

Speaker 1: Welcome to the Mullooly Asset Show. In this video, we're going to talk about ways to save money for college. We're also going to talk about how do I even begin planning for retirement? We're going to look at that parallel universe called LinkedIn. Welcome to the Mullooly Asset Show. Over the years, we have compiled 192 videos. Casey, is that right, 192? We've done 178 podcasts. That number I know. I looked it up before we got on.

We're calling this episode number one. We want to start with a clean slate. We're going to put these videos up, these video blogs, and give you an opportunity to ask your questions. The topics that we cover are coming from the questions that we get from you. They may be conversations that we have with you on the phone or e-mails that we get from you or even questions that we get through Twitter or some other social media.

Keep those questions coming in. They provide great content for us and of course we help satisfy your curiosity that you've got about different things. Casey, what the first topic we want to talk about? I think it's college.

Casey: The first question is What's the best way to start saving money for college?

Speaker 1: What's the best way to save for college? We're going to just touch slightly on three different ways that people can save money for college today in 2015. The main message I want you to take home today is save. Saving money for college requires you to put money away. There really is no trick for saving money for college. It is the discipline of putting that money away every paycheck or every month, taking some kind of action to put money away for the future.

I don't what it is today, but over the last 20 or 30 years, that discipline of just saving money seems to have disappeared from our culture. I don't really know the reason why. We've become a culture of spenders. The three best ways to save money for college. The 529 accounts. There are certainly good pros for 529s, but there's also some cons that you need to know. We'd be happy to talk to you on the outside about the benefits and the negatives of 529s.

You need to know both ways, both sides, before getting involved. 529s are really long term investment, so once you start, it's kind of hard to take the money out unless your child is going to college. Another way to put money for college is the custodial account, which means we open up a brokerage account at a broker and put money into a custodial account. There are some benefits to putting money away in a custodial account tax-wise, some small tax breaks that you really need to consider.

The other big positive is that your investment options are unlimited when you compare them to the 529 accounts, which have some pretty limited options. Again, we can talk more in detail about this. The third way that you can put money away for college is something a lot of folks may not even realize, but you can put money into a Roth IRA. If you don't need the money for college, well that's just more money that you've socked away for retirement and as people are discovering now, you can't really save enough money for retirement.

529s of course, custodial accounts, an old concept that seems to have fallen by the wayside, and Roth IRAs. The main message today again, save money. Just get in that discipline of putting money away. Casey, what's next?

Casey: Next is a question we get a lot from clients, and it's where do I even begin with retirement planning?

Speaker 1: Okay, retirement planning. How do I even begin? Where do I start with something, a big topic like retirement planning? People come to us all the time and they say, "I don't know if I have enough money saved for retirement." The really big question that we're going to kind of throw back to you is what's your number? You need to do a little bit of homework before you can even start doing your retirement planning. You've got to know what your number is.

Quite frankly, I'm amazed that people don't have a handle on what that number is. Let's talk about what is this number that I'm referring to? What do you spend? What are your expenses on a monthly basis? Do you know that number? People can usually rattle off what their mortgage payment is, what their property taxes are, their car payment, insurance, what they spend on food. That's great, but what is the total number that you're spending on a monthly basis?

You have to include things like going out to dinner because you do. You have to factor in a trip or two every year if you take a trip or two every year. You also have to factor in things that happen. You're going to need a new transmission. You're going to need four new tires. You're going to have a trip to the emergency room. You're going to have things that happen. You can't say, "Well I'm going to exclude that \$2000 bill from last month out of my number because that was a one-time thing, a transmission on a car," but that stuff happens every month. You really need to be aware of these things and include them in your number because life gets in the way.

Things happen. When clients come to us and they want to talk about retirement planning, I throw it right back to them and say, "What is your number?" I'm a little disappointed to find that most people don't really have a grasp on what that number is. Do a little homework and figure out what your expenses are. Don't delete anything. Once we know that number, then we can start backing into okay, we need to generate \$10,000 a month or \$5000 a month or whatever the number is. Then we can start doing some real solid planning.

We're going to uncover whether you're on track or if you need a little change in direction. Get to know that number. We'll be checking your homework and we'll have a quiz later on that. Casey, what's the next question?

Casey: Next question we've got comes from a business executive. It was is there any value to being on LinkedIn?

Speaker 1: Is there any value to being on LinkedIn? This question came in from one of our clients

who is a business executive. He's on LinkedIn. He's got a couple of dozen contacts, people that he knows pretty well, but he said, "Hey, you know what? My friends are on Facebook. I have a Twitter account. Is there any kind of benefit to being on LinkedIn?" I think there is.

I think there's really good value because the world that we live in in 2015 and beyond, your neighborhood isn't just the people on your street or the people in your town. If you know them, great, but the world is open for business. People in the United States, you can connect with people in all 50 states and get to know them pretty well through a platform like LinkedIn. It's good to connect with people. You never know what doors are going to be opened when you get on LinkedIn.

There is a problem though. I think advisors, brokers, other sales people in general are starting to clog up the works. If you have a LinkedIn account, you're going to start to see a lot of things showing up in your news feed that may not be worth your time reading. You've got to really judge what's worth your time to stop and read. A lot of the stuff that's in your news feed on LinkedIn may not be worth your time.

I'm finding a lot of articles getting recycled by people in sales. Their main objective is they want to keep their name, their profile in front of you. I don't know if that's really a good use of your time. I think LinkedIn could be good, but it could also go down the rabbit hole where we see a lot of time getting wasted on it. Right now, great platform. I think it's worth your while to look at that.

One of the things that has come up with discussions that we've had with other advisors and brokers in the business is this, at the bottom you'll see folks on their profile getting endorsements for skills. The regulatory bodies that we have in the investment world, the SEC, the state regulators, FENRA, in the past they've frowned on clients giving recommendations or giving endorsements, even for things like "my advisor calls me right back when I leave a message."

You can't have any kind of endorsement at all with that. They're starting to break down those walls, but I think you're going to find a mixed answer when you look at LinkedIn profiles for investment advisors and for brokers because there really is no clarity about whether you can endorse someone for their skills, for their involvement skills, for their management skills. That's still a murky area. You're going to see a lot of different kinds of profiles out there. LinkedIn, though, I think if you're a business executive, if you want to continue to expand your network, I think it's really worth your time.

Definitely connect with me on LinkedIn and you can also follow Mullooly Asset Management on LinkedIn as well. That's all we've got for you today and we will see you in episode two.

How did we do?