



Fix your Finances 2020

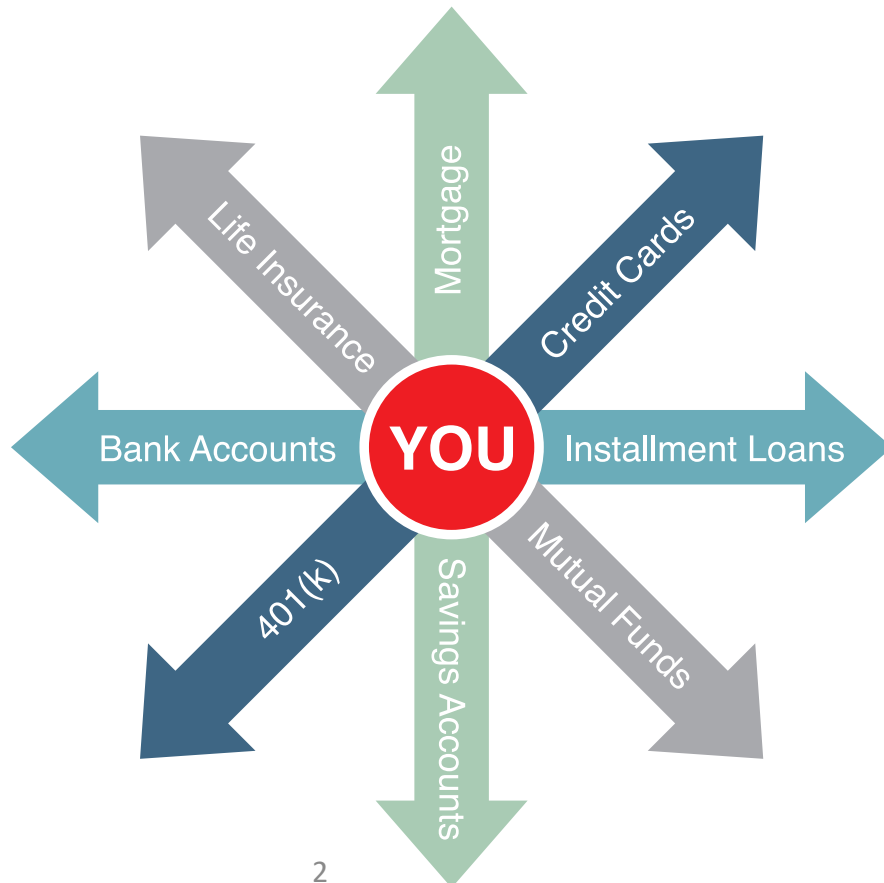
Quick Review

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.



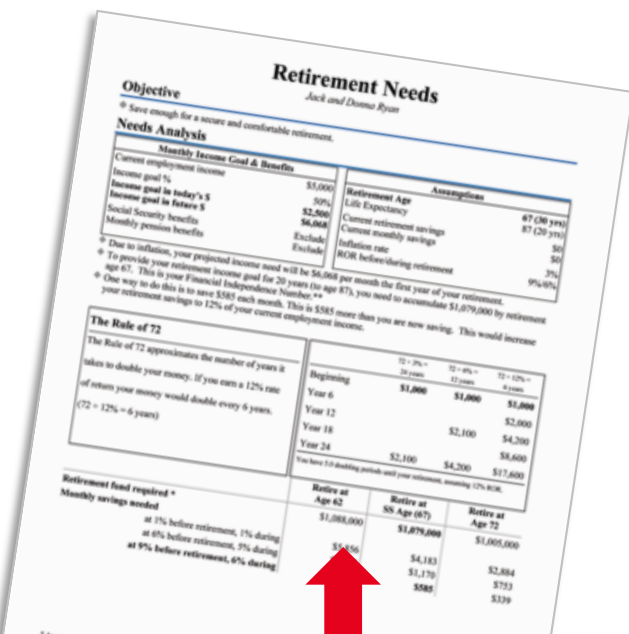
A Financial GPS: It helps you find answers to important questions.

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

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

Other Goals and Dreams

Retirement-College Savings

Understanding Investments

Pay Off Bad Debt- Home Ownership

Protect Your Income and Liabilities

Budget - Emergency Fund

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 – | \$ | \$ |



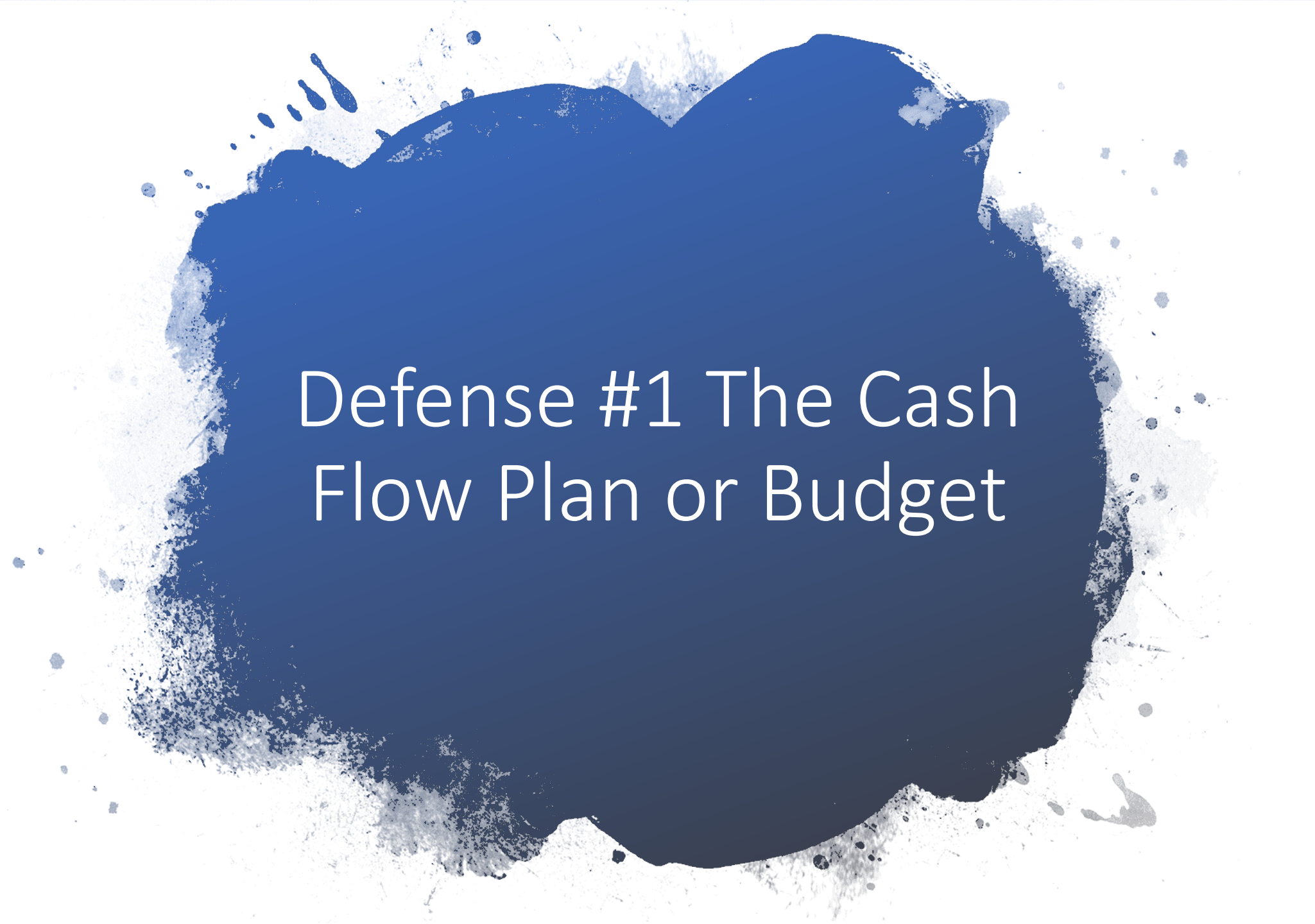
Fix Your Finances 2020

Class 2- How to Set Up a Working
Budget and Establishing an
Emergency Fund

Financial Defense-Build Your Financial House



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?



Defense #1 The Cash Flow Plan or Budget

Did You Know?

- “One in four people have almost nothing saved for retirement.”
– Money.CNN.com, March 22, 2019
- “More than 80 percent of people making less than \$50,000 a year say it is hard to keep up with bills and save for retirement at the same time, and half say it is very hard.”
CBSNews.com, viewed May 25, 2018
- “Nearly half of Americans would have trouble finding \$400 to pay for an emergency.”
– TheAtlantic.com, May 2019
- “Millions of Americans have no savings set aside for a rainy day, leaving them in serious jeopardy if financial calamity strikes...”
– USAToday.com, March 31, 2019



Getting Started

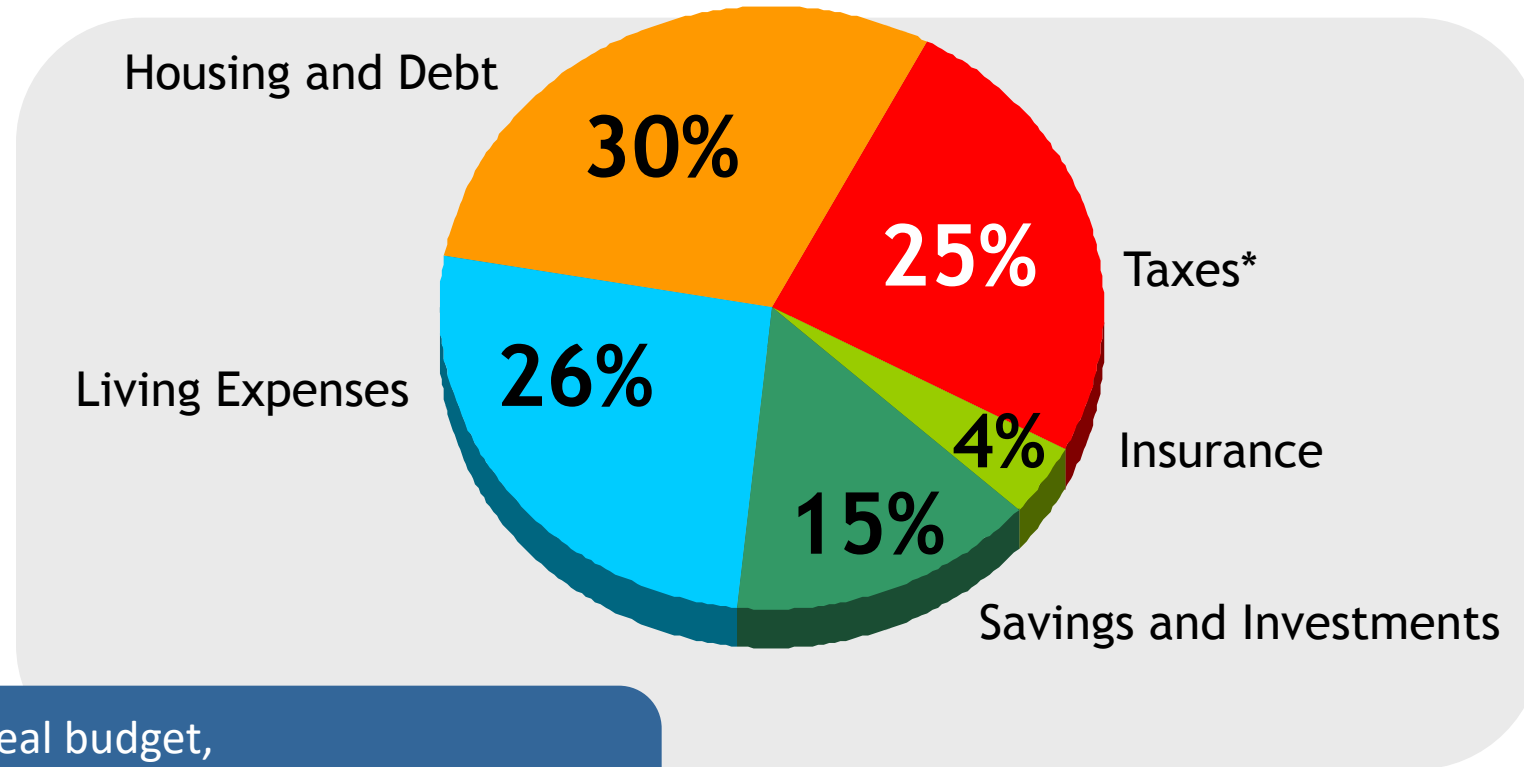
- **Principle # 1 Where will I get the money to get started?**
- Problem: Most people have too much month left at the end of the money.
- Solution: No matter what your income you can find money to save.



7 Areas to Free Up Money to Save

1. Pay yourself first
2. Adjust your lifestyle
3. Establish a cash flow plan
4. Adjust your priorities
5. Earn extra income
6. Realign your assets-Sell something
7. Avoid the credit trap

Find Out Where the Money Should Go



In an ideal budget, your monthly income should be divided up between **five main categories of spending.**




Keys to Handling your Money

- Never lose money
- Stop buying stupid things
- Only spend money that you have
- Have a Big Goal – Save 50% of your income

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Budgeting Tips


- Take an honest appraisal of what you spend (budget sheet)
 - Everything is electronically itemized
 - Decide what you are going to adjust (not sacrifice) its just an exchange
 - Keep as many expenses as you can variable
 - Automatic Millionaire
- 
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Gather the Information You Need to Get Started


Now that you've gathered all of the necessary info, it's time to **build a budget!** Use this worksheet to help you get started.

| Monthly Expense | Amount | Date Due |
|--|--------|----------|
| HOME | | |
| Mortgage/Debt | \$ | |
| Second Mortgage | \$ | |
| Taxes & Insurance | \$ | |
| Repairs | \$ | |
| Homeowner Association Fees | \$ | |
| UTILITIES | | |
| Electric | \$ | |
| Gas or Oil | \$ | |
| Water & Sewer | \$ | |
| Phone (Landline) | \$ | |
| Phone (Cellular) | \$ | |
| Cable/Satellite | \$ | |
| Internet | \$ | |
| TRANSPORTATION | | |
| Car Payment 1 | \$ | |
| Car Payment 2 | \$ | |
| Gas | \$ | |
| Car Insurance | \$ | |
| Repairs/Maintenance | \$ | |
| Other (tolls, taxis, parking, subway, bus) | \$ | |
| INSURANCE | | |
| Life Insurance | \$ | |
| Disability | \$ | |
| Health Insurance | \$ | |
| DEBT PAYMENTS (minimums only) | | |
| Credit Card 1 | \$ | |
| Credit Card 2 | \$ | |
| Credit Card 3 | \$ | |
| Credit Card 4 | \$ | |
| Student Loans | \$ | |
| Other Loans | \$ | |
| SUBTOTAL: | \$ | |

| Monthly Expense | Amount | Date Due |
|--------------------------------|--------|----------|
| SUBTOTAL (from page 1): | \$ | |
| FOOD | | |
| Groceries | \$ | |
| Dining Out | \$ | |
| FAMILY PURCHASES | | |
| Child Care | \$ | |
| Child Support | \$ | |
| Alimony | \$ | |
| School Tuition Fees | \$ | |
| PERSONAL CARE | | |
| Hair Cuts | \$ | |
| Prescription Medication | \$ | |
| Toiletries/Makeup | \$ | |
| Clothing | \$ | |
| PETS | | |
| Food | \$ | |
| Care vet bills, grooming, etc. | \$ | |
| ENTERTAINMENT | | |
| Books & Magazines | \$ | |
| Movies & Concerts | \$ | |
| Music, Videos & Apps | \$ | |
| Hobbies | \$ | |
| Other | \$ | |
| OTHER | | |
| Cleaning Supplies | \$ | |
| Tithes/Donations | \$ | |
| Other | \$ | |
| Other | \$ | |
| TOTAL: | \$ | |



Accounts that Need to be Opened

- Emergency Fund- Savings or Money Market
 - Draft Account- Checking
 - Personal Weekly Spending Account- Checking
- 

Account Descriptions

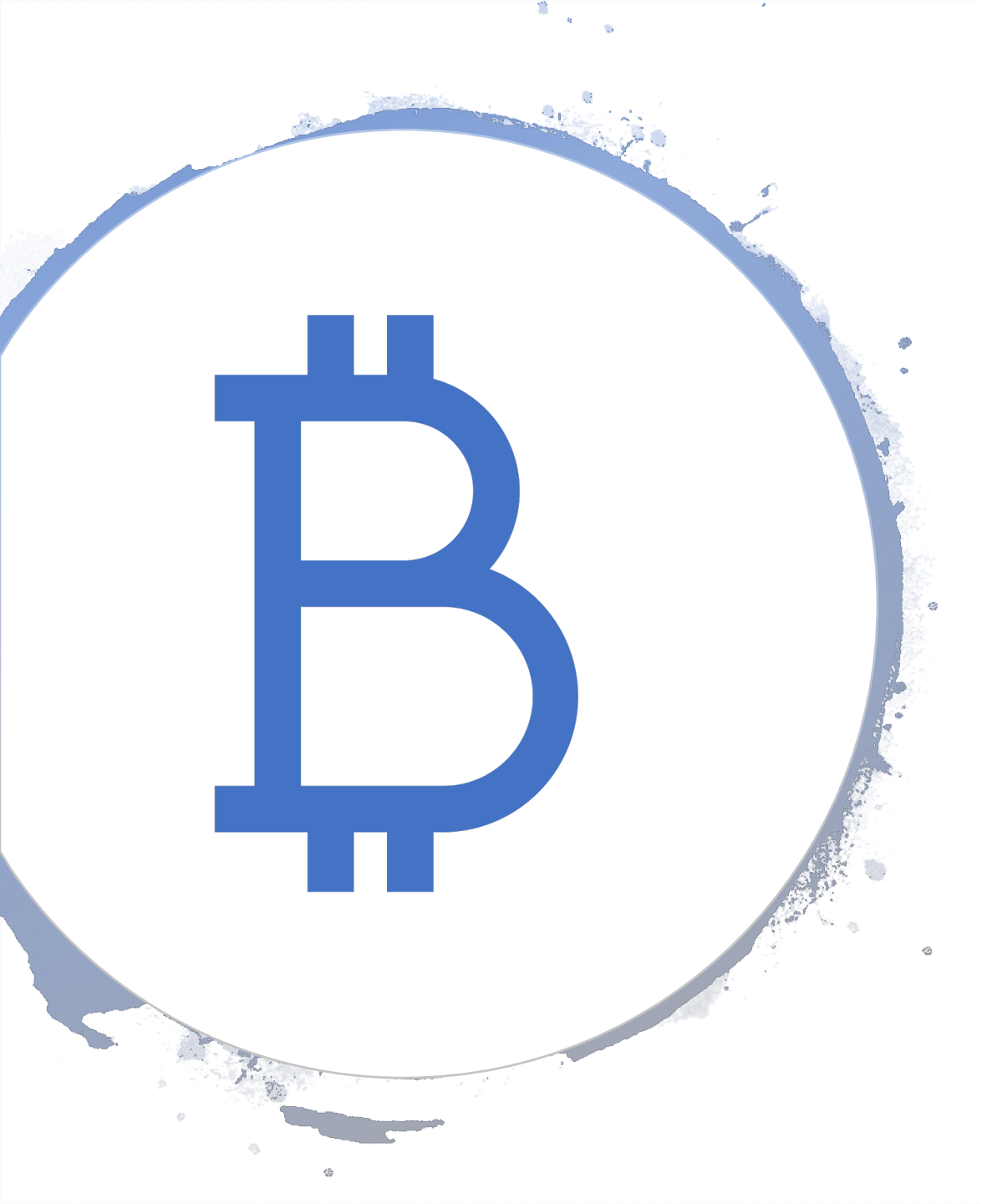


- Draft Account- This is a checking account where your total household income comes in. If you are married, we recommend both incomes go into this account. If your company provides a retirement plan and group health insurance, then this would be the income after those costs. All recurring bills including long term investments are set on automation as well as money is set aside for future purchases
- Emergency Fund- This account should have an automatic transfer from the draft account each month until it is fully funded 3-6 months of expenses. If you have Bad Debt you can transfer from this account periodically to finish off any debts while maintaining a comfortable amount of emergency cash.

Account Descriptions



- Weekly Spending Account- This is a checking account that is used to cover any weekly miscellaneous expenses. Each spouse should have an individual account based on typical weekly expenses. You should have a debit card. If you need cash, then you can get the cash from the ATM.
- Each day have the bank text or email you the balance in the account. Sunday night transfer from the draft account to the weekly spending account



Steps to Setting Up the Cash Flow Plan

1. Use the Budget worksheet to account for all previous income and expenses
2. All Income deposited in your Draft Account
3. Drafts to Investments
4. Money is set aside for cars, vacations, maintenance, Christmas, etc. This money will be allocated and withdrawn as needed.
5. Drafts and bill pay to pay recurring expenses
6. Make any cuts that will allow for a positive real outcome.



Defense #2 The Emergency Fund

The Three Accounts You Need to Budget

**To have a complete savings program,
most people need three types of basic accounts.**



**Emergency
Fund**



**Short-Term
Savings**



**Long-Term Savings
or Investments**



Benefits of an Emergency Fund

- Keeps you from Borrowing and going deeper in debt
- Provides security and reduces stress and worry
- Allows you to cut insurance cost by raising deductibles
- It is part of the foundation of your financial house



How Much should you have in an Emergency Fund?

- Short Term Goal of \$1,000 or 1 month of expenses
- Long Term Goal 3-6 months of expenses
- Use a money market account or savings account


Building Your Defense



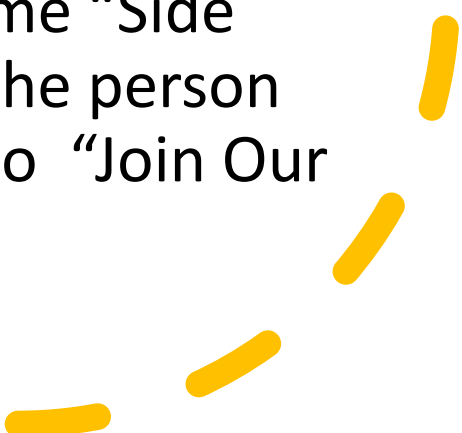


Next Weeks Homework

- Utilize the 7 ways to free up money to save and free up some cash
- Take the time and work on your budget and set up your bank accounts
- Set up all bill pays and drafts
- Check your email

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Thank You
for
Attending-
We can Help
You.

- If you need help with anything that we covered tonight or if you have questions be sure and reach out to the person that invited you through the private link. Text or email and they will follow up with you.
 - Do you have a friend or family member that would benefit from this information? Forward your private link that you received and encourage them to register for next week.
 - Lastly Do you need a work from home “Side Hustle” to earn extra Income? Ask the person who invited you to send you a link to “Join Our Team Webinar”
- 
- A series of four yellow dashed lines are arranged in a curved, upward-pointing arc in the bottom right corner of the slide.