

# FINANCIAL PLANNING FOR YOUR PETS

My best friend, Indy, a handsome Australian Shepherd, died a few weeks ago. He was a Frisbee-catching, high-jumping medal winner at the Dog Olympics and enjoyed "dog agility" events as well as search and rescue training. But mostly, he was my pal and companion. Indy and Skye, my other Aussie, went everywhere with me and my wife. Our early morning runs at Umstead Park and swims in our backyard pool are among many happy memories. He was my "lifetime dog," and I miss him terribly.

Of course, I am not alone in loving pets. According to the American Veterinary Medical Association, almost 37% of U.S. households own dogs, over 30% own cats, 3% have birds and 1.5% keep horses. Taking care of all these wonderful friends does cost money. The average veterinary cost per year is about \$400 for households with dogs and \$200 for cat lovers. And the veterinary cost is just one of many expenses. According to a recent survey, dog owners annually spend \$239 for food, \$65 for treats, \$327 in boarding costs, \$64 for vitamins, \$61 for grooming and \$41 for toys - and cat owners spend similar amounts. Many pet owners spend much, much more.

If you are contemplating adding a pet to your household, make sure you budget for these costs as well as planning your time, so you can actually enjoy their companionship and provide them with the exercise and stimulation they need.

Many pet owners consider their pets to be their "children," and would spend whatever it takes to care for them. But, sometimes these costs can get beyond a person's financial means. What do you do then? First of all, I recommend planning ahead for this and maintaining a savings fund for future, unknown pet costs. Sometimes people turn to pet insurance as a way of covering potentially crippling pet bills.

There are perhaps a dozen companies offering pet insurance today. Similar to your health insurance, pet policies may have deductibles, co-payments, prescription drug coverage, annual and/or lifetime benefit limits, limits on certain medical conditions and certain exclusions. However, unlike your health policy, pet



policies do not pay your veterinarian directly. You must first pay the veterinarian and then file a claim for reimbursement with the pet insurance company. So, even with a pet policy, you need to have sufficient savings or credit to cover the cost, while waiting for your reimbursement.

Is pet insurance worth the cost? Maybe. If I was shopping for it, I would choose the highest deductible available and avoid adding any coverage for routine items. The purpose of this type of insurance should be to only cover those really costly things, such as having to utilize a specialty animal hospital or deal with the high costs of a beloved pet suffering from a dreaded and long-lasting disease. Make sure you understand the various limits, deductibles and exclusions of the policy.



Losing a pet is heartbreaking, but it would be much worse to have never had your pet to begin with - missing out on all the ball-throwing, tummy-rubbing, ear-scratching and long walks you shared with your pal.

Finally, if you are a dog lover, I encourage you to participate in the upcoming [SPCA K9-3K Walk](#) on Saturday, April 18, which will take place in downtown Raleigh. This fund-raising event will benefit homeless pets throughout Wake County. My firm is one of the sponsors and I'll be there walking in memory of my best friend.

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