

## **Executive Plans**

### **Not The Business**

This subject may not be appropriate to the current level of your business but at some point you will hopefully face the problem of profitability and not let yourself fall into this trap. As a business progresses and more money becomes available you must remember why you got into business in the first place. It was to accumulate personal wealth not to accumulate business wealth. This is accomplished by increasing your salary, giving you a bonus, increasing your employee benefits and putting money into your retirement savings. Do not forget that the business is not the objective. The objective is to accumulate personal wealth.

### **Target 45**

Too often when the business owner suddenly has excess dollars to spend, they spend it unwisely. Did you really need that 5000 square foot home, that big new expensive car, and a new boat? All these just increased your personal budget, which needs to be

under just as good a control as your business budget. For the younger business owner, I like to set objectives and financial goals to reach before age 45. The first and foremost is to be sure the home budget is under control. The next objective is to accumulate 90 days in liquid emergency funds. Next we want to get the best tax deduction you can have and that is to buy a house. What if you should pass away or become disabled? You need life and disability insurance to safeguard your family. The next use of funds is to set aside education funds for children. And, we are not so very sure where social security will be when we retire so the next use of funds would be to retirement accounts. But it should be in this order.

## **Target 65**

The next phase of life we call target 65. In this phase we maximize funds for retirement and turn our business into a saleable asset.

## **Target 90**

Target 90 basically says we want to set our budgets so that we have adequate income through age 90 and give away excess assets to beneficiaries before we die so that those funds do not go to nursing homes, estate taxes, and inheritance taxes.

For more resources visit [www.rjclark.com](http://www.rjclark.com).