Take Time to Review Your Financial Planning – Before It’s Too Late

By: Gerard J. Kassouf, CPA/PFS, CFP®, a director in the Birmingham, Alabama Accounting and Business Consulting firm of L. Paul Kassouf & Co., P.C.

The financial industry has exploded over the past few years with products and services being offered to you, the physician consumer. The number of choices available has made the decision to select the most appropriate one for you more difficult. Take time to review your personal finances with a professional who will help you develop a plan specifically for you—a plan designed to achieve your personal and financial goals. Financial planners are trained to assist clients to make decisions based on the facts and the answers to many critical questions relating to your particular situation.

FINANCIAL PLANNING SERVICES
There are many kinds of financial planning services. A listing includes budgeting and cash flow, income tax, risk management/insurance, retirement, investment, education and estate planning. Financial planning engagements could focus on only one, or a few of the topics listed, because the client may have a specific area of concern. More detailed planning would encompass most or all of the areas. The detailed planning provides for a deeper understanding of particular needs that affect other planning areas.

THE FINANCIAL PLANNING PROCESS
The process most utilized in financial planning engagements include 1) the assessment of your current financial condition; 2) the identification of goals; 3) the development of recommended strategies to achieve the stated goals; 4) the identification and evaluation of alternative courses of actions; 5) the creation and implementation of a plan of action; and 6) the monitoring and revising of the plan. In simple words—1) Where are you? 2) Where do you want to go? 3) How do you get there? 4) Are you still on track?

To properly assist you with planning, it’s important that data be obtained and organized, analysis performed and goals set. From there, the planner will make suggestions and recommendations, and along with you, make decisions and begin to coordinate the plan’s implementation.

WILL I HAVE ENOUGH FOR RETIREMENT?
With a general overview of the process in mind, let’s review a planning situation that, for all of us, at some time, will be a concern—retirement. I have been asked many times “Will I have enough for retirement?” This question, as do many others in the financial planning area, requires an answer based on many factors. The first and most important part of the answer requires an honest answer from the client on expected expenditures. Planners need to know how much the client expects to spend at retirement. In addition to this important question, planners must use estimates and assumptions to make the calculations—the inflation rate, life expectancy, retirement age and rate of investment return are critical factors. Once the estimates and assumptions are agreed upon, it is possible to mathematically calculate the amount needed at retirement. What does it take to create the investment pool so that it will equal the amount needed at retirement?

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EXAMPLE: If you invest $30,000 per year into a qualified retirement plan for 30 years, at the end of the period with a reasonable return, you will have more than $3,000,000. However, if you invest the same $30,000 amount per year into a qualified retirement plan for 20 years, at the end of the period, you will have around $1,400,000. This one example indicates the power of compound interest.

A modern alternative to calculating based on a specific annualized rate of return is the Monte Carlo analysis. Thousands of outcomes using actual historical financial data are calculated. The results usually form a typical bell curve, where those in the middle of the curve delineate those that are statistically and historically most likely to happen and those on the tail of the curve measure those of less likelihood. The Monte Carlo results help provide a clearer picture of your retirement fund withdrawal amounts.

THE INFLATION FACTOR
But how much is enough? To more accurately take buying power into consideration, financial planners who prepare retirement calculations must show the effect of inflation. Suppose that you need $5,000 per month in today’s dollars for retirement. Retirement is 15 years from now, and you expect inflation to be 3.5 percent per year. At your estimated retirement date, the $5,000 you need in today’s dollars becomes about $8,300 per month. 15 years after retirement the $5,000 you need in today’s dollars becomes about $14,000 per month. That’s almost 3 times the original amount after 30 years!

CONCLUSION
Planning with finances should be a life-long process, with ongoing evaluation, implementation and review. At a minimum, consider reviewing your financial picture every two years. Whether you are searching for help with retirement, budgeting, education, or any other financial planning area, you must be committed to work through the process to adequately answer your question(s). The more information you provide, the more reliable the end result. The most important part is getting started. Take time to review your financial planning—before it’s too late.

We would like to Congratulate the 2013 JCMS Medical School Scholarship Recipients

- Xavier Baldwin, first-year UAB medical student
- Courtney Howard, fourth-year UAB medical student
- Erika M. Johnson, first-year UAB medical student
- Stephen A. Walker, first-year UAB medical student
- Kristin D. Whitely, fourth-year UAB medical student

From L to R: Stephen Steinmetz M.D., JCMS 2013 President; Laura Kezar M.D., Associate Dean for Students, UAB SOM; Kristin D. Whitley; Stephen A. Walker; Erika M. Johnson; Xavier Baldwin; H. Hughes Evans M.D., Ph.D., Senior Associate Dean for Medical Education, UAB SOM; Courtney Howard; F. Darlene Traffanstedt M.D., JCMS 2012 President.
Upcoming Events

April 15  The Wayne Finley 811 Breakfast Meeting - William Curry, M.D., will speak on “Personalized History of Primary Care in Alabama” at 8:30 a.m. in the JCMS Board Room

April 28  Executive Committee Meeting – 5:30 p.m.

May 4  JCMS Annual Barons Baseball Event – Regions Field at 3:00 pm

May 19  Executive Committee Meeting – 5:30 p.m.
        Board of Directors Meeting – 6:30 p.m.

May 20  The Wayne Finley 811 Breakfast Meeting - Henry Crommelin, Jr, M.D., will speak on “Tom Boulware, Jefferson County’s Obstetrician” at 8:30 a.m. in the JCMS Board Room

May 22-25  MASA’s Annual Session – San Destin, FL

Contact Juanita Pruitt at 933-8601 or jpruitt@jcmsalabama.org for more information regarding any of the above events.

New Members

Rishi K. Agarwal, M.D.  Gastroenterology
Ms. Camli I. Al Sadek
Laura N. Andrews, M.D.
Ms. Tooba Z. Anwer
Sunena C. Argo, M.D.
Ellen B. Blackmon, M.D.
Bridget A. Boudreaux, M.D.
Brian Brunson, M.D.
John L. Bundrick, M.D.
Matthew L. Carnes, M.D.
Daniel T. Carter, M.D.
Barrett P. Cary, M.D.
Michael A. Chandler, M.D.
Erin W. Delaney, M.D.
Pavithra I. Dissanayake, D.O.
Geoffrey B. Dykes, M.D.
Audra W. Eason, M.D.
David Edwards, M.D.
Allison P. Ferrara, M.D.
Brian A. Flowers, M.D.
Lisa G. Franklin, M.D.
William Gallmann IV, M.D.
Mary E. Gilmer, M.D.
Zoey R. Glick, M.D.
Nishant Gupta, M.D.
Miranda Harris-Glockey, M.D.
Dahlia Hilario-McKinney, M.D.
Shakaria Johnson, M.D.
Elizabeth B. Keeble, M.D.
Carolyn Kezar, M.D.
Adam Kole, M.D.

Gastroenterology  Student
Resident  Resident
Allergy/Immunology  Radiology
Otolaryngology  Gastroenterology
Resident  Gastroenterology
Pediatrics  Radiology
Chief Medical Officer  Family Medicine
Resident  Resident
Pain Management  Resident
Resident  Internal Medicine
Obstetrics/Gynecology  Resident
Orthopedics  Dermatology
Resident  Obstetrics-Gynecology
Internal Medicine  Resident
Resident  Resident

Ryan J. Matherne, M.D.
Winn H. Mathews, M.D.
India S. Mayo, M.D.
Elizabeth B. Molony, M.D.
Rajini K. Murthy, M.D.
Padmavathy Nataraj, M.D.
Michael G. Neimkin, M.D.
Walter T. Parker, M.D.
Christopher T. Perry, M.D.
John Allen Piede, M.D.
Arottie P. Pisaturo, M.D.
Hengameh Salemi, M.D.
Lauren Sanders, M.D.
Janice K. Sandy, M.D.
Karl T. Schroeder, M.D.
Glori Short, M.D.
Matthew J. Skinner, M.D.
Christina C. Smith, M.D.
Laura S. Smith, M.D.
Kenneth G. Smithson, M.D.
Steven M. Sugg, M.D.
James G. Sullivan, M.D.
Sadia Sultana, M.D.
Ynhi T. Thai
George B. Tisdale, M.D.
Jacob C. Townsend, M.D.
Clive Wasson, M.D.
Tony Weaver, M.D.
Jianmin Xu, M.D.
Hongfeng Yu, M.D.
Song I. Yu, M.D.

Dermatopathology  Resident
Resident  Resident
Resident  Psychiatrist
Resident  Resident
Resident  Medical Oncology
Pain Management  Internal Medicine
Resident  Psychiatry
Internal Medicine  Obstetrics/Gynecology
Resident  Psychiatry
Resident  Anesthesiology
Psychiatry  Internal Medicine
Resident  Student
Internal Medicine  Cardiology
Resident  Resident
Resident  Family Medicine
Dispensary of Hope Update

Last year we introduced the Dispensary of Hope program to practices in central Alabama. The group is a 502(c)(3) group based in Nashville that recovers surplus short-dated medications from manufacturers, distributors and physicians, and redistributes them to the uninsured. There currently are over a thousand physician practices across the country that are donating their excess sample medications to the Dispensary of Hope, who then makes them available to charitable clinics and pharmacies. Currently three of these dispensing sites are part of St. Vincent’s Health System’s Access to Care, and the Jefferson County Medical Society is working with the Dispensary of Hope in an effort to add additional dispensing sites throughout our community and other parts of Alabama.

Since we announced the program last April, thirteen area practices have begun participating in the “Fill the Box Fill the Need” campaign. Since they began donating in June 2013, those practices have donated approximately $55,000 worth of medication.

The donation process is free and simple. Receive a Hope Box at your practice, fill it with medications that have reached 6 months prior to expiration, seal it, and apply the prepaid shipping label. After the Dispensary of Hope receives your donation, you’ll receive a faxed, itemized, receipt for your records, along with a new Hope Box to fill the following month.

To sign up or learn more, call 888.428.HOPE or go to www.dispensaryofhope.org/give-meds

Join the movement!

The JCMS Officers, Directors and Committee Members for 2014 are:

President: Gregory W. Ayers, MD
Immediate Past President: Stephen R. Steinmetz, M.D.
President-Elect: F. Cleveland Kinney, Ph.D., M.D.
Vice President: Roxanne R. Travelute, M.D.
Secretary-Treasurer: Mark A. Parker, M.D.

Directors: Elizabeth S. Martin, M.D.
           Cynthia H. Brown, M.D.
           Jamie A. Cannon, M.D.
           Keith D. Pettibon, M.D. (Resident)

Directors/Board of Health: Katisha T. Vance, M.D.
                          Steven J. Kulback, M.D.
                          Jennifer R. Dollar, M.D.
                          Nicole Redmond, M.D., Ph.D., M.P.H.
                          Max Michael, III, M.D.
In Memoriam

The JCMS wants to acknowledge the recent passing of the following JCMS members:

Dewey A. White, Jr., M.D.  
October 24, 2013

Robert M. Brissie, M.D.  
November 9, 2013

Patrick H. Smith, M.D.  
November 29, 2013

Dice K. Lineberry, M.D.  
December 11, 2013

Walter Pitts Little, Jr., M.D.  
December 13, 2013

Charles W. Breaux, M.D.  
December 25, 2013

Thomas C. Lawson, M.D.  
January 8, 2014

James Allen Pittman, Jr., M.D.  
January 12, 2014

John Durr Elmore, M.D.  
February 21, 2014

Oliver Brian Brand, M.D.  
February 22, 2014

Henry L. Laws, M.D.  
February 25, 2014

Roy T. Preston, Jr., M.D.  
March 28, 2014

Take Control of Your Practice Dollars!

Mark your calendar and plan to attend the seminar series

“Improving Practice Profitability: Dealing with Healthcare Reform and Other Things You Thought You Did Not Need to Worry About”

Tips You Must Consider When Selling a Medical Practice  
Thursday, May 1, 2014, 5:30-7:00 pm

Improving Practice Profitability  
Thursday, May 15, 2014, 5:30-7:00 pm

How to Tell if There is a Problem with Your Accounts Receivable/Redesign Your Physician Compensation Plan to Fit the New Reimbursement Trends  
Thursday, June 5, 2014, 5:30-7:00 pm

Detecting Employee Embezzlement/Medical Practice Audits and Monetary Disgorgements  
Thursday, June 19, 2014, 5:30-7:00 pm

How to Weather the Perfect Storm of Healthcare Reform/Getting the Most Financial Benefit from Owning the Real Estate Related to Your Practice  
Thursday, July 10, 2014, 5:30-7:00 pm

Meeting Location  
Southern Medical Association Headquarters Office  
35 W. Lakeshore Drive, Suite 201  
Birmingham, AL 35209

Registration Fee and Options  
$20 Fee for Each Seminar. To register or get further information, please call Southern Medical Association at 800-423-4992 ext. 620. Watch your inbox for future emails that will give more details regarding the classes, the speakers, and links to register.
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