
It's Your Money!

Smart Financial Planning I

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Henry VanBuskirk, CFP®

Wealth Manager



- Henry is a Wealth Manager whose main responsibilities are constructing and monitoring financial plans pursuant to each client's unique goals as well as being a member of the Investment Committee for BFSG. Before joining BFSG, Henry worked for a private wealth management firm as a Financial Planner and Investment Analyst. Henry has been in the financial services industry since 2014.
- Henry received his Bachelor of Arts in Mathematics from the University of California, Santa Cruz, in 2013 and a Master's Degree in Business Administration from California Lutheran University in 2015.
- When not working with clients, Henry enjoys hiking, playing basketball, and spending time with his wife and daughter.

<https://www.bfsg.com/our-team/>

The 7 Key Components of Financial Planning



1. Retirement Income Needs



2. Expense & Debt Management



3. Tax Planning



4. Investment Management



5. Risk Management

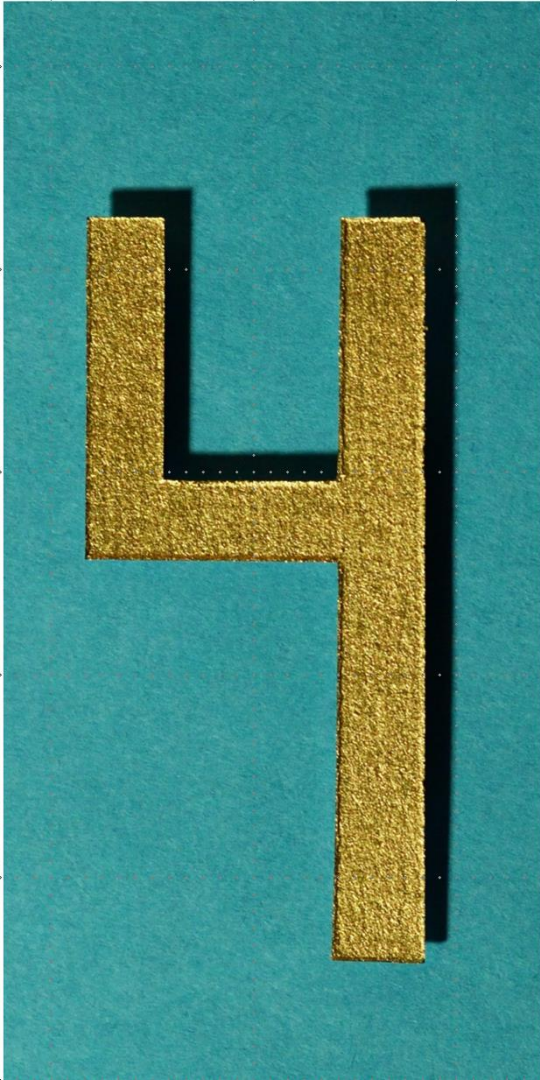


6. Estate & Legacy Planning



7. Distribution & Income Sources

4% Guideline



Useful reference point to answer:

“About how much can I withdraw and have a good chance of not running out of money?”



If investments do well, may sacrifice too much

May not be reliable given today's low interest rates

Summary of Tax Implications By Account

	Contributions ¹	Investment growth	Withdrawals	
Pre-tax 401(k) / Traditional IRA	+	+	— (Taxed as ordinary income)	Retirement accounts: Taxes generally apply to contributions or withdrawals. Most withdrawals must be qualified to avoid tax penalties. ²
Roth 401(k) / Roth IRA	—	+	++ (For qualified withdrawals)	
After-tax 401(k) / non-deductible Traditional IRA	—	+	— (Investment returns taxed as ordinary income)	
Health Savings Account (HSA) ³	+	+	++ (For qualified health care expenses)	If not used for qualified health care expenses, withdrawals after age 65 will be taxed as ordinary income (without penalty).
+ Preferential tax treatment — Subject to taxes				

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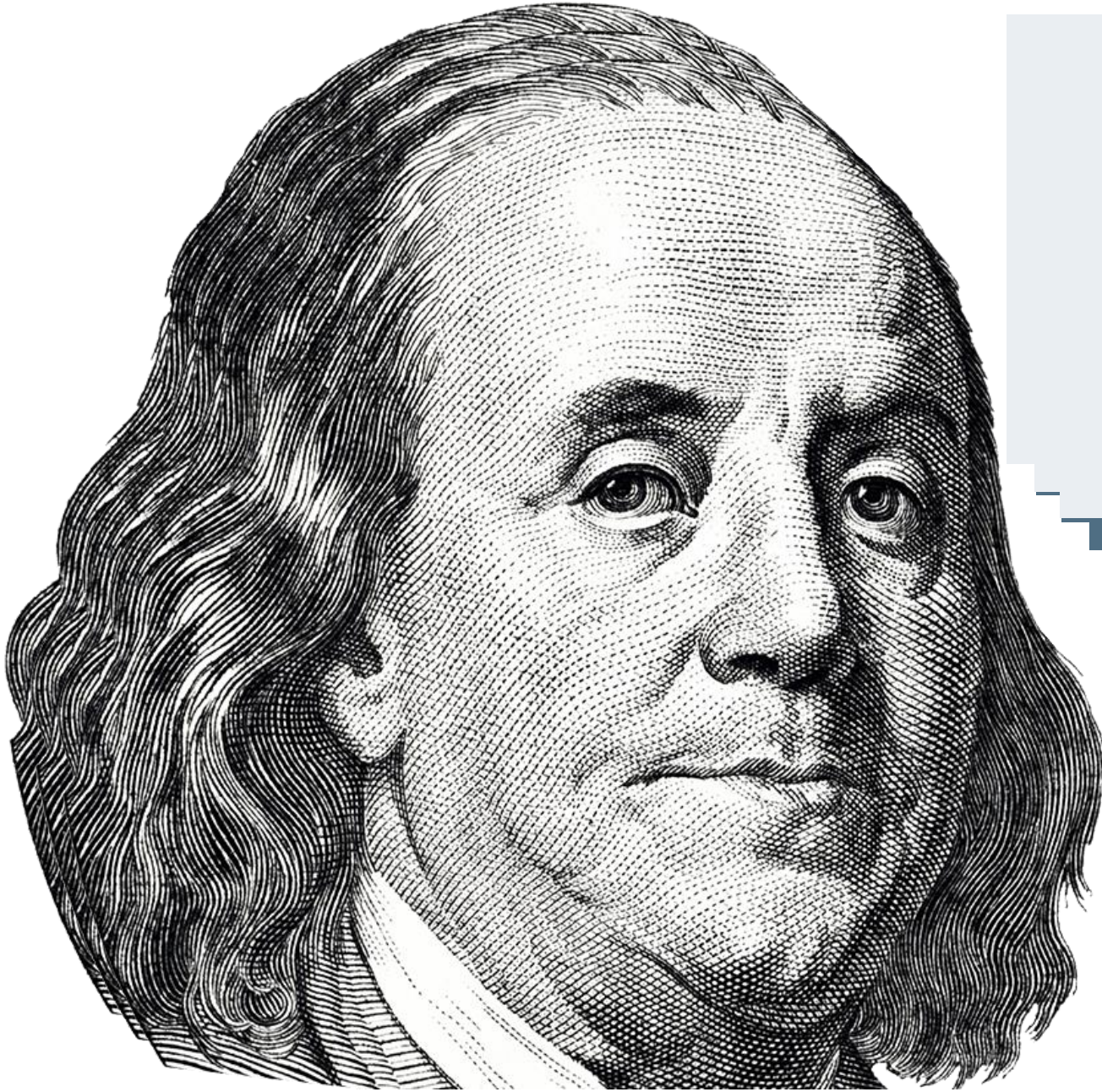


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Expense Management



“Beware of little expenses. A small leak will sink a great ship”
-*Benjamin Franklin*

Three Bucket Approach

- Start with managing your expenses
- Balance today's wants with tomorrow's needs
- Utilize 10/10/80 approach



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Current tax environment is favorable for most

- Lower marginal tax rates
- Scale back of popular deductions means the overwhelming majority of taxpayers claim the standard deduction
- Alternative minimum tax (AMT) no longer an issue for most taxpayers
- Favorable estate and gift tax environment — but what about the future?
- Uncertainty on tax rates after 2026...?

Rebalance Portfolios



Benefits

- ☐ Consider tax loss harvesting
- ☐ Reduce overall portfolio risk with the potential for higher returns
- ☐ Creates a disciplined approach to portfolio management
- ☐ Encourages buy low and sell high

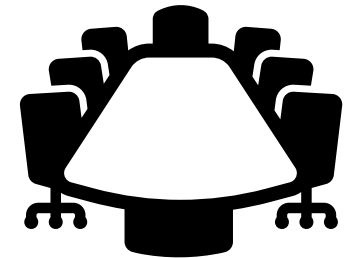
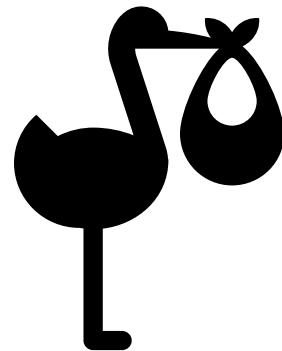
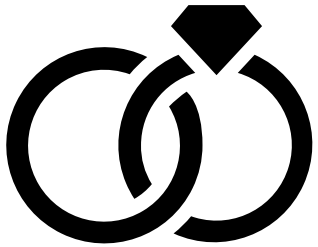
Things to Consider

- ☐ Impact of creating taxes
- ☐ Potentially higher trading costs
- ☐ Wash loss sales
- ☐ Review overall strategic allocation

Life Events Can Impact Income Taxes

Review Life Events To Determine Any Change In Filing Status

- Marriage
- Divorce
- Birth of child
- Death
- Self-employed



Managing Income Tax Brackets

Higher Tax Year	Lower Tax Year
Increase retirement plan contributions	Accelerate income recognition (i.e., exercise stock options)
Accelerate charitable gifting	Defer charitable gifting
Avoid capital gain recognition	Avoid capital loss recognition
Recognize capital losses	Recognize capital gains
Defer retirement account withdrawals	Consider Roth Conversions
Accelerate pass-through business expenses	Delay pass-through business expenses

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Follow a Strategy

View retirement assets as a whole

- Spouse / partner too

Decide investment mix

- How much you own of different investment types

Choose investments that match your target mix

Maintain your plan

- Updating if your situation changes

Asset Class Performance

Annual returns ranked in order of best to worst performance. U.S. equities shown by market capitalization and style from 2011 to 2025

2011 - 2025																	
Ann.	Vol.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Large Cap 14.1%	Small Cap 20.3%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	EM Equity 34.4%	Comdty. 24.4%
Small Cap 9.5%	EM Equity 17.5%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	DM Equity 31.9%	REITs 3.8%
REITs 7.8%	REITs 16.4%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Large Cap 17.9%	Small Cap 0.9%
Asset Alloc. 7.3%	DM Equity 15.7%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Asset Alloc. 15.8%	Cash 0.9%
DM Equity 7.1%	Comdty. 15.4%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	Comdty. 15.8%	Asset Alloc. 0.2%
High Yield 5.7%	Large Cap 14.7%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Small Cap 12.8%	Fixed Income 0.0%
EM Equity 4.2%	Asset Alloc. 10.1%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	High Yield 12.1%	EM Equity -0.1%
Fixed Income 2.4%	High Yield 9.1%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Fixed Income 7.3%	DM Equity -1.1%
Cash 1.5%	Fixed Income 4.6%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Cash 4.3%	High Yield -1.3%
Comdty. -1.1%	Cash 0.9%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	REITs 2.3%	Large Cap -4.3%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.

Large Cap: S&P 500, Small Cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Annualized (Ann.) return and volatility (Vol.) represents the period from 12/31/2010 to 12/31/2025. Please see the disclosure page at the end for index definitions. All data represent total return for stated period. Past performance is no guarantee of future results.

Guide to the Markets – U.S. Data are as of March 31, 2026.

Choosing Funds – Index or Active?

- Index funds seek to match a market index – usually have lower costs
- Actively managed funds seek to beat the markets or a market index – usually have higher costs

Not an “either or” decision – owning both may make sense



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Risk Management & Insurance

Risk Management is intended to minimize the impact of unfortunate events, both in your personal life and to your investments.

How do you protect your future against events beyond your control?

Life Insurance: Term vs. Whole Life

Term
• Covers for a specific term (Usually between 5 to 25 years or until age 65)
• Premiums are relatively lower but increase after term expires (Annual Renewable Term, Level Term, Decreasing Term)
• Expires with no cash value, all of the premiums go to securing a death benefit to beneficiaries
• No flexibility, no ability to borrow against policy or to withdraw money
• Very inexpensive at young ages



Whole Life
• Covers for the entire life
• Premiums are higher but remain level for lifetime (vary from single premium to level premiums)
• Build a cash value from a percentage of premiums • Cash value grows without being taxed • Receive interest on the cash value
• Flexibility including ability to borrow against your policy
• Expensive and there is no flexibility with premium payments



Property & Liability Insurance

- Homeowners Insurance (or renters)
- Personal Auto Insurance
- Umbrella Insurance
- Business Insurance (including Malpractice / Professional Liability)

Recommendation:

Get umbrella insurance with coverage that at least covers your at-risk amount — physicians are high-value lawsuit targets; \$2M–\$5M in coverage is common

+ Net worth

– homestead provision

– protected assets (i.e. 401(k))

At-risk amount

Longevity Insurance: Annuities



An insurance contract where a person exchanges a lump sum of money for guaranteed income for life or a certain number of years.

Annuity Basics

- Annuities are NOT subject to the SEC rules
- Earnings in the annuity grow tax-deferred
- Distributions from annuities are taxed as ordinary income
- Annuities can be qualified (think retirement account like an IRA) or non-qualified (normal taxable account)
- Annuities can be a good way to create guaranteed income in retirement — especially relevant for physicians without a pension
- Since annuities are taxed as ordinary income, high-earning physicians should weigh them carefully against other tax-advantaged options (LIFO tax treatment)
- Annuities can carry high fees

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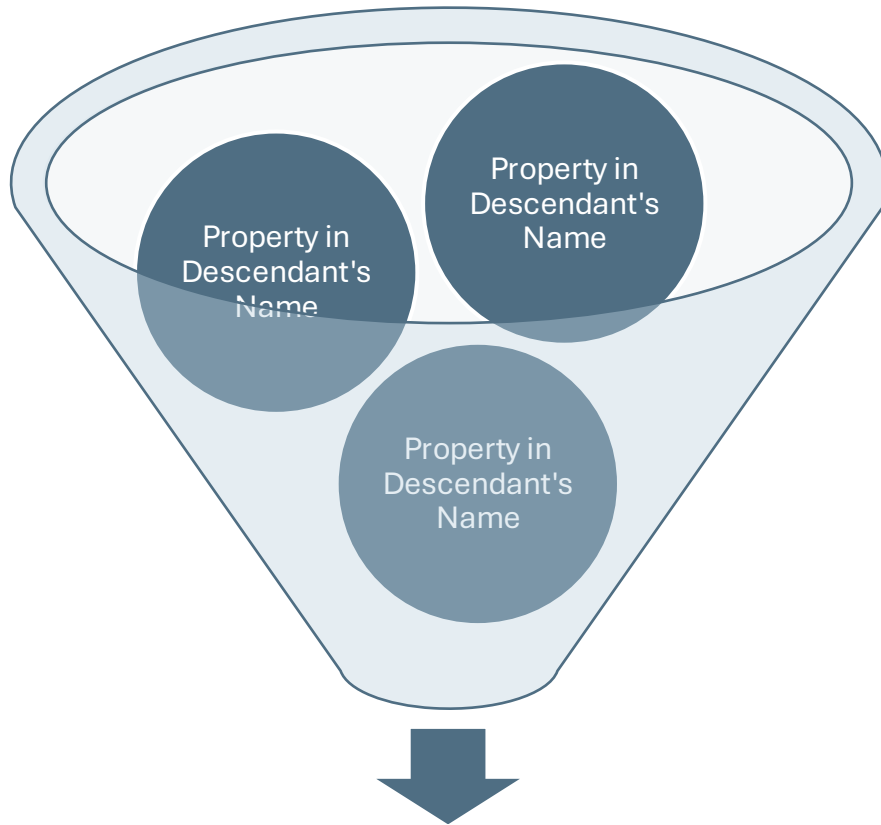
7. Distribution & Income Sources

The Old Estate Plan



Probate Property

All Property in Descendant's Name



Passes Through Probate

Non-Probate Property

Joint Tenancy Property

Life Insurance*

Retirement Accounts*

POD Designations

Property In Trust

**Must Have Properly Named Beneficiaries*

Important Things To Consider

Second Marriages with Children: Review current living trust and will.

Adult Children with Disabilities: Review Special Needs Trust.

Restrictions on Trust: Establish how money from the estate will be spent.

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Distribution & Income Sources

Social Security

Pension

457/401

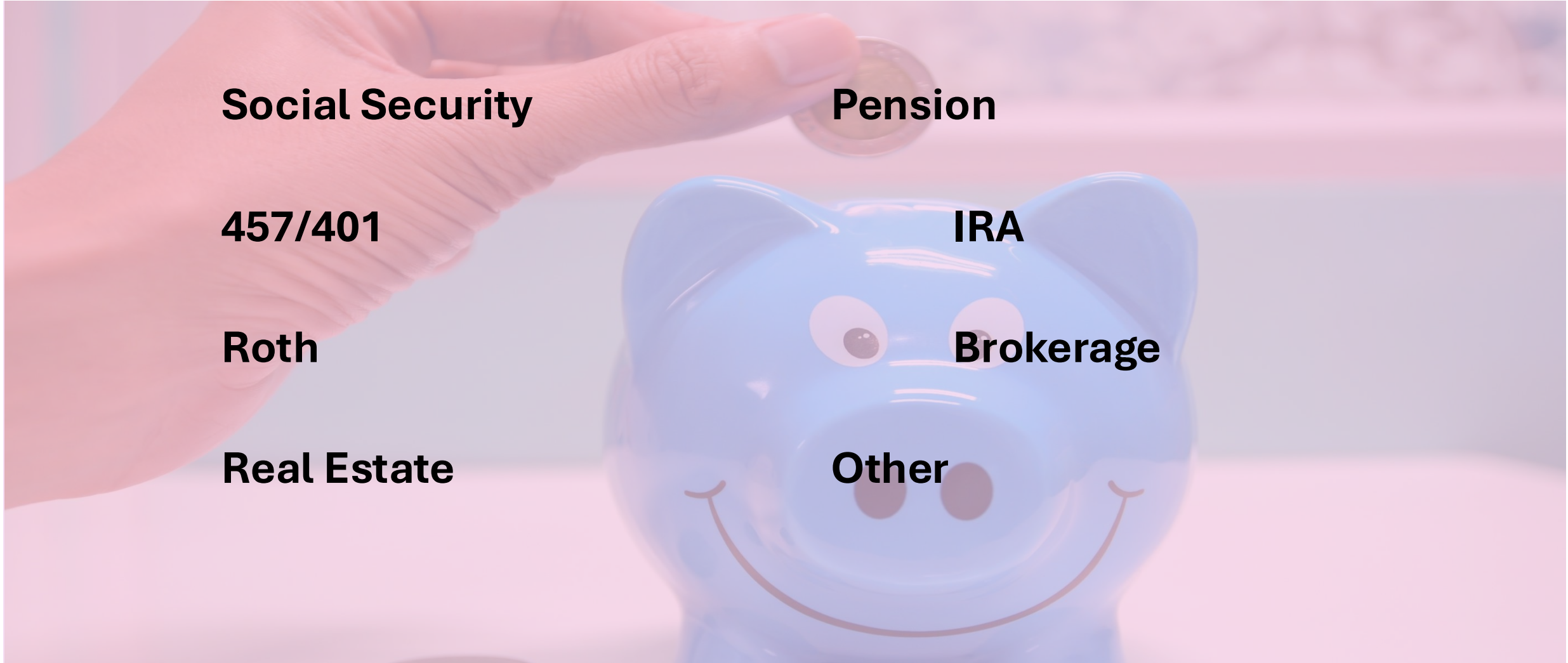
IRA

Roth

Brokerage

Real Estate

Other



Build a Flexible, Tax-Aware Paycheck Strategy

Retirement income planning is not about one magic number.



Coordinate

Bring income sources, account types, taxes, Medicare, and spending priorities into one plan.



Stay Flexible

Adjust withdrawals, discretionary spending, and cash reserves as conditions change.



Make It Personal

The right strategy depends on your household, health, goals, and career transition.



Final Message

Confidence comes from a plan that turns savings into sustainable, adaptable cash flow.



The image is a full-page background featuring a coastal scene. The left half of the image, separated by a diagonal white line from the top-left corner, shows a deep blue sea with white foam from waves crashing against dark, rocky shorelines. The right half of the image is a solid white background. The text "THANK YOU" is centered across the diagonal line.

THANK
YOU

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