
“IT’S YOUR MONEY”

A FINANCIAL PLANNING WORKSHOP

SPRING 2023

Laura Tarbox, CFP®
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“Ask First!”

This form is to be filled out by any person who is offering legal, financial, retirement, insurance, accounting, estate, long-term care or similar planning services. Respond to ALL categories completely; sign and date at the bottom of the page.

① **MY EDUCATION-** I have achieved the following level of education (check HIGHEST level achieved):

<input type="checkbox"/> Some High School	<input type="checkbox"/> High School Diploma	<input checked="" type="checkbox"/> Bachelors Degree UCLA
<input type="checkbox"/> GED	<input type="checkbox"/> Some College	<input type="checkbox"/> Masters or other Advanced Degree

② **MY CREDENTIAL(S)-** I have the following specialized credential(s) and training (examples: CFP, ChFC, CLU, CPA, JD, MBA, years of relevant experience):

CFP

③ **MY RELEVANT LICENSE(S)-** I have the following license(s) giving me the legal authority to provide the services I am offering to you (examples: bar license (attorney); securities license; insurance license):

License Type	Covers What Activities	Issued By	License No.
None	None	None	None

④ **LEGAL SERVICES-** (Check ONE):

I DO NOT practice law, and the services I am offering to you do not involve practicing law.

I DO practice law, and have an active license to practice law in California.

I DO practice law, but DO NOT have an active license to practice law in California. I am, however, under the supervision of the following attorney who has an active license to practice law in California:

Name of attorney:	Telephone:
Address:	

⑤ **OUR BUSINESS RELATIONSHIP-** Check TRUE or FALSE:

True / False: In our business relationship, I will at all times serve as a fiduciary and put your interests before my interests and those of my employer.

⑥ **MY COMPENSATION-** I will be paid in the following way (commission, fee, salary, etc.), by the named person or company, in connection with the services I am offering to you:

Way(s) I'll Be Paid	Payment Will Be Made By (name each person or company)
Fees	Client Only

⑦ **FINANCIAL PRODUCTS / AFFILIATED ORGANIZATIONS-** Check TRUE or FALSE:

True / False: I offer or sell annuities, insurance, mutual funds or other financial products; or I am, or my employer is, affiliated with a person or organization that offers or sells annuities, insurance, mutual funds or other financial products.

⑧ **I certify under penalty of perjury that the responses herein are true to the best of my knowledge.**

Date: May 15, 2023	Business Name: Tarbox Family Office, Inc.
Signature: <i>Laura Tarbox</i>	Address: 500 Newport Center Drive, #500, Newport Beach
Print Name: Laura Tarbox	Telephone: (949) 721-2330

ABOUT LAURA TARBOX

laura@tarbox.com

2023 marks Laura's fourth decade in financial planning. A UCLA graduate, Laura received her CFP in 1984 and founded her firm in 1985. Tarbox Family Office, Inc. is located in Newport Beach, CA and employs a team approach in offering comprehensive wealth management services to a small group of families with \$5 million or more of investable assets.

Laura has served on both the Charles Schwab and TD Ameritrade Institutional Advisory Boards, the CFP Board of Examiners, the National Board of the Institute of Certified Financial Planners and is a past President of the Orange County Society of the ICFP. She has been part of the adjunct faculty of the College for Financial Planning, USC and California Lutheran University, and taught financial planning classes in the certificate program at UC Irvine for 20 years, where she was the Program Director. Laura was chosen from over 800 UCI Extension instructors to receive the Distinguished Instructor Award in 1997 and is the founding Dean of the UCI ICFP Residency Program, a week-long case study program for new CFPs.



Frequently featured in the local and national media as an expert on financial planning and investments, Laura has been retained as an expert witness in insurance and investment cases. She is a California Licensed Professional Fiduciary and a private trustee on several trusts.

Laura has volunteered her leadership and financial skills for organizations including Foundation for Financial Planning, Laguna Beach Community Foundation, Laguna Canyon Foundation, Laguna Beach Schoolpower Endowment, and Child Aid.

Laura Tarbox has been recognized as one of the "Best Financial Advisors" in the country by Worth magazine and was named one of the country's "100 Great Financial Planners" by Mutual Funds magazine. 3

ABOUT TARBOX FAMILY OFFICE

Tarbox Family Office is a fee-only wealth management firm and is registered as an Investment Advisor with the SEC. Fee-only means that we do not take any commissions, trails, referral fees, or "kickbacks" from any sources. We work for, and are paid by, only our clients. We have offices in Newport Beach and Phoenix.

We work with a small number of families, and maintain a client-to-staff ratio of nine to one. Our multi-credentialed staff works together as a team to provide comprehensive wealth, investment management, tax and family office services.

Because each of our clients has a unique situation, fees are quoted on an individual basis, after an initial meeting. Generally, comprehensive fees will range from 0.30% to 0.75%, and will be based on investable assets or total net worth, depending upon services required. Tax compliance services are quoted separately.

Typically, we accept clients with a minimum account size of \$5 million. We normally do not offer services on an hourly or project basis to non-wealth management clients.

Case Study

Bill and Sue Brooks

- Both are 72 years old, retired
- Total net worth \$4 million (\$2.5 million liquid investments)
- Two children and three grandchildren

Step 1: Find an Advisor

- Fee-only, fiduciary
- CFP
- FINRA check / ADV / Ask First
- Interview three potential advisors

Step 2: Clarify Goals

- Get help investing retirement funds
- Make sure money will last
- Get estate in order
- Gift to favorite charities

Step 3: Gather Information

- Create a balance sheet
- Review cash flow: income and spending
 - Social security of \$3,600 + pension income \$1,800 (\$64,800/yr)
 - Expenses of \$150,000 per year
 - Needed from investment portfolio: \$85,200/yr (3.4%)
- Review tax return

Step 4: Insurance Review

Work with your advisor to review:

- Medicare/supplement insurance
- Long-term care insurance
- Homeowner's, auto, and personal liability insurance
- Life insurance

Step 5: Tax Planning

- QCD (Qualified Charitable Distribution)?
- “Batch” charitable contributions – DAF
 - Batch itemized deductions: property taxes, state taxes, charitable contributions, medical expenses
- Roth IRA conversion? (tax rates are scheduled to increase in 2025)
- Tax-loss harvesting
- Tax bracket planning

Step 6: Investment Portfolio Design

Just say “NO” to annuities!

(High expenses, tax- *inefficient*, illiquid, no step-up in cost basis at death, guarantees are not what they look like, etc.)

Step 6: Investment Portfolio Design *Asset Allocation Process*

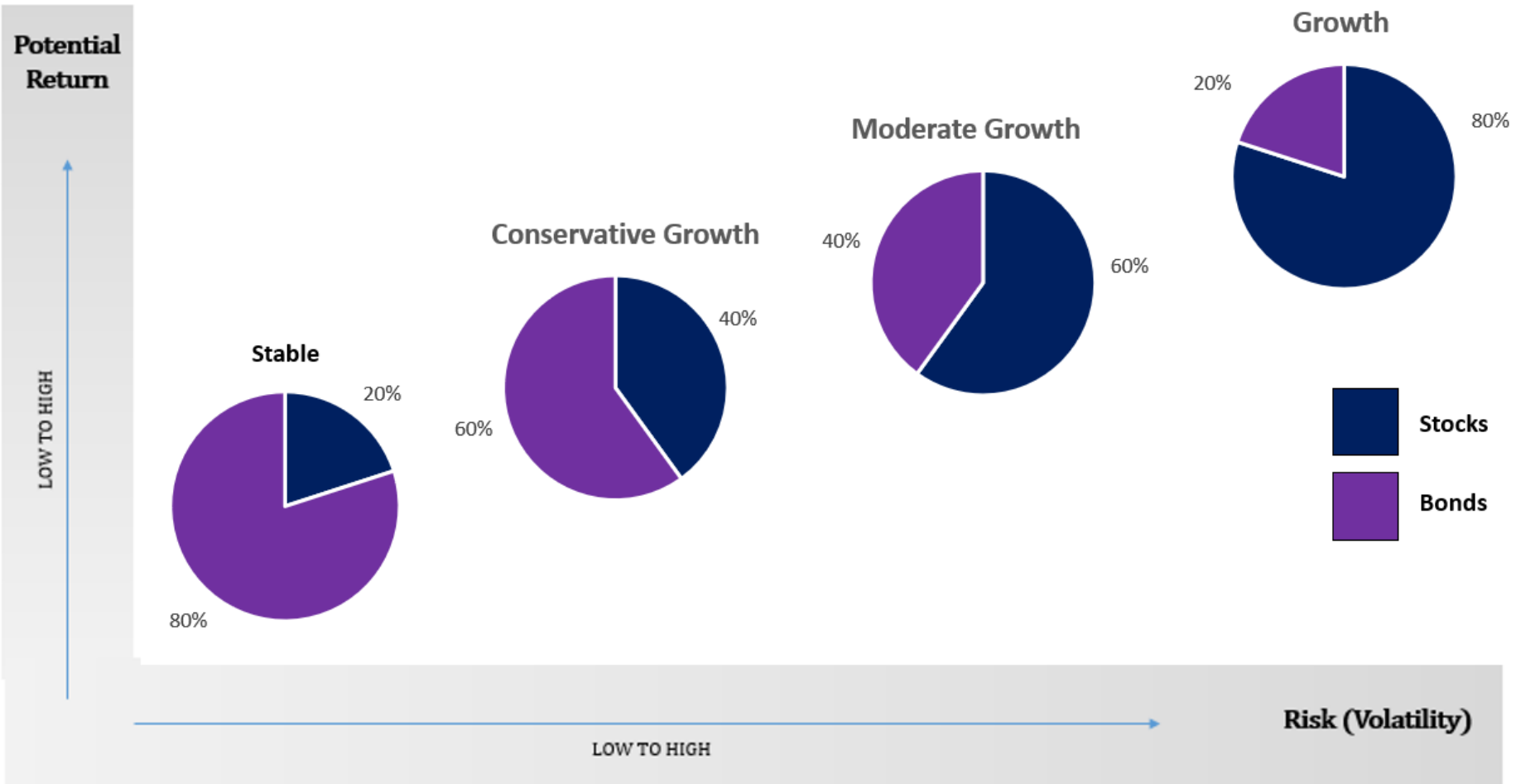
1st Step: *Determine asset classes to be used*

2nd Step: *Make a pie!*

3rd Step: *Implement, rebalance periodically, and evaluate performance*

Step 6: Investment Portfolio Design

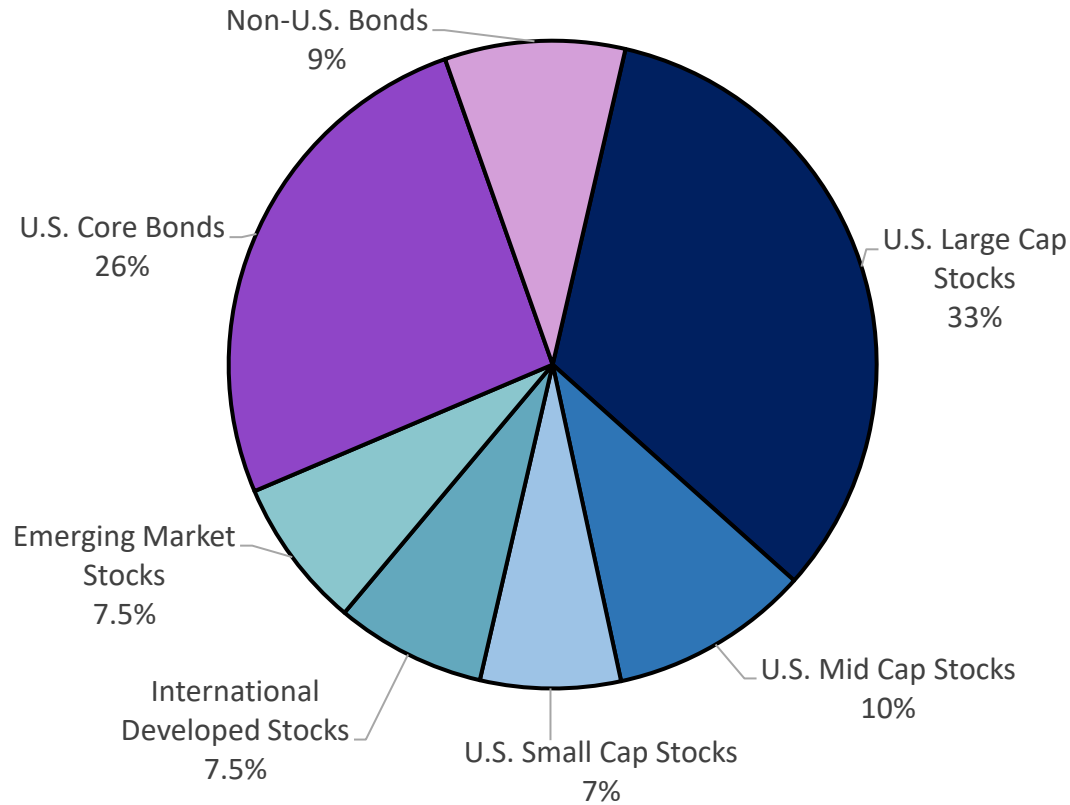
Choose the Appropriate Risk/Reward Profile for Your Needs



Step 6: Investment Portfolio Design

A GOOD BASIC MODERATE GROWTH PORTFOLIO

Asset Allocation



Step 7: Sustainable Spending Analysis

- How much will/do you have?
- How much will/do you need?
- Calculate impact of any additional savings/inheritance
- What is the impact of inflation and taxes?
- How much can you spend?
- How should you invest to meet your goal?
- Factor in Social Security, other income
- Include expected large expenditures and gifting

Step 8: Estate Planning

- Management during your lifetime
- Distributions following your death
- Protect loved ones
- Preserve property
- Avoid conflicts and delays
- Reduce costs & taxes

Step 8: Estate Planning

- Tax Rates: 2023 top rate is 40%
- Applicable Estate & Gift Tax Exclusion Amount = \$12,920,000 in 2023
- \$17,000 Annual Gift Exemption

Step 9: Charitable Gift Planning

- Annual gifts to charities (give appreciated assets, not cash!)
- Donor-Advised Fund (DAF) - establish with as little as \$5,000
- Bequests at death
- Advanced planning strategies

10 Recommendations for Financial Success

1. Work only with fiduciary advisors
2. Focus on asset allocation, not stock picking (index!)
3. Don't time the market
4. Invest tax-efficiently (index, tax "location", munis)
5. Maximize contributions to retirement plans
6. Don't buy annuities
7. Do not borrow to spend
8. Save for college in a 529 plan
9. Have a will or trust
10. Don't worry about the "wrong" risks

Thank you for coming!

Thank you to our sponsors!

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