

A collection of items including a chessboard, medals, a compass, and glasses. The chessboard is in the top left, with several pieces visible. Below it are two medals: one with a red ribbon and a white star, and another with a blue ribbon and a white star. A compass is in the bottom left. A pair of glasses is in the center. The background is a light-colored, textured surface.

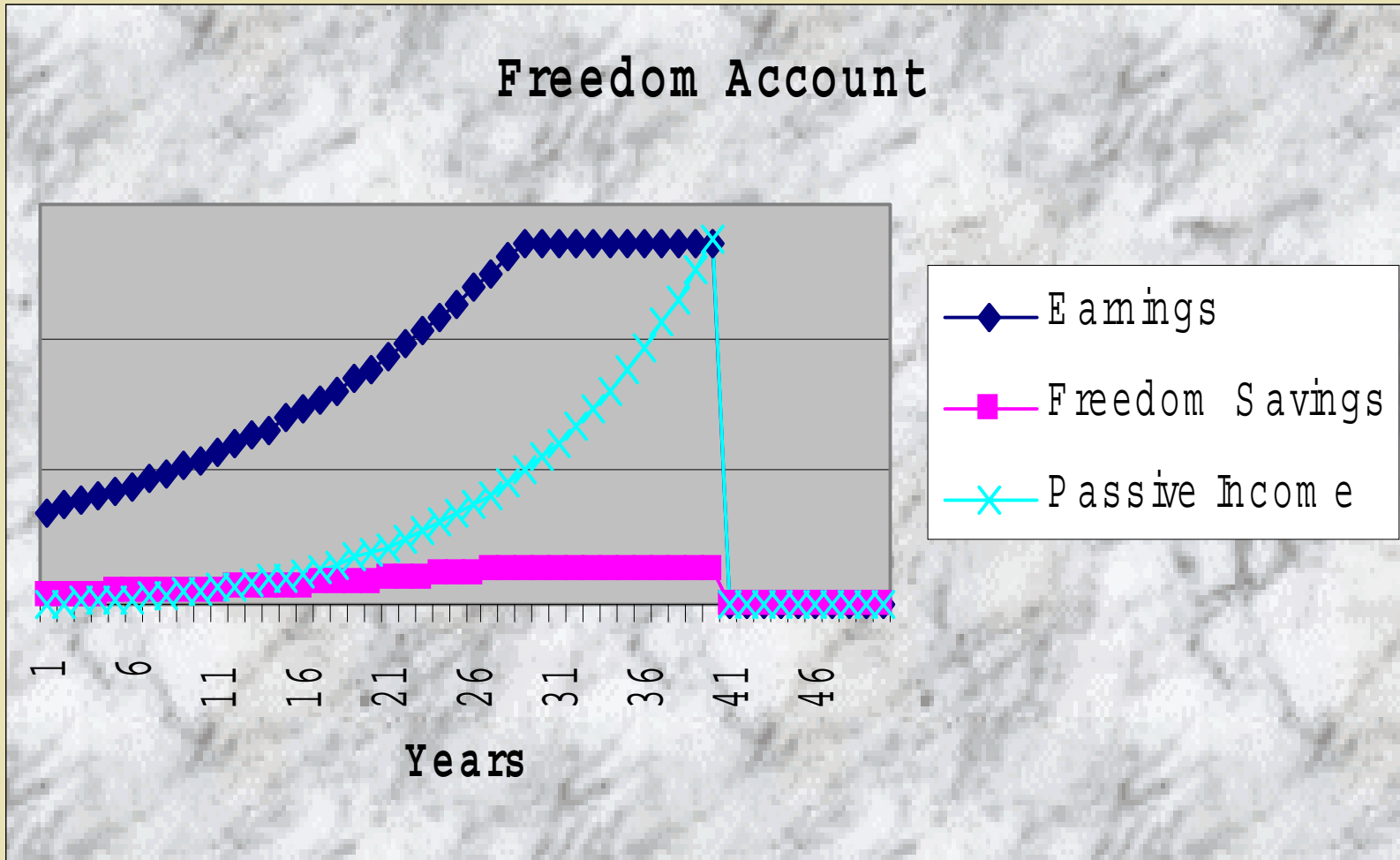
# Financial Freedom

Presented by  
Jerry E. Bartram  
Certified Public  
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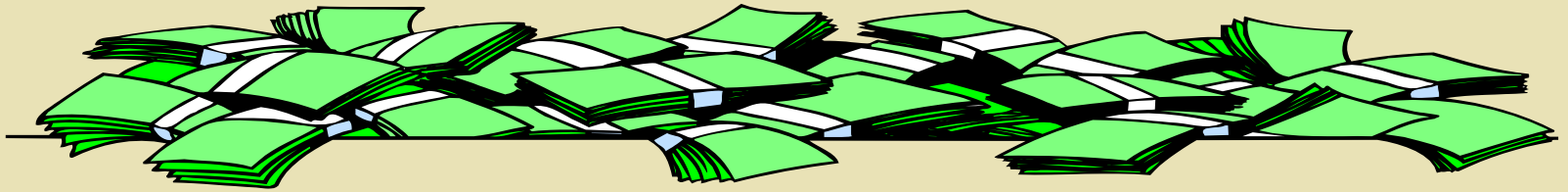
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# What If You Earned 10 And Spent 9



# 10 Financial Fundamentals



- ① Labor develops income but you will spend it
- ② Only assets develop true wealth
- ③ You think it is easier to earn money than to save it
- ④ However, spending less is earning more
- ⑤ Buy investments first - then toys
- ⑥ Taxes aren't taxes - they are dollars
- ⑦ Make your money work
- ⑧ Use compounding
- ⑨ Save systematically
- ⑩ Take action

# Education is an Example of a Good Debt

- ◆ Your return on investment will far exceed anything else you could do.
- ◆ Freedom to work when and where you want.
- ◆ Last a lifetime





# Doodad Debt

- ◆ When The Benefit of a Purchase is Less Than The Time It Takes To Pay For It.

# “Doodad Debt”



- ◆ No return on investment.
- ◆ Each time you use it, it cost money.
- ◆ Fun to own if you are debt free and have a surplus.

# Time Line - Medical Education and the Four to Ten Years Post Graduation

4 Years For Education	2 - 3 Years For OTJ Training	Develop Practice Income	Home Debt Invest
<ul style="list-style-type: none"> <li>• <i>Graduate on Time</i></li> <li>• <i>Bills Paid on Time</i></li> <li>• <i>Pass Boards First Time</i></li> <li>• <i>Manage Debt</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Pay Down Non-student debt as fast as possible</i></li> <li>• <i>Start Investing</i></li> <li>• <i>Monitor Production per Hr.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Invest</i></li> <li>• <i>Analyze Practice Options</i></li> <li>• <i>Purchase Practice</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Pay Down Loans</i></li> <li>• <i>Continue Investing</i></li> <li>• <i>Emergency Fund</i></li> </ul>

# What Cost For Contentment

**Low Cost**

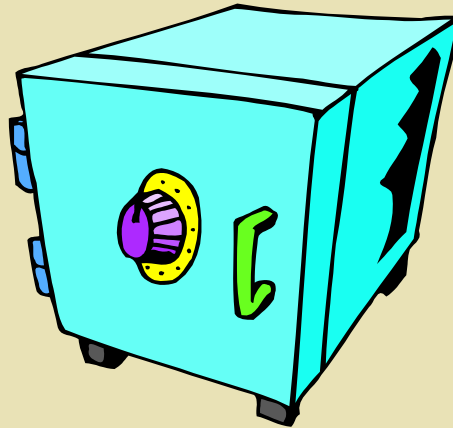


**High Cost**





# Saving Taxes



**TAXES**

**REDUCTION**

**DEFERRAL**

**ELIMINATION**

**SPLITTING**

# EARN – TAX – SPEND SYNDROME

EARN

**COMPANY**

TAX

**GOVERNMENT**

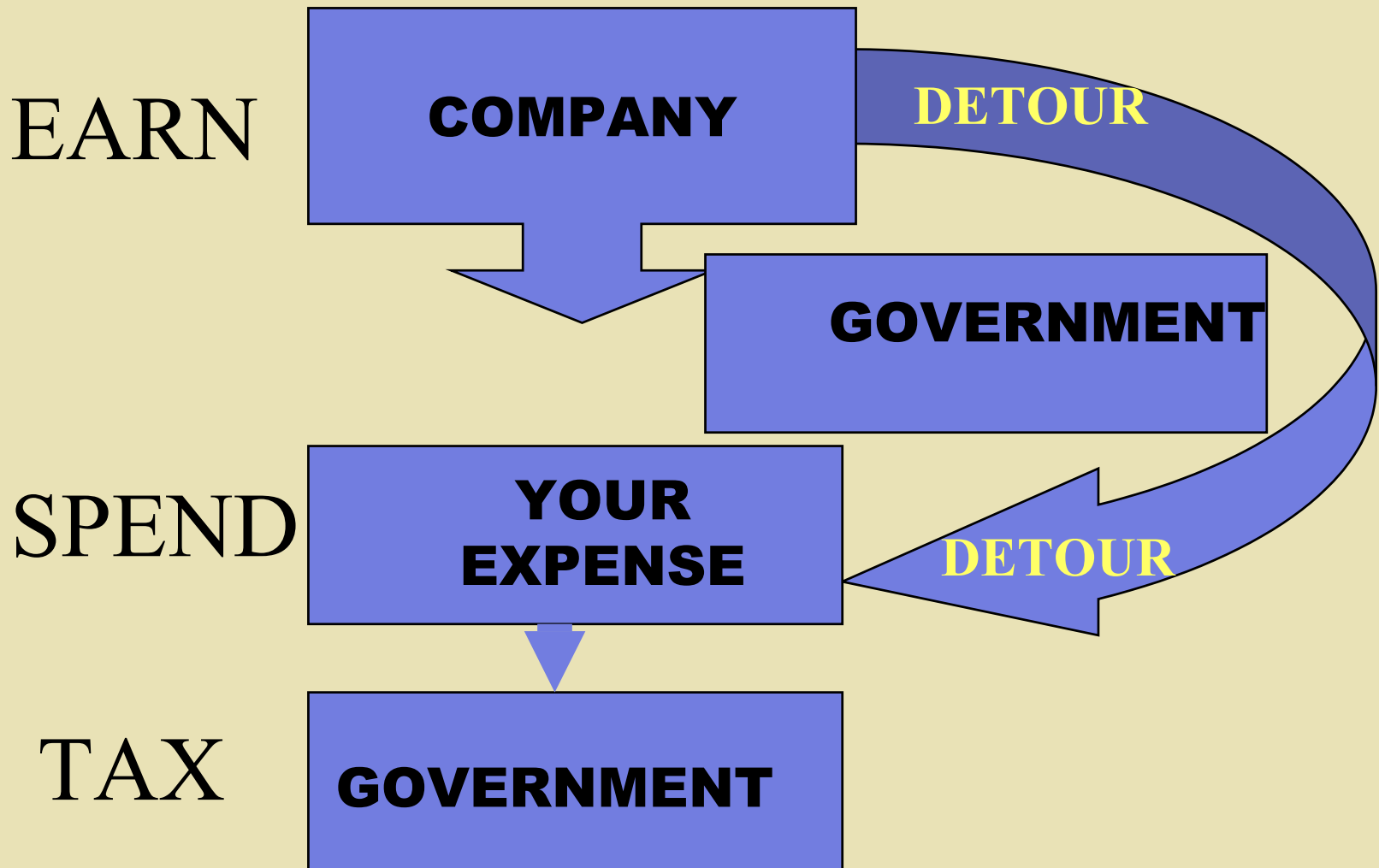
SPEND

**YOUR  
PAYCKECK**

*OF THE AVERAGE TAXPAYER*



# THE BUSINESS OWNER'S SYSTEM TO WEALTH





# GROSS INCOME

**WAGES**

**INTEREST INCOME**

**DIVIDENDS**

**NET INCOME FROM PRACTICE**

**RENTAL INCOME**

**CAPITAL GAINS**

**FARM INCOME**

**OTHER INCOME**

**GROSS INCOME**



# ADJUSTMENTS TO INCOME

**GROSS INCOME**

**(ADJUSTMENT TO INCOME)**

**IRA DEDUCTION**

**STUDENT LOAN DEDUCTION**

**MOVING EXPENSE**

**$\frac{1}{2}$  SELF EMPLOYED INS.**

**$\frac{1}{2}$  SELF EMPLOYMENT TAX**

**TOTAL ADJUSTMENTS**



# How Are Taxes Figured

**GROSS INCOME**

**(ADJUSTMENT TO INCOME)**

**ADJUSTED GROSS INCOME**

**(PERSONAL DEDUCTIONS)**

## Standard Deductions

<b>Taxpayer(s)</b>	<b>2001</b>	<b>2000</b>
Single	\$4,550	\$4,400
Married Filing Jointly	\$7,600	\$7,350
Married Filing Sep.	\$3,800	\$3,675
Head of Household	\$6,650	\$6,450
"Kiddie" Standard	\$750	\$700
<b>Additional Deductions</b>		
Single 65 and Over	\$1,100	\$1,050
Married 65 and Over	\$900	\$850
<b>Personal Exemption</b>		
	\$2,900	\$2,800



# How Are Taxes Figured

**GROSS INCOME**

**(ADJUSTMENT TO INCOME)**

**ADJUSTED GROSS INCOME**

**(PERSONAL DEDUCTIONS)**

**MEDICAL**

**TAXES & INTEREST**

**DONATIONS**

**OTHER >2% OF AGI**

**TOTAL PERSONAL DEDUCT.**





## Itemized Deductions

### Medical Expenses

Excess over 7.5% of Adjusted Gross Income (AGI)  
60% of Health Insurance Premiums for self-employed

### Personal Interest Expenses

Not deductible (e.g. credit card Int., car loan)

### Net Non-Business Casualty Loss

Deduct \$100 per incident then  
claim excess over 10% of AGI

### Charitable Contribution

Up to 50% of AGI depending  
on type of gift and recipient

### Misc. Deductions

Excess over 2.0% of AGI is deductible



# How Are Taxes Figured

**GROSS INCOME**

**(ADJUSTMENT TO INCOME)**

**ADJUSTED GROSS INCOME**

**(PERSONAL DEDUCTIONS)**

**TAXABLE INCOME**

## 2001 Tax Brackets

### Taxable Income

Single	Married Joint	Head of Household	Tax Rate
\$1-27,050	\$1-45,200	\$1-36,250	15%
\$27,051-65,550	\$45,201-109,250	\$36,251-93,600	28%
\$65,551-136,750	\$109,251-166,450	\$93,601-151,600	31%
\$136,751-297,300	\$166,451-297,300	\$151,601-297,300	36%
Over \$297,300	Over \$297,300	Over \$297,300	39.6%



# How Are Taxes Figured

**GROSS INCOME**

**(ADJUSTMENT TO INCOME)**

**ADJUSTED GROSS INCOME**

**(PERSONAL DEDUCTIONS)**

**TAXABLE INCOME**

**TAX BEFORE CREDITS**

**ADD: SELF EMPLOYMENT TAX**

## Wage Bases and Earnings Limits

<b>Social Security</b>	<b>2001</b>	<b>2000</b>
Wage Base (6.2%)	\$80,400	\$76,200
<b>Medicare Tax</b>		
Wage Base (1.45%)	No Limit	No Limit
<b>Social Security Earning Limit</b> Before Benefit Reductions		
Below Age 65	\$10,680	\$10,080
Age 65 - 69	No Limit	No Limit
Age 70 and Over	No Limit	No Limit
<b>"Kiddie" Tax Exemption</b>		
	\$1,400	\$1,400



# How Are Taxes Figured

**GROSS INCOME**

**(ADJUSTMENT TO INCOME)**

**ADJUSTED GROSS INCOME**

**(PERSONAL DEDUCTIONS)**

**TAXABLE INCOME**

**TAX BEFORE CREDITS**

**ADD: SELF EMPLOYMENT TAX**

**(TAX CREDITS)**

**TAXES OWED**



## Estimated Tax Payment Filing Dates

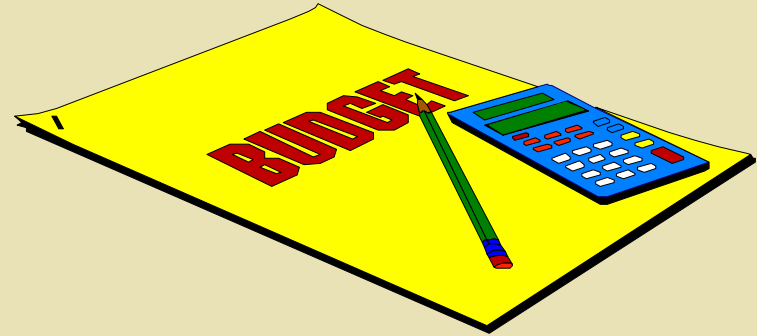
	2002 Returns	2001 Returns
First Quarter	April 15, 2002	April 16, 2001
Second Quarter	June 17, 2002	June 15, 2001
Third Quarter	Sept. 16, 2002	Sept. 17, 2001
Fourth Quarter	Jan. 15, 2003	Jan. 15, 2002

Individual 2001 Income Tax Return **April 15, 2002**

## Other Important Dates

	00 Returns	01 Returns
Automatic Extensions <i>(If Filed)</i>	8/15/01	8/15/02
Additional Extensions <i>(If Filed)</i>	10/15/01	10/15/02

# Budgeting



- ◆ 10% For Savings
- ◆ 10% For Giving (Tithe other Donations)
- ◆ Live Joyfully On The Rest

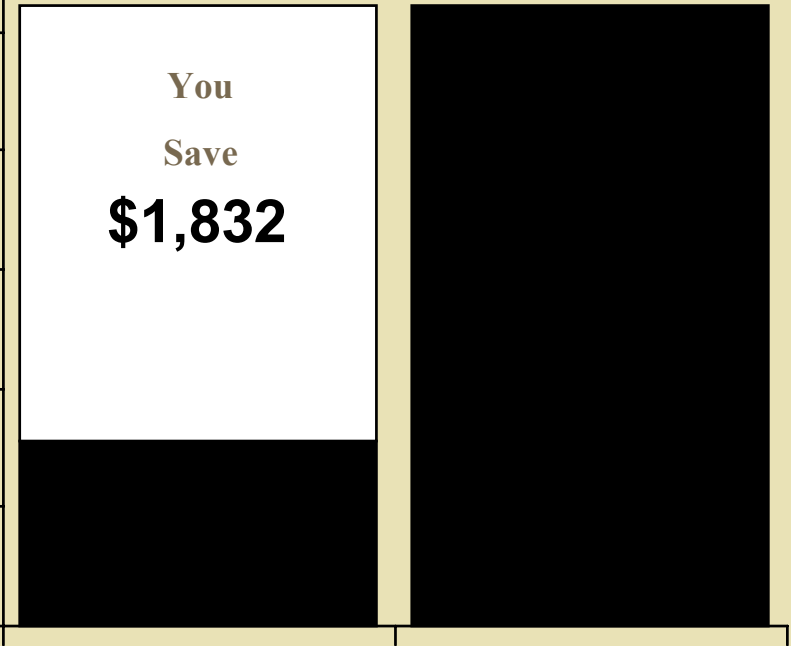


# Roth IRA vs. Traditional IRA

Total Tax Paid **\$3,000**  
on a Single **\$2,500**  
Contribution **\$2,000**  
Invested for **\$1,500**  
20 Years **\$1,000**

**\$500**

**\$0**



**Roth IRA**

**Traditional  
IRA**

This example assumes a single \$2,000 contribution is made upon opening the IRA, total annual returns of 8%, all taxes payable at a 28% rate, and withdrawals are taken in a lump sum by an IRA owner who is age 59.5 or older upon withdrawal.



# What Is The DJ Average

<b>Dow Jones Averages</b>	<b>Last</b>	<b>Change</b>	<b>% Change</b>
30 Industrials	10392.52	46.57	0.45 %
20 Transportation	2864.22	30.56	1.08
15 Utilities	340.46	0.86	0.25
65 Composite	3096.32	16.89	0.55
DJ U.S. Total Market	273.13	0.59	0.22
DJ U.S. Small-Cap	293.71	1.16	0.40
DJ U.S. Mid-Cap	279.68	0.12	0.04
DJ U.S. Large-Cap	267.96	0.66	0.25



# Standard & Poor's Index

<b>Standard &amp; Poor's Indexes</b>	<b>Last</b>	<b>Change</b>	<b>% Change</b>
500 Index	1181.66	3.64	0.31 %
Industrials	1361.40	6.45	0.48
Utilities	277.15	-0.41	-0.15
400 MidCap	502.99	0.24	0.05
600 SmallCap	228.82	1.32	0.58



# NASDAQ Index

## NASDAQ Stock

### Market

**Last**

**Change**

**% Change**

Composite

1930.32

11.43

0.60 %

NASDAQ 100

1581.98

9.95

0.63

Industrials

1379.62

6.94

0.51

Insurance

2337.26

23.58

1.02

Banks

2231.84

13.85

0.62

Computer

945.66

9.43


1.01

Telecommunications

259.31

-3.53

-1.34



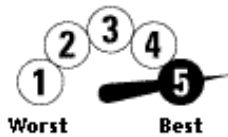
# Dollar-Cost Averaging: How It Works

	Investment (\$)	NAV (\$)	Shares Purchased
January	100	10	10
February	100	9	11.1
March	100	11	9.1
April	100	8	12.5
May	100	9	11.1
June	100	12	8.3



# Potential Benefits of Either Approach

Look at your portfolio as a whole first. If you're making your first investment, dollar-cost average into a steadier fund, such as a blue-chip stock fund or S&P 500 index fund. You can also combine dollar-cost averaging and lump-sum investing. Invest a lump sum up front and arrange for an automatic-investment program to invest a set amount each month. That way, you won't miss out on the potential benefits of either approach.



Return High  
Risk Average

Morning Star Rating



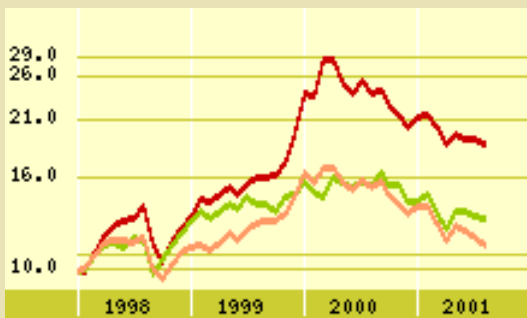
# Morning Star Reports

How Has This Fund Performed?

Growth of \$10,000

	Index:			
	1998	1999	2000	07-01
Fund: Artisan International	32.2	81.3	-10.6	-12.1
Category: Foreign Stock	18.9	36.2	4.8	4.9
+/- Index	3.6	60.3	-1.5	-4.4

Data through 07-31-01



S & P 500

Size  
Median Mkt  
Cap \$Mil

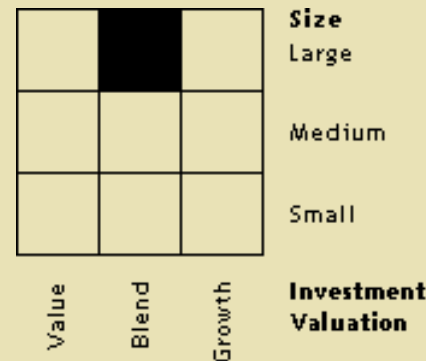
15,382

Market Capitalization

% of Portfolio

Giant	13.80
Large	45.22
Medium	38.70
Small	1.86
Micro	0.42

## Style Box Details



## Asset Allocation

### Investment Style History

2000		Cash	4.6
		Stocks	95.4
1999		Bonds	0.0
		Other	0.0
1998		Foreign	95.1





# Five Questions To Ask Before You Buy A Fund

- ◆ How has the fund performed?
- ◆ How risky has the fund been?
- ◆ What does the fund own?
- ◆ Who runs the fund? What does the fund cost?





# Possible Mutual Fund Expenses and Fees

## ◆ Accounted for in fund return

- Management fee
- Group fee
- Performance fee
- Administrative fee
- 12(b)-1 fee
- Brokerage costs
- Bid-ask spreads
- Interest costs

## ◆ Not included in fund return

- Front-end sales load
- Back-end sales load
- Transaction fees
- Redemption fees
- Account maintenance fees



# A PERSPECTIVE FOR SETTING LIFESTYLE GOALS

- ◆ “The big cars, lavish homes, expensive vacations, and overstuffed bank accounts will not matter a whit one second after you heart stops beating. The only thing that will be of any importance for all eternity is that which was done in the Lord’s name-in the Lord’s way.” Business By The Book Pg.. 47