RASKIN PLANNING GROUP
WEALTH IS A JOURNEY

38 FINANCIAL ASSUMPTIONS
THAT MAY COST YOU

We encourage you to take a read through these 38 financial assumptions. In our experience, many of these are often misunderstood and misrepresented by both investors, advisors and the media. Each represent a potential gap in your thinking and possibly your financial plan.

ESTATE PLANNING

1. Trusts are too complicated.
2. When our children are mature adults (21, 30, 35, 40+?) they should be able to manage the assets they inherit. If they can't, it is their problem.
3. Life expectancy is when you are expected to die.
4. I love my kids the same and it is important I treat them equally when it comes to my estate planning.
5. Discussing end-of-life care is a burden to my kids. They have their own busy lives and I don't want to bother them.
6. Unless my estate is over $22 million, no need to worry about taxes.

INCOME PLANNING

7. Annuities are never appropriate.
8. Don't spend principal; live off of interest and dividends.
9. I should take social security income as soon as I'm eligible because it might be not around to pay my benefits. Moreover, I might die and I'll miss out on benefits.
10. Family health and longevity is a good predictor of my future health and lifespan.
11. Living expenses reduce when you are retired.
12. Defer taking withdrawals from IRA's until you are required.

PROTECTION PLANNING

13. I'll buy insurance when I can afford it.
14. Long term care insurance is too expensive and policies don't provide sufficient coverage.
15. Cash value life insurance is a terrible investment.
16. Term life insurance is always less expensive than cash value or permanent life insurance.

RISK AND INVESTMENT PLANNING

17. More Risk, Greater Return.
18. Buy low - sell high.
19. Choosing highly-rated mutual funds will offer the best chance of investment success.
20. Paying taxes on long term capital gains is bad.
21. Hold onto a stock that has dropped in value from its highest price because it will rebound.
22. Inflation is really low. I don't need to worry about it.
23. If interest rates rise, bond values will go down. Therefore, bonds are risky to own during rising rate environments.
24. Index funds are low-cost and, therefore, the best investment choice.
25. U.S. stocks are less risky than international stocks and provide better returns.
26. Investors make rational decisions.
27. I'm approaching retirement so I can't afford any risk in my investment portfolio.

SUCCESSION PLANNING

28. Business succession is so complicated and expensive, we just can't afford the expense or the time.
29. I love what I do, will work forever and will never retire or slow down.
30. I'll start thinking about passing on the business when I get close to retirement.
31. I've built the business for my family and they will succeed me.

32. If I get sick or become disabled, our banker, key-employees and customers will stay loyal.

33. My employees don't care about retirement or other benefits. They are only concerned about their net pay.

34. I know I need to address business succession, but I'll deal with it when things slow down.

BEHAVIORAL

35. Rules of thumb help us make decisions.

36. History gives us a good sense what might happen in the future.

37. Statistics help us make financial decisions.

38. I need a mortgage so I can take advatage of the mortgage interest deduction and reduce my taxes.

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