



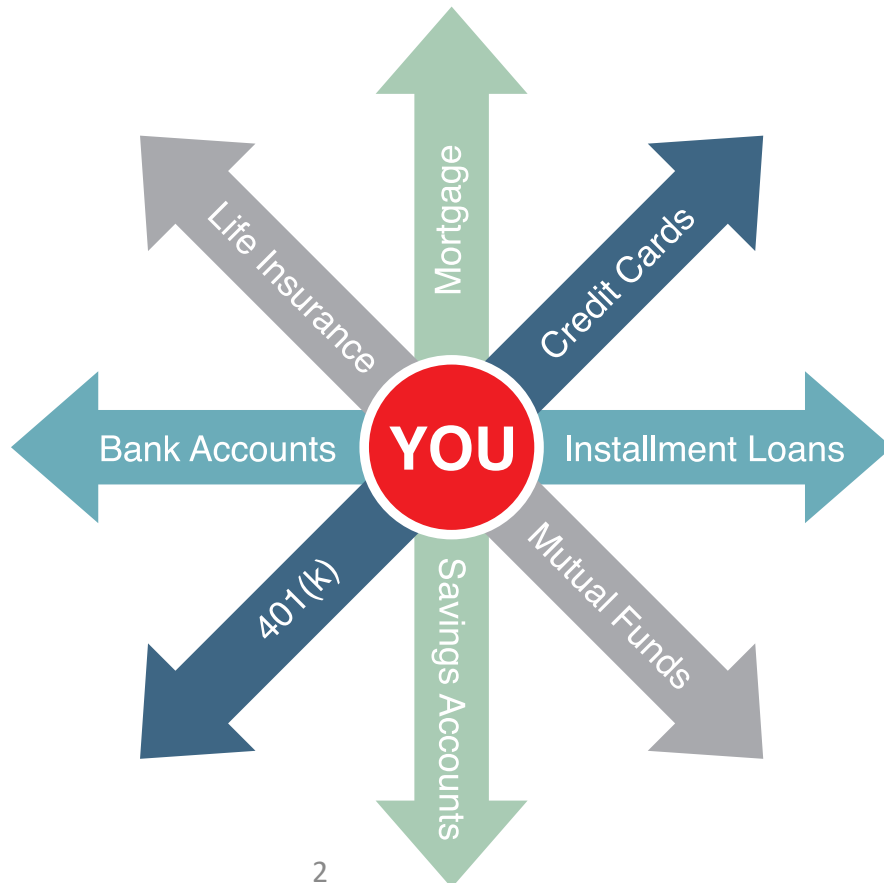
Fix your Finances 2020

Class 1- Fundamentals of the
Financial House

People Don't Plan to Fail, They Fail to Plan

The Problem:

Traditional financial institutions sell you products. They don't provide you with a total solution.



The Solution:

A Financial Needs Analysis. A customized, confidential and complimentary program that helps you achieve your goals and dreams.



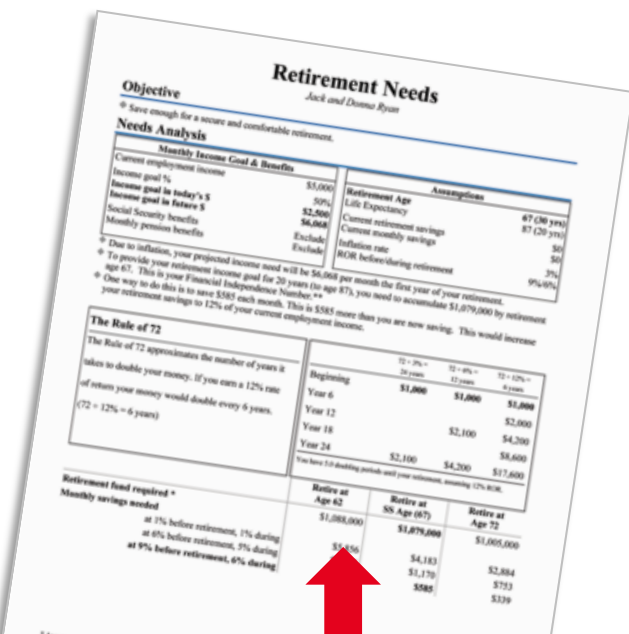
A Financial GPS: It helps you find answers to important questions.

Step 1- Would you like to know your Financial Independence Number?

Your **FIN** is the amount of money you'll need to accumulate, so that someday you can live off that money for the rest of your life and never have to go back to work.

Example: You want to retire in 30 years, with \$100,000 a year in today's dollars

30 years from now, after 3% inflation...
\$243,000 spends like \$100,000 does today.



Your FIN is \$2,624,000

To get there, invest \$1,421 per month for 30 years at 9% = \$2,624,400

Lets Find Out What Your FIN Number Is.....

This hypothetical example assumes 20 years of retirement income needed, at a 6% post-retirement rate of return and 3% inflation. Hypothetical investment rates assume a nominal 9% rate of return, compounded monthly, and are not indicative of any specific investment. Any actual investment may be subject to taxes and fees, which would lower performance. This example shows a constant rate of return, unlike actual investments which may fluctuate in value.

3

Determine Your FIN- Do Nothing Money

Saving for Retirement Needs

Your Goal: Find out how much you may need to save for retirement.

Needs Analysis

Monthly Income Goal & Benefits

Current Income	\$8,000
Income Goal	80 %
Income Goal in today's \$	\$6,400
Income Goal in future \$	\$16,500
Social Security benefits	Included

Assumptions

Retirement Age	67/67 (32/32 yrs)
Life Expectancy	84/86 (17/19 yrs)
Current Retirement Savings	\$40,000
Total Monthly Savings	\$720
Employer Contributions	\$240
Personal Monthly Savings	\$480
Inflation Rate	3.00 %
ROR before/during retirement	8% / 4%

Warning!

- ◆ **Where You Stand:** Based on the information you provided and the assumptions used in this analysis, you will not achieve your retirement income goal of \$6,400 per month. Due to inflation, your projected income need will be \$16,500 per month the first year of your retirement.
- ◆ **To Meet Your Goal:** To provide your retirement income goal for life, you will need to accumulate \$2,830,727 by your retirement ages of 67 / 67. This is your Financial Independence Number.
- ◆ One way to accomplish this is to personally save \$1,058 per month, which is \$578 more than you are currently saving and 13.2% of your income. If your savings earn lower rates of return, you may need to save more to reach your goal.

Your Financial Independence Number is \$2,830,727

	Retire at Age 62 / 62	Retire at Age 67 / 67	Retire at Age 72 / 72
Savings needed at retirement	\$3,958,827	\$3,422,643	\$2,869,610
Total monthly savings needed	\$6,581	\$4,208	\$2,647
<i>ROR: 4.00 % before - 2.00 % during</i>			
Savings needed at retirement	\$3,516,165	\$3,107,873	\$2,674,149
Total monthly savings needed	\$4,090	\$2,438	\$1,408
<i>ROR: 6.00 % before - 3.00 % during</i>			
Savings needed at retirement	\$3,138,823	\$2,830,727	\$2,496,197
Total monthly savings needed	\$2,433	\$1,298	\$634
<i>ROR: 8.00 % before - 4.00 % during</i>			

This illustration is a hypothetical and does not represent an actual investment. The illustration uses constant rates of return compounded on a monthly basis, unlike actual investments which will fluctuate and could significantly underperform or experience negative returns. It does not include fees, taxes, expenses, or withdrawals, which if included, would lower results. There is no guarantee you will achieve these results.

Here are the Numbers

All retirement calculations assume \$40,000 current retirement savings, \$240 employer contributions (as part of total monthly savings), estimated Social Security benefits, 3.00% inflation rate, 3.00% annual increase in current gross income, 8.00% rate of return before retirement and 4.00% rate of return during retirement.

Build Your Financial House

Other Goals and Dreams

Retirement-College Savings

Understanding Investments

Pay Off Bad Debt- Home Ownership

Protect Your Income and Liabilities

Budget - Emergency Fund



On a scale of 1-10,
10 being the highest,
how would you rate your
confidence level that you will
become debt free and financially
independent?



Last Weeks
Homework

GPS: Build Your Financial House



Plan

Schedule/Completion

Budget Worksheet

Rent	\$	\$
Home Phone	\$	\$
Mobile Phone	\$	\$
Cable / Satellite	\$	\$
Electricity / Gas	\$	\$
Water / Waste Mgmt.	\$	\$
Maintenance & Repair	\$	\$
Home Improvements	\$	\$
Household Help	\$	\$
Lawn Service	\$	\$
Association Dues	\$	\$
Other	\$	\$
Other	\$	\$
Other	\$	\$
Subtotal (a)	\$	\$

Family		
Food & Grocery	\$	\$
Clothing	\$	\$
Medical / Dental / Prescriptions <i>(not covered by insurance)</i>	\$	\$
Laundry & Dry Cleaning	\$	\$
Child Care	\$	\$
Educational Expenses	\$	\$
Alimony / Child Support	\$	\$
Baby Sitters	\$	\$
Other	\$	\$
Other	\$	\$
Other	\$	\$
Subtotal (b)	\$	\$

Giving		
Charitable	\$	\$
Non-Charitable	\$	\$
Gifts (birthday, holiday, etc.)	\$	\$
Other	\$	\$
Other	\$	\$
Subtotal (c)	\$	\$

Transportation		
Gas & Oil	\$	\$

Vacations	\$	\$
Hobbies	\$	\$
Club Memberships	\$	\$
Restaurants	\$	\$
Movie Theaters / Rentals	\$	\$
Entertainment	\$	\$
Books & Magazines	\$	\$
Other	\$	\$
Other	\$	\$
Subtotal (e)	\$	\$

Debt Payments		
Mortgage	\$	\$
Consumer Debt	\$	\$
Subtotal (f)	\$	\$

Insurance Premiums		
Life Insurance	\$	\$
Auto Insurance	\$	\$
Homeowners Insurance <i>(includes PMI)</i>	\$	\$
Health Insurance	\$	\$
Long Term Care / Disability	\$	\$
Legal Protection	\$	\$
Other	\$	\$
Subtotal (g)	\$	\$

Savings		
Retirement	\$	\$
Non-Retirement	\$	\$
Education	\$	\$
Other Goals & Dreams	\$	\$
Emergency Fund	\$	\$
Subtotal (h)	\$	\$

Taxes		
Income Taxes	\$	\$
Property Taxes	\$	\$
Subtotal (i)	\$	\$

Worksheet Totals		Future
Monthly Income	\$	\$
Living Expenses – (a + b + c + d + e)	\$	\$
Other Expenses –	\$	\$