

## A Doctor's Dilemma

### Background

A dedicated physician had been working full-time at a local hospital in the emergency room and moonlighting at another. He wanted to take a one-year leave and travel with his family before his children graduated high school. As he was completely debt free with substantial savings, and his children were in their early teens, the time was right, and the clock was ticking.

He asked Spectrum Wealth Management to help him put all the financial pieces together to realize his vision.

### Strategy

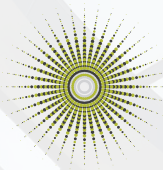
**Spectrum Wealth Management approached his challenge by:**

- outlining the travel year's demand on the family's financial resources, including health care costs and disposition of their current home while traveling;
- preparing cash flow models to compare their current financial situation with the travel years;
- recommending increasing the doctor's contribution to his retirement plan to reduce current income taxes and improve income tax efficiency "while traveling";
- defining the savings level that would secure his retirement once he returned to his practice;
- establishing a second retirement plan to defer income from his self-employment income; and
- demonstrating how a change in life insurance coverage would better protect the family at a lower cost.

### Outcome

These strategies enabled the doctor and his wife to see that their dream was viable. They understood what they needed to do and the impact it would have on their current and future lifestyle.

Interestingly, even though it was financially possible for them to take a year off and travel, they didn't. Instead, the doctor decided to reduce the moonlighting and spend more time at home with family.



## Retiring from the Medical Profession

### Background

A physician had been running a family practice for many years. She was a diligent saver, but the transition into retirement presented complexities, and she had retirement goals that she did not want to compromise.

She and her husband had two adult children. The younger was completing post-graduate studies, and the older was expecting her first child. The doctor knew that she wanted to have the flexibility to offer financial support as her family grew, while living the life she envisioned in retirement. She was introduced to Spectrum Wealth Management because of their specialized knowledge in guiding physicians through retirement.

### Strategy

**The Spectrum team took a number of steps to review our client's financial picture and design a comprehensive strategy. These steps included:**

- preparing cash flow projections for multiple scenarios to help ensure she could retain financial stability through retirement;
- developing practice transition strategies and a retirement timeline;
- ongoing communication with her other advisors regarding wealth accumulation, tax strategies and legal considerations;
- tailoring an investment strategy to help mitigate risk and supplement her income in retirement;
- identifying gaps in her insurance coverage and recommending solutions;
- organizing and simplifying her financial information, including legal documents and billing processes; and
- designing and implementing family trust solutions.

### Outcome

We initiated Spectrum's top-tier service, Family Office and Spectrum Private Trust, to implement the steps and strategies we recommended, from investing to family trusts. This helped provide our client with a clear path to retirement, and practical structures for lifestyle maintenance, health care funding, and family support. She is now happily retired and enjoying time with her family.

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## A Doctor in Academia

### Background

A medical doctor had been teaching at Indiana University for many years when she started to think seriously about retirement. The university provided a competitive compensation and benefits package, but she felt she did not have complete clarity as to which options would suit her best, how long her savings would last, and what kind of lifestyle she could expect in retirement.

She was also aware of the health care challenges that can arise later in life, and she wanted peace of mind that her financial strategies would serve her well should she experience a decline in personal health at any point in retirement. She was already working with an investment professional, but a colleague of hers recommended she speak with Spectrum Wealth Management to gain perspective on the larger picture.

### Strategy

**Because of our experience working with Indiana University professors, the Spectrum team was already familiar with the retirement benefits and benefit options available to the doctor. The strategy we developed included:**

- preparing cash flow models and income projections for various retirement scenarios;
- recommending changes to her retirement plan contributions to help her retire on time;
- recommending certain benefit options that would meet her needs today and through retirement;
- working with her accountant to find opportunities to reduce her tax burden;
- providing financial education resources; and
- reviewing her insurance policies to identify gaps, and recommending cost-effective new strategies for health care, long-term care and life.

### Outcome

Once the implementation process was completed, our client had a straightforward plan to retire in five years. Her projections showed she was on track to a comfortable retirement, even should her expenses increase in the years to come. Our strategies would help her make the most out of her compensation package from Indiana University.