

Book review: *The Lawyer's Guide to Financial Planning*

The Lawyer's Guide to Financial Planning by Cynthia Sharp is an indispensable resource for any attorney seeking financial literacy and security. Sharp, a 30-year veteran attorney with an LL.M. in taxation, explores essential financial and tax concepts that all lawyers must grasp in order to properly guide clients as well as to secure their own economic futures. A roadmap to this comprehensive and well researched book is provided in the detailed table of contents which is available online. (See link below.)

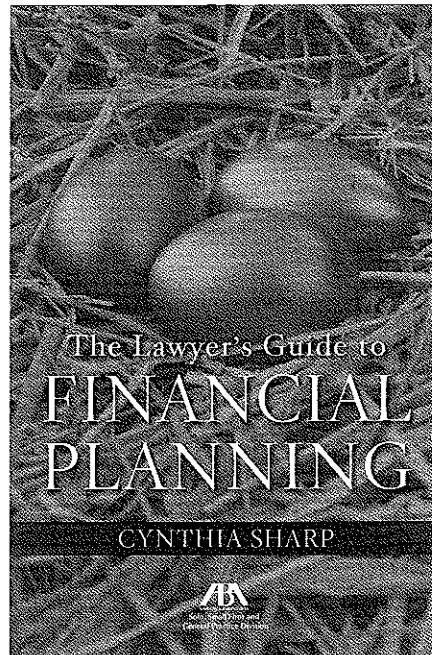
"Part One" addresses the accumulation and growth stage of wealth building, laying out easy to follow strategies, approaches and perspectives. Sharp begins with an overview of the elements of the financial planning process and encourages readers to begin self-assessment from the outset. Organizational tools are provided along with guidelines as to their effective use.

The basics of common investment options (such as mutual funds, stocks, bonds and annuities) and concepts such as the importance of diversification, asset allocation and hedging against inflation are clearly and concisely explained. Sharp discusses the various roles that a financial advisor can play and outlines methods by which they are compensated. She further provides a list of questions that a potential client should ask when hiring any financial professional and dispenses clear and sensible advice in a landscape usually filled with smoke, mirrors, hype and paid salespersons.

Factors to consider before purchasing various types of real estate investments including the primary residence, vacation home and investment real estate are analyzed. Mortgage options are demystified through clear cut illustration. For example, a table included in this chapter shows the total outlay for a fixed-rate, 30-year \$200,000 mortgage at 4.5 percent with monthly payments versus bi-weekly payments. (Spoiler: A borrower will save \$27,240 overall by choosing the bi-weekly payment option.)

"Part Two" sets forth concrete strategies to prepare for the following three life stages: funding education, retirement planning and the long-term care dilemma. The author cautions readers not to derail their own retirement

plans to fulfill the dream of paying cash for a child's college education and suggests that today's economic climate may call for a collaborative approach toward financial higher education. Toward that end, she outlines a number of savings strategies and available tax breaks.



Methods by which to calculate retirement needs and the importance of specifically setting attainable interim goals are outlined. Readers are referred to online calculators that will prove useful in weighing their own options in many arenas. The financial impact of post-retirement domicile with respect to cost of living, income, estate and gift tax liability, the availability of government benefits as well as myriad other legal rights is discussed. Aspects of Social Security benefits are explained. The tax benefits of qualified plans, IRAs and Roth IRAs are analyzed in detail.

Significant information is furnished with respect to qualification for the following governmental benefit programs: Medicare, Medicaid, SSI and SSD. The role of long term care insurance and reverse mortgages in elder care planning is discussed. As elder law was one of Sharp's areas of practice, she is able to provide depth and wisdom with respect to the intricacies of the planning process.

"Part Three," devoted to asset conservation strategies, focuses on protecting against outside disaster and self-imposed losses and preserving wealth by reducing income tax liability, listing 10 common costly mistakes made by taxpayers. The high cost of carrying credit card and unsecured debt is analyzed through specific example. Information regarding the meaning of credit scores and how to obtain credit reports is provided.

"Part Four" outlines critical estate planning documents, planning techniques and pitfalls to avoid as well as specific considerations in the taxation and special needs realm. Sharp notes that in light of the prevalence of digital assets, "(f)orward-thinking estate planning attorneys incorporate language into powers of attorney and wills specifically authorizing fiduciaries to handle digital property" and provides sample clauses for the reader's use.

In "Part Five" and the appendix, Sharp shows "The Way Forward" by providing checklists, a personal budget guide and tips on improving the bottom line of a small law firm. She reminds readers that "living up to one's own financial potential also requires the willingness to take necessary action, regularly monitor progress, make adjustments, and perhaps make short term sacrifices." Ultimately, attorneys are encouraged to take action and take charge of their own economies.

Written for busy attorneys, this practical, step-by-step and fun-to-read guide provides unbiased and balanced recommendations, resources, references and tools. All readers, whatever level of wealth, will benefit from Sharp's extensive knowledge and wisdom. Available through ABA Book Publishing, *The Lawyer's Guide to Financial Planning* can be ordered online at <http://shop.americanbar.org/eBus/Default.aspx?TabID=251&productId=214501>. ♦

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