGES OF FINANCIAL PLANNING

PLANNING STAGES

- Accumulating
- Spending / Protecting
- Transferring

Accumulation Stage

- Buying Stuff Houses, Cars, etc.
- Fortify Your Savings
- Prepare for the "What Ifs" of Life
- Estate Plan
- Minimize Taxes
- Plan for the Costs of College
- Take Care of Kids & Aging Parents
- Manage Risk (Income / Property))

Spending & Protecting Stage

- Make Retirement Money Last
- Maintain Estate Plan
- Financially Empower Children
- Adequate Healthcare
- Tax Minimization
- Philanthropic Gifting
- Social Security Strategies
- Manage Risk

GOALS

ESTABLISH YOUR GOALS

- Formulate goals (with spouse/partner).
- Make them realistic / achievable
- Be specific! Include a dollar amount and a date.
- Rank or prioritize goals.
- Develop a written plan

TRUE WEALTH

Relationships

Health

Impac
t

Communit
y

Fait
h

ESTABLISH YOUR GOALS

If you are having trouble, try these questions:

1. If you had enough money for all of your needs, how would you live your life? Would you change anything?

2. You've received a terminal diagnosis with 5-10 years left to live. What will you do with your time?

3. You've received a terminal diagnosis with 24 hours left to live. What do you regret most? What did you miss? What did you not get to do?

RETIREMENT PLANNING

~~RETIREMENT PLANNING~~

CASHFLOW PLANNING

RETIREMENT QUESTIONS

- How much will you have?
- How much will you need?
- Calculate impact of additional savings
- What is the impact of inflation and taxes?
- How much can you spend?
- How should you invest to meet your goal?
- Social Security and Medicare

ASSUMPTIONS

- Income
- Expenses
- Assets
- Savings/Withdrawal
- Specific Goals
- Health
- Contingency Plans
- Inflation
- Taxes
- Investment Returns

Tip: Review annually - Financial Plan vs. Financial Process

RETIREMENT INCOME SOURCE

- Social Security
- Employer Retirement Plans
- Other Savings
  – Spouse/Partner retirement plans
  – IRAs & Roth's
  – Regular Investment Accounts
  – Inheritance

SOCIAL SECURITY

- Amount is based on how much you earned while working
  - Average: $1,328/month
  - Maximum : $2,639/month (at age 66)
- Reduced benefits available at age 62
- Increased benefits for delaying – maxes out at age 70
- Example:
  - $1,000/mo at age 66
  - $750/mo at age 62
  - $1,320/mo at age 70
- Annual benefits increase with inflation
- Spouse can claim a spousal benefit
  - Work history not required

NET WORTH & CASH FLOW

STATEMENT OF NET WORTH

What You Own = Current Assets + Invested Assets + Personal Use Assets

(less)

What You Owe = Current Liabilities + Long-Term Liabilities

Net Worth/Balance Sheet

Tip: Know "Good Debt" (15-year mortgage, 3-year auto loan) from "Bad Debt" (Credit Card balances)

Example Company
Balance Sheet
December 31, 2014

ASSETS

Current assets
Investments
Property, plant, and equipment
Intangible assets
Other assets
Total assets

LIABILITIES & OWNER'S EQUITY

Current Liabilities
Long-term liabilities
Total liabilities

Owner’s equity
Total liabilities & owner's equity

STATEMENT OF CASH FLOWS

Tip: Consider where you can reduce monthly/annual expenses

Income = Earned Income + Dividends

+ Rental Income + 1099 Income

+ Capital Gains

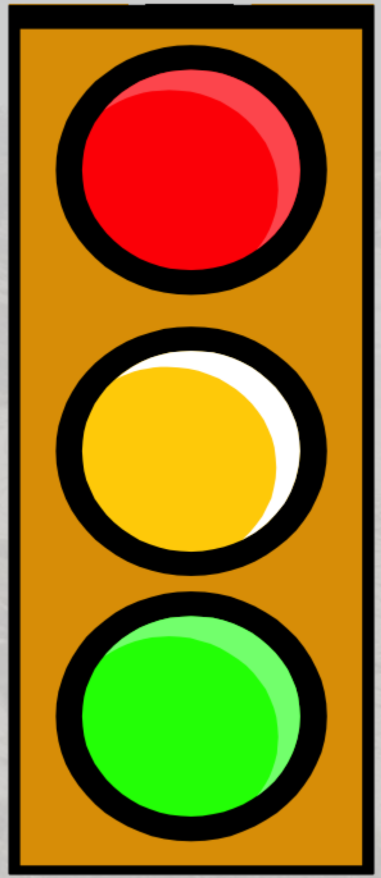
(less)

Expenses = Fixed Expenses + Variable Expenses + Savings

Surplus (Commonly Accumulation Stage) OR

Shortage (Commonly Spending & Protecting Stage)

HOW MUCH CAN I SPEND?



7+% Red Light

5-6% Yellow Light

3-4% Green Light

EQUITY	0%	20%	40%	60%	80%	100%
FIXED INCOME	100%	80%	60%	40%	20%	0%
1-Year Return (%)	4.03	5.80	7.53	9.64	11.52	13.28
3-Year Annualized Return (%)	0.78	1.25	2.13	3.29	4.65	5.82
5-Year Annualized Return (%)	1.75	3.12	5.03	7.09	9.13	10.93
10-Year Annualized Return (%)	1.98	3.84	5.54	7.49	8.93	10.12
15-Year Annualized Return (%)	2.38	4.66	6.46	8.53	9.83	10.89
20-Year Annualized Return (%)	2.99	4.78	6.14	7.55	8.54	9.24
Annualized Return (%) 1985–2024	5.42	7.10	8.47	9.98	10.88	11.64
Annualized Standard Deviation (%) 1985–2024	2.88	4.45	7.01	10.26	12.78	15.39
Lowest 1-Year Return (%)	−7.25 (10/21–09/22)	−12.95 (10/21–09/22)	−22.48 (03/08–02/09)	−33.96 (03/08–02/09)	−40.70 (03/08–02/09)	−47.28 (03/08–02/09)
Lowest 3-Year Annualized Return (%)	−1.17 (10/20–09/23)	−0.38 (11/20–10/23)	−4.05 (03/06–02/09)	−9.45 (03/06–02/09)	−12.27 (03/06–02/09)	−15.41 (03/06–02/09)
Highest 1-Year Return (%)	19.99 (04/85–03/86)	25.91 (04/85–03/86)	34.76 (03/09–02/10)	51.02 (03/09–02/10)	61.41 (03/09–02/10)	72.01 (03/09–02/10)

RETIREMENT PLANNING

Common Trade-offs

- Save More Now
- Defer Retirement
- Spend Less
- Supplement Income

TAX PLANNING

TAX PLANNING

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2024 Tax Report for

KEY FIGURES

Three Columns Two Columns

Total Income	$179,304	**Filing Status**	Single	**Tax Exempt Interest**	$1,703
Adjusted Gross Income (AGI)	$179,304	**Marginal Bracket**	24.0%	**Qualified/Ordinary Dividends**	$11,761 / $17,297
Deductions	$39,350	**Average Rate**	14.1%	**ST/LT Capital Gains**	($865) / $0
Taxable Income	$139,741	**2025 Safe Harbor**	$27,730	**Carryforward Loss**	$0
Total Tax	$25,209	**Tax Exempt Pct. of Total Interest**	50.3%	**Total/Taxable Social Security**	$40,934 / $34,794
				Credits Claimed	$313

TAX PLANNING

Marginal Tax Brackets: Ordinary Income

The marginal tax rate for your ordinary income is as follows:

Marginal Rate	Ordinary Income Threshold	Ordinary Income	Tax
10%	$0 to $11,600	$11,600	$1,160
12%	$11,600 to $47,150	$35,550	$4,266
22%	$47,150 to $100,525	$53,375	$11,743
24%	**$100,525 to $191,950**	**$27,455**	**$6,589**
32%	$191,950 to $243,725	$0	$0
35%	$243,725 to $609,350	$0	$0
37%	$609,350 and above	$0	$0
Total		$127,980	$23,758

TAX PLANNING

Marginal Tax Brackets: Long Term Capital Gains & Qualified Dividends

Your taxable income of $139,741 includes $11,761 of long-term gains and qualified dividends that are taxed at lower rates compared to ordinary income. Long-term gains are added on top of your ordinary income to determine the tax rates that apply.

Marginal Rate	Taxable Income Threshold	Taxable Income	Qualified Income	Tax
0.0%	$0 to $47,025		$0	$0
15.0%	**$47,025 to $518,900**	**$139,741**	**$11,761**	**$1,764**
20.0%	$518,900 and above		$0	$0
Total			**$11,761**	**$1,764**

TAX PLANNING

Marginal Tax Brackets: Long Term Capital Gains & Qualified Dividends

Your taxable income of $52,561 includes $10,302 of long-term gains and qualified dividends that are taxed at lower rates compared to ordinary income. Long-term gains are added on top of your ordinary income to determine the tax rates that apply.

Marginal Rate	Taxable Income Threshold	Taxable Income	Qualified Income	Tax
0.0%	$0 to $89,250	$52,561	$10,302	$0
15.0%	$89,250 to $553,850		$0	$0
20.0%	$553,850 and above		$0	$0
Total			$10,302	$0

TAX PLANNING

Medicare Part B/D Premiums for 2026

Medicare Parts B and D premiums can be impacted by Modified Adjusted Gross Income* (MAGI). Your MAGI is $181,007.

Amounts are monthly per person.

*MAGI = AGI + Tax-Exempt Interest

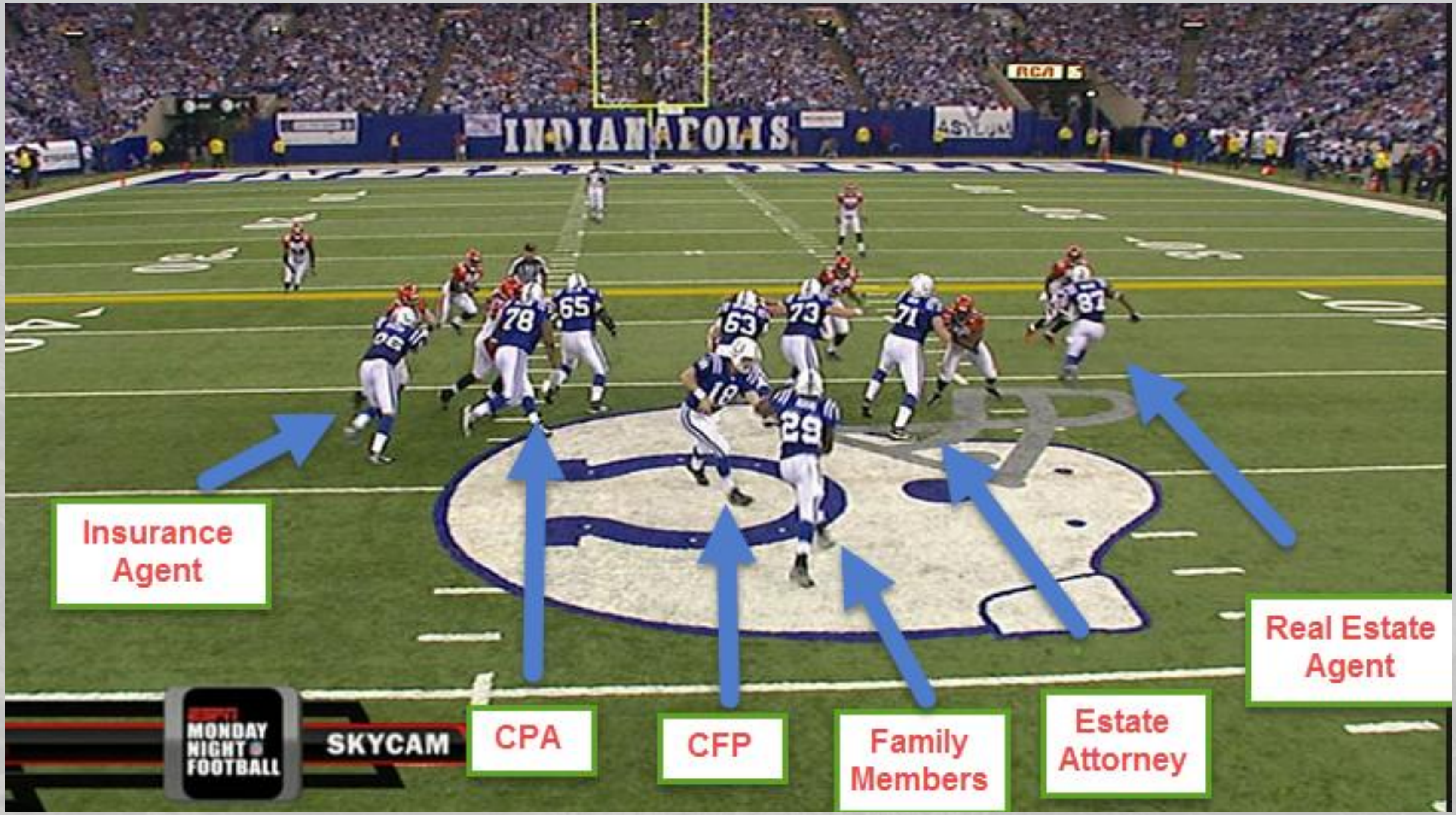
MAGI Threshold	MAGI	Part B Premium	Part D Premium
$0 to $106,000		$185.00	Your Plan Premium
$106,000 to $133,000		$185.00 + $74.00 = $259.00	Your Plan Premium + $13.70
$133,000 to $167,000		$185.00 + $185.00 = $370.00	Your Plan Premium + $35.30
$167,000 to $200,000	**$181,007**	**$185.00 + $295.90 = $480.90**	**Your Plan Premium + $57.00**
$200,000 to $500,000		$185.00 + $406.90 = $591.90	Your Plan Premium + $78.60
$500,000 and above		$185.00 + $443.90 = $628.90	Your Plan Premium + $85.80

FINANCIAL ADVISORS

DIY vs CFP?

- Define Objective:
  - Genuine Interest
  - Save Money
- Skills Required:
  - Put in the work
  - Organized
  - Disciplined (monitor & make adjustments)
  - Don’t interrupt the process unnecessarily (avoid mistakes)

THE BIG PICTURE



WHY HAVE A FINANCIAL PLANNER?

- Define & Prioritize Goals
- Help with Organization
- Review Options & Develop Strategy
- Hold Accountable for Execution
- Monitor Progress & Adjustments

WHY HAVE A
FINANCIAL PLANNER?

"If you don't know where you're going, you may wind up somewhere else." *-Yogi Berra*

	Comprehensive Financial Planning	Self Directed
I have clear financial direction.	88%	60%
I have control of my finances.	87%	71%
I am on track to achieve my financial goals.	78%	51%
I have financial peace of mind.	81%	70%
I feel my goals and dreams are financially secure.	75%	49%
I have confidence in my ability to cope with the financial impact of unexpected events.	82%	57%

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...about a broker's experience.

...about what a broker or brokerage firm is able to do.

CHOOSING AN ADVISOR?

- Will you act as a fiduciary?
- Education & Credentials/Designations/Licenses
- Recent & Relevant Experience
- Compensation Structure/Conflicts of Interest
- No professional disciplinary citations
- Have you ever accepted or paid a referral fee?
- Any other businesses?
- Do you or any other participate in any product?

CHOOSING AN ADVISOR? (cont.)

- How many clients?
- Will you or an associate work with me?
- What is your investment philosophy?
- What professional organizations?
- Do you take custody?
- Do you have a business continuity plan?
- How do you protect client confidential data?
- Do you have disaster recovery plan?

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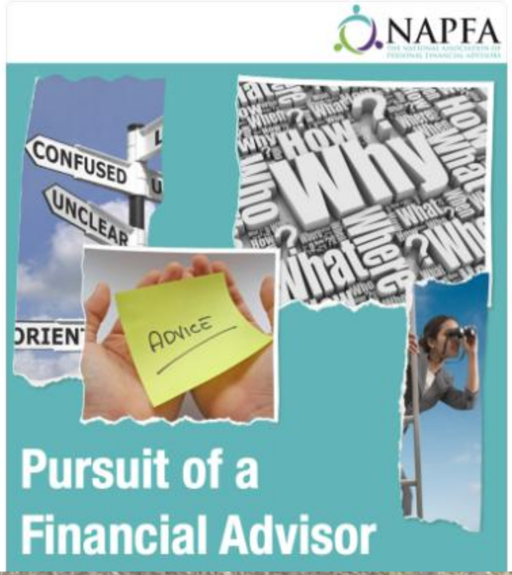

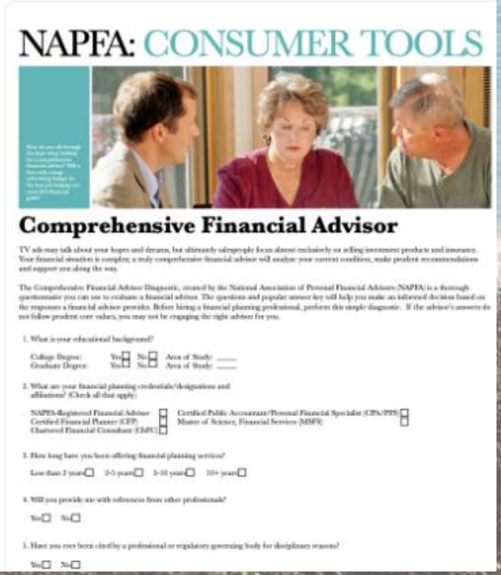


QUESTIONS?
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