McCombs Career Webinar

Thursday, November 19th, 2015
The Link Between Health and Wealth

by Daniel Caswell, BBA Class of 1984
Founder, Integrated Wealth Strategies
"Man sacrifices his health in order to make money. Then he sacrifices money to recuperate his health. And then he is so anxious about the future that he does not enjoy the present; the result being that he does not live in the present or the future; he lives as if he is never going to die, and then dies having never lived..."

Dalai Lama
Today’s Agenda

- Your “Life Wealth Portfolio”
- The link between Health and Wealth
- Why is this Link Important “Act Now”
- Easy to Implement Strategies that will positively impact your life, your career and those around you.
- Q and A
The Life Wealth Portfolio

YOU
YOUR "FAMILY"

YOUR BUSINESS

YOUR HEALTH

CAREER

INVESTMENTS

TAXES

You/IWS
Correlation Health and Wealth

\[ LE = 7.02 \ln(GDP_{pc}) + 6.90 \]
\[ R^2 = 0.6921 \]
Or is it the other way around?

Is Obesity Caused by Poverty?

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Obesity Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Poverty Line</td>
<td>25%</td>
</tr>
<tr>
<td>1.00-1.99 x Poverty</td>
<td>25%</td>
</tr>
<tr>
<td>2.00-3.99 x Poverty</td>
<td>20%</td>
</tr>
<tr>
<td>&gt;= 4.00 x poverty</td>
<td>15%</td>
</tr>
</tbody>
</table>

- Men
- Women
Stress is linked to the six leading causes of death

Can stress kill you?
Even Worse

“You Live”
Cost of Stress

50% less in Retirement Assets

Quality of Life

Quality of life for those around you

Additional $250,000 to $500,000 of costs

Chronic Disease

- heart attack
- stroke
- COPD
- insomnia
- hypertension
- cholesterol
- arthritis
- diabetes
76% of US cite Money as the leading cause of Stress
Eliminate Worries (Stressors)

- Going to die
- Going to be critically injured
- Going to be critically ill
- Going to be chronically ill
- My kids need to go to college
- I could lose my job
- My parents could get sick and I have to take care of them
- I could lose my nest egg
- I could run out of money
- My company
“Eliminate”

Money
Career
STRESS
Do you believe eliminating the stress would work? Why aren’t you doing anything about it?

“I do not know how”

“It is too hard”

“I don’t have time”

“I will start tomorrow”
Guiding Principal of our Practice

Things That Matter

Things You Can Control

What You Should Focus On

BEHAVIORGAP.COM
“Makes the World Go Round”

What if you don’t have the pile?
Next Best Thing

WORK the PLAN

To build a pile of money
You can control this!
You can do this!
Work daily at this and feel better
“Smart” Pile of Money

Pre-Tax:
401(k)
IRA

Tax Free

Reduce Stress Safety Net
Strategy to Consider
“Super Roth”
What is your Current Asset Allocation?

Growth And Income Model Portfolio
(6.00% blended rate)

- Mid Value (5.00%)
- Mid Growth (5.00%)
- International (5.00%)
- Small Growth (3.00%)
- Inv Grd Bnd (20.00%)
- Cash (4.00%)
- Small Value (2.00%)
- Large Value (17.00%)
- Large Growth (23.00%)
- IPS (6.00%)
- Sht Trm Bnd (10.00%)
What is your Expected Return?

Growth And Income Model Portfolio

- 8.00% blended rate

- **Safe Money**
bonds in 10, 20 and 30-year maturity ranges. These rates reflect the approximate yield to maturity that an investor can earn in today’s tax-free municipal bond market as of 6/7/2015.

### AAA RATED

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>Maturity Range</th>
<th>Today</th>
<th>Last Week</th>
</tr>
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<tr>
<td>National</td>
<td>10 Year</td>
<td>2.10</td>
<td>2.05</td>
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<tr>
<td>National</td>
<td>20 Year</td>
<td>2.90</td>
<td>2.85</td>
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<tr>
<td>National</td>
<td>30 Year</td>
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<tr>
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<td>30 Year</td>
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<tr>
<td>Florida</td>
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Integrated Wealth Strategy

A Revolutionary Solution

Disability Income
Money to help pay your bills.

Retirement Income
Money for a secure retirement.

Accelerated Living Benefits
Chronic, Critical, or Terminal Illness Riders.

Life Insurance
Money for your family.

Life Insurance You Don’t Have to Die to Use.
Integrated Strategy

7% Return Tax Free
Principal Guaranteed

Expected Return 9.7%

Growth And Income Model Portfolio

- Large Growth (23.00%)
- Large Value (17.00%)
- IPS (6.00%)
- Sht Trm Bnd (10.00%)
- Inv Grd Bnd (20.00%)
- Small Growth (3.00%)
- International (5.00%)
- Mid Growth (5.00%)
- Mid Value (5.00%)
- Small Value (2.00%)
Eliminate Worries (Stressors)

- Going to die
- Going to be critically injured
- Going to be critically ill
- Going to be chronically ill
- My kids need to go to college
- I could lose my job
- My parents could get sick and I have to take care of them
- I could lose my nest egg
- I could run out of money
- My company
Third Bucket

Pre-Tax:
- 401(k)
- IRA

After-Tax:
- Mutual Funds
- Stocks
- Real Estate
- Annuities

Tax Free

Growth
What is your Expected Return?

Actual Return?

11.1% vs. 3.7%

Growth And Income Model Portfolio
(8.00% blended rate)

Aggressive money
<table>
<thead>
<tr>
<th>THE WALL STREET JOURNAL</th>
<th>FINANCIAL TIMES</th>
<th>AP Associated Press</th>
</tr>
</thead>
<tbody>
<tr>
<td>The New York Times</td>
<td>DOWJONES</td>
<td>REUTERS</td>
</tr>
<tr>
<td>Investment News</td>
<td>CNN Money</td>
<td>Bloomberg TV</td>
</tr>
<tr>
<td>Financial Advisor</td>
<td>USA TODAY</td>
<td>CNBC</td>
</tr>
<tr>
<td>BARRON'S</td>
<td>Market Watch</td>
<td>The Street</td>
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</tbody>
</table>
Stress and Time
Fees and Stress

11.1% vs. 3.7%

2%-3%
The Cycle of Market Emotions

Emotion often leads to trying to time mark

Stress and Time

11.1% vs. 3.7%
Strategy and Philosophy

How to Capture the market with less stress
94%
Remember our / “your” Philosophy

THINGS THAT MATTER
• Small Vs Large
• Value Vs Growth
• Profitable vs Not

THINGS YOU CAN CONTROL
• Amount of Risk you take
• Expenses you pay
• Taxes you pay

WHAT YOU SHOULD FOCUS ON

Expenses < .35%
Own the World

Own the World
What’s Important Now? Your Plan will Tell Us

Things That Matter

Things You Can Control

What You Should Focus On

behaviorgap.com
Most stressful days of the year

April 15th
October 15th

Control this
Sleep
Exercise

2 hours per week

Do what you love

Integrate

With someone you care about
What we do “Stay on Plan”
The recording of today’s presentation, along with the slides, will be available on our Career Programming Web page by next week:

http://www.mccombs.utexas.edu/alumni/careers/programming/
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Suggested Fund: MBA or BBA Alumni Excellence Funds
Please use response code KTG
Supporting Data Slides

Quotes and Articles by Third Party Experts and Authors
Money

- You can not know when markets will go up or down

- The expense of those eats away at your return 2+ % annually vs .35%
Stress

- Stress is linked to the six leading causes of death - heart disease, cancer, lung ailments, accidents, cirrhosis of the liver, and suicide. ("The Stress Solution: An Active Plan to Manage the Stress in Your Life," Lyle H. Miller, Ph.D. and Alma Dell Smith, Ph.D.)

- People with high levels of anxiety can have between two to seven times the risk of heart disease. ("Emotional Longevity: What Really Determines How Long You Live," Norman B. Anderson and Elizabeth P. Anderson, 2003)
• Watching TV is already bad enough
• Watching TV late at night results in sleep problems
• According to the A.C. Nielsen Co., the average American watches more than 4 hours of TV each day (or 28 hours/week, or 2 months of nonstop TV-watching per year). In a 65-year life, that person will have spent 9 years glued to the tube.
The Link between Health and Wealth

Healthy people can work longer and harder than sick people. Healthier children are likely to stay in school longer and learn more, earning more when they enter the workforce.

Even across countries the relationship seems clear: those with better health are generally richer, and those that improve their citizens' health grow faster. "Economist, November 2008"
“Exercise? I don’t have time.” Wrong.

Create a health plan to map future success - Plan to Succeed

A. More than 60 percent of American adults are not regularly physically active. In fact, 25 percent of all adults are not active at all. *U.S. Centers for Disease Control*

B. Running only 4 to 5 miles a week at an 11:00 to 12:00 minute pace showed considerable benefit and reduced overall mortality risks by 30 percent and cardiovascular mortality by 45 percent. *Journal of the American College of Cardiology [Runners World, July 2014]*

Fitness trackers…
“Exercise? I don’t have time.” Wrong.

The Bare Minimum

Researchers at McMaster University in Hamilton, Ontario asked, how little exercise do we need?

The Answer: **20 minutes of high-intensity interval training 2X a week.**

The exercise involved one minute of strenuous effort, at about 90 percent of a person’s maximum heart rate (Subtract your age from 220), followed by one minute of easy recovery. Repeat 10 times, for a total of 20 minutes.

Despite the infrequent nature of the exercise, the research showed that, after several weeks of practice, both unfit volunteers and cardiac patients taking part in the study showed significant improvements in their health and fitness.

“Exercise? I don’t have time.” Wrong.

In today’s world, it’s easy to lose track of the simplicity of movement. Exercise doesn’t have to be complicated: Pick an activity that you like and that gets your heart thumping a little, then do it daily or on most days, and ignore all the hype. If you do this, you have a great shot at good health and physical fitness. *Diabetes Self Management, January 2015*

It is **never** too late to start...
The link between Money and Stress

- "Most people fail to realize that in life, it's not how much money you make. It's how much money you keep," writes Robert Kiyosaki in the personal finance classic, "Rich Dad Poor Dad."

- Pension info - If you have a pension, you live longer. Most Americans who retire at 65, will live to 85 and out-live their savings.

- The Society of Actuaries, now expect a 65-year-old man to live another 21.6 years. A 65-year-old woman is now expected to hang around another 23.8 years, about 2½ years longer than before. St. Louis Post Dispatch, February 2015

- Warren Buffett Quote on Health? Basically, when you get to my age, you'll really measure your success in life by how many of the people you want to have love you actually do love you. Warren Buffett

- If you’re in the luckiest 1 percent of humanity, you owe it to the rest of humanity to think about the other 99 percent. Warren Buffett
How to manage Money to reduce Stress

- Per a 2006 study based on Social Security data, well-off people tend to live two or four years longer than poor people. [St. Louis Post Dispatch, February 2015](http://www.pewsocialtrends.org/2012/08/27/yes-the-rich-are-different/)

- A 2009 CNN poll reveals that the number one reason for stress in most countries is money. The countries most stressed about money are Malaysia, China, Singapore, and the United States. [http://facts.randomhistory.com/stress-facts.html](http://facts.randomhistory.com/stress-facts.html)


LWP Process

- Quarterly Review and Estimated Payment
- File Mock Return 10-31
- Interest and penalty much less than the cost of stress
# Stress Impact Statistics

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stress has caused them to fight with people close to them</td>
<td>54%</td>
</tr>
<tr>
<td>2</td>
<td>Stress has a negative impact on their personal and professional life</td>
<td>48%</td>
</tr>
<tr>
<td>3</td>
<td>Jobs interfering with family or personal time as a significant source of stress.</td>
<td>35%</td>
</tr>
<tr>
<td>4</td>
<td>Jobs interfering with family or personal time as a significant source of stress.</td>
<td>31%</td>
</tr>
<tr>
<td>5</td>
<td>They are &quot;always&quot; or &quot;often&quot; under stress at work</td>
<td>30%</td>
</tr>
<tr>
<td>6</td>
<td>Alienated from a friend or family member because of stress</td>
<td>26%</td>
</tr>
</tbody>
</table>

Stress related health care and missed work  \( = \) \$300 Billion Annually

Source: [Statistic Brain](http://www.statisticbrain.com)
# Physical Symptoms of Stress

<table>
<thead>
<tr>
<th></th>
<th>Symptom</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fatigue</td>
<td>51 %</td>
</tr>
<tr>
<td>2</td>
<td>Headache</td>
<td>44 %</td>
</tr>
<tr>
<td>3</td>
<td>Upset stomach</td>
<td>34 %</td>
</tr>
<tr>
<td>4</td>
<td>Muscle tension</td>
<td>30 %</td>
</tr>
<tr>
<td>5</td>
<td>Change in appetite</td>
<td>23 %</td>
</tr>
<tr>
<td>6</td>
<td>Teeth grinding</td>
<td>17 %</td>
</tr>
<tr>
<td>7</td>
<td>Change in sex drive</td>
<td>15 %</td>
</tr>
<tr>
<td>8</td>
<td>Feeling dizzy</td>
<td>13 %</td>
</tr>
</tbody>
</table>

Source: [Statistic Brain](https://statisticbrain.com)
## Psychological Symptoms of Stress

<table>
<thead>
<tr>
<th></th>
<th>Symptom</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Irritability or anger</td>
<td>50 %</td>
</tr>
<tr>
<td>2</td>
<td>Feeling nervous</td>
<td>45 %</td>
</tr>
<tr>
<td>3</td>
<td>Lack of energy</td>
<td>45 %</td>
</tr>
<tr>
<td>4</td>
<td>Feeling as though you could cry</td>
<td>35 %</td>
</tr>
</tbody>
</table>

Source: [Statistic Brain](https://www.statisticbrain.com)
Scope of Stress in the American Workplace

- One-fourth of employees view their jobs as the number one stressor in their lives. *Northwestern National Life*

- Three-fourths of employees believe the worker has more on-the-job stress than a generation ago. *Princeton Survey Research Associates*

- Problems at work are more strongly associated with health complaints than are any other life stressor-more so than even financial problems or family problems. *St. Paul Fire and Marine Innsuance Co.*

More Statistics on Job Stress [Here](#)

Source: [CDC](#)
Portfolio Health

How healthy is your portfolio?
Equity/Debt/Insurance
# Top Causes of Stress

<table>
<thead>
<tr>
<th></th>
<th>Top Causes of Stress</th>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Career</td>
<td>Co-Worker Tension, Bosses, Work Overload</td>
</tr>
<tr>
<td>2</td>
<td>Money</td>
<td>Job Loss, Reduced Retirement, Medical Exp</td>
</tr>
<tr>
<td>3</td>
<td>Family Health</td>
<td>Health Crisis, Terminal or Chronic Illness</td>
</tr>
<tr>
<td>4</td>
<td>Relationships</td>
<td>Divorce, Death of Spouse, Arguments, Loneliness</td>
</tr>
<tr>
<td>5</td>
<td>Poor Nutrition</td>
<td>Processed Foods, Refined Sugars</td>
</tr>
<tr>
<td>6</td>
<td>Media Overload</td>
<td>Television, Radio, Internet, E-Mail, Social Networking</td>
</tr>
<tr>
<td>7</td>
<td>Sleep Deprivation</td>
<td>Inability to release adrenaline and other stress hormones</td>
</tr>
</tbody>
</table>

Source: [Statistic Brain](http://www.statisticbrain.com)
According to a survey conducted by Prevention magazine, 73% of Americans experience great stress on a weekly basis. 

The Everything Stress Management Book by Eve Adamson, Avon, MA 2002
Money, work and the economy continue to be the most frequently cited causes of stress for Americans, as they have every year for the past 5 years. In addition, a growing number of Americans are citing personal health and their family’s health as a source of stress.

- Significant sources of stress include money (75 percent), work (70 percent), the economy (67 percent), relationships (58 percent), family responsibilities (57 percent), family health problems (53 percent), personal health concerns (53 percent), job stability (49 percent), housing costs (49 percent) and personal safety (32 percent).
- The percentage of adults reporting that family health problems are causing them stress (53 percent) increased in 2011 compared to the last 2 years (47 percent for both 2009 and 2010).

Source: American Psychological Association
# U.S Stress Statistics

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<td>1</td>
<td>Percent of people who regularly experience physical symptoms caused by stress</td>
<td>77%</td>
</tr>
<tr>
<td>2</td>
<td><strong>Cited money and work as the leading cause of their stress</strong></td>
<td>76%</td>
</tr>
<tr>
<td>3</td>
<td>Regularly experience psychological symptoms caused by stress</td>
<td>73%</td>
</tr>
<tr>
<td>4</td>
<td>Feel their stress has increased over the past five years</td>
<td>48%</td>
</tr>
<tr>
<td>5</td>
<td>Reported lying awake at night due to stress</td>
<td>48%</td>
</tr>
<tr>
<td>6</td>
<td>Feel they are living with extreme stress</td>
<td>33%</td>
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Source: [Statistic Brain](https://www.statisticbrain.com)