



Fix Your Finances 2020

Quick Review

Class 2- Budget and Emergency
Fund



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

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
- 



Defense #2 The Emergency Fund



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



Fix Your Finances 2020

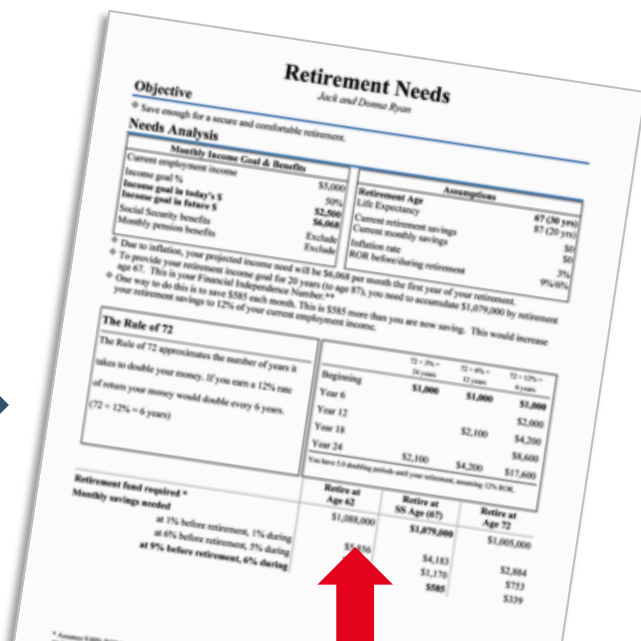
Class 3- How to Determine Your
FIN Number

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.

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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

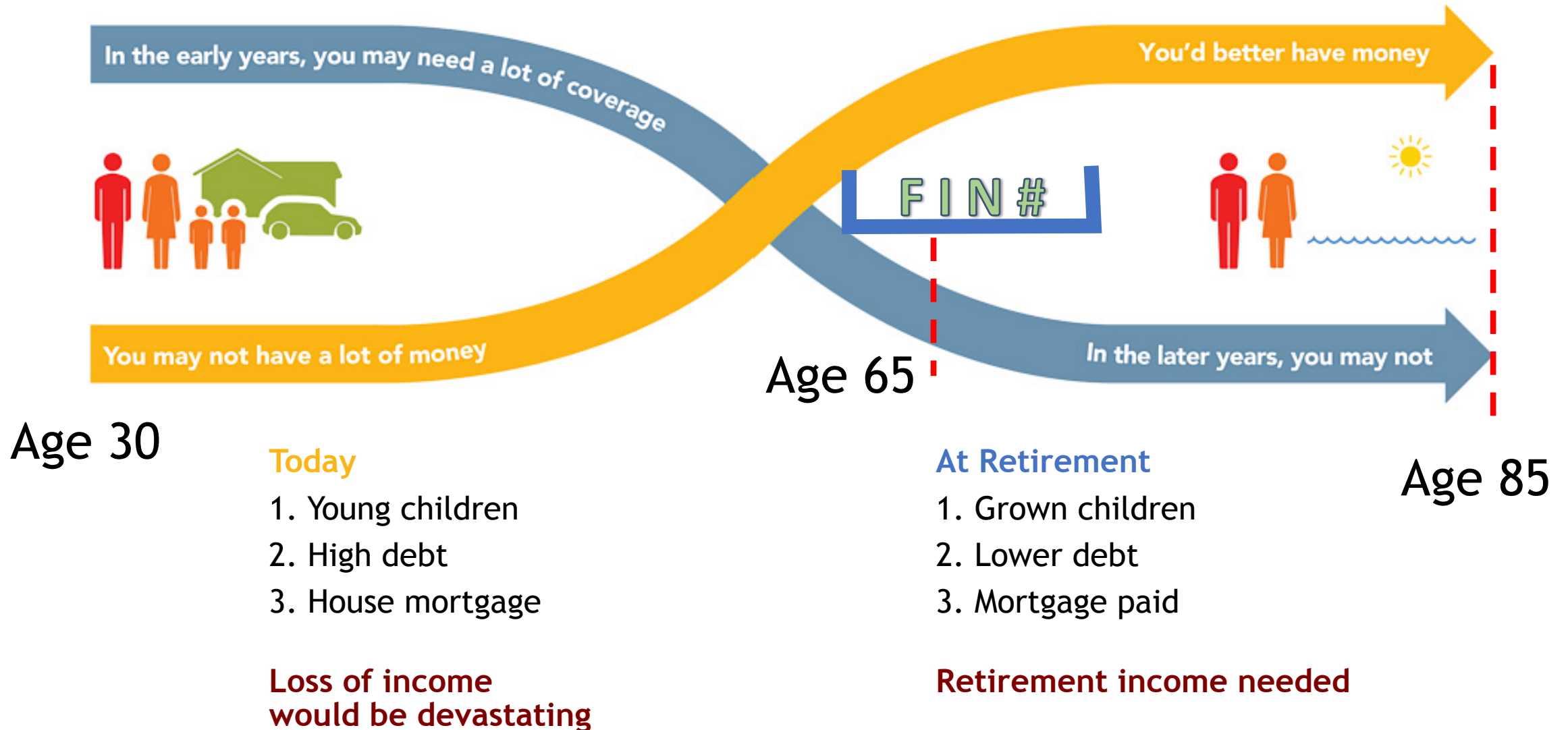
All retirement calculations assume \$40,000 current retirement savings, \$240 employer contributions (as part of total monthly savings), estimated Social Security benefits, 3.00% inflation rate, 3.00% annual increase in current gross income, 8.00% rate of return before retirement and 4.00% rate of return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

*The seeds you sow today
will be your Harvest
tomorrow...*

Don't judge each day by the harvest
you reap, but by the seeds you plant.
- Robert Louis Stevenson



The Theory of Decreasing Responsibility



Inflation

Inflation = 2.5%

Income = \$40,000
(\$3,333/mo)

Age 30

Accumulation

\$94,928
\$7,910/mo

AGE 65

FIN #

Financial
Independence #

Withdrawal

\$155,550
\$12,962/mo

AGE 85

Setting *Your* FIN#

Inflation = 2.5%

Income = \$40,000
(\$3,333/mo)

Age 30

Accumulation

AGE 65

\$1,239,137

Financial
Independence #

7%

\$94,928
\$7,910/mo

Withdrawl

\$155,550
\$12,962/mo

AGE 85

You need three things to become Financially independent.....

1. Time. **If you have Lots of time!**
2. Money. **You need A little money!**
3. Rate of return. **Small Rate of return!**

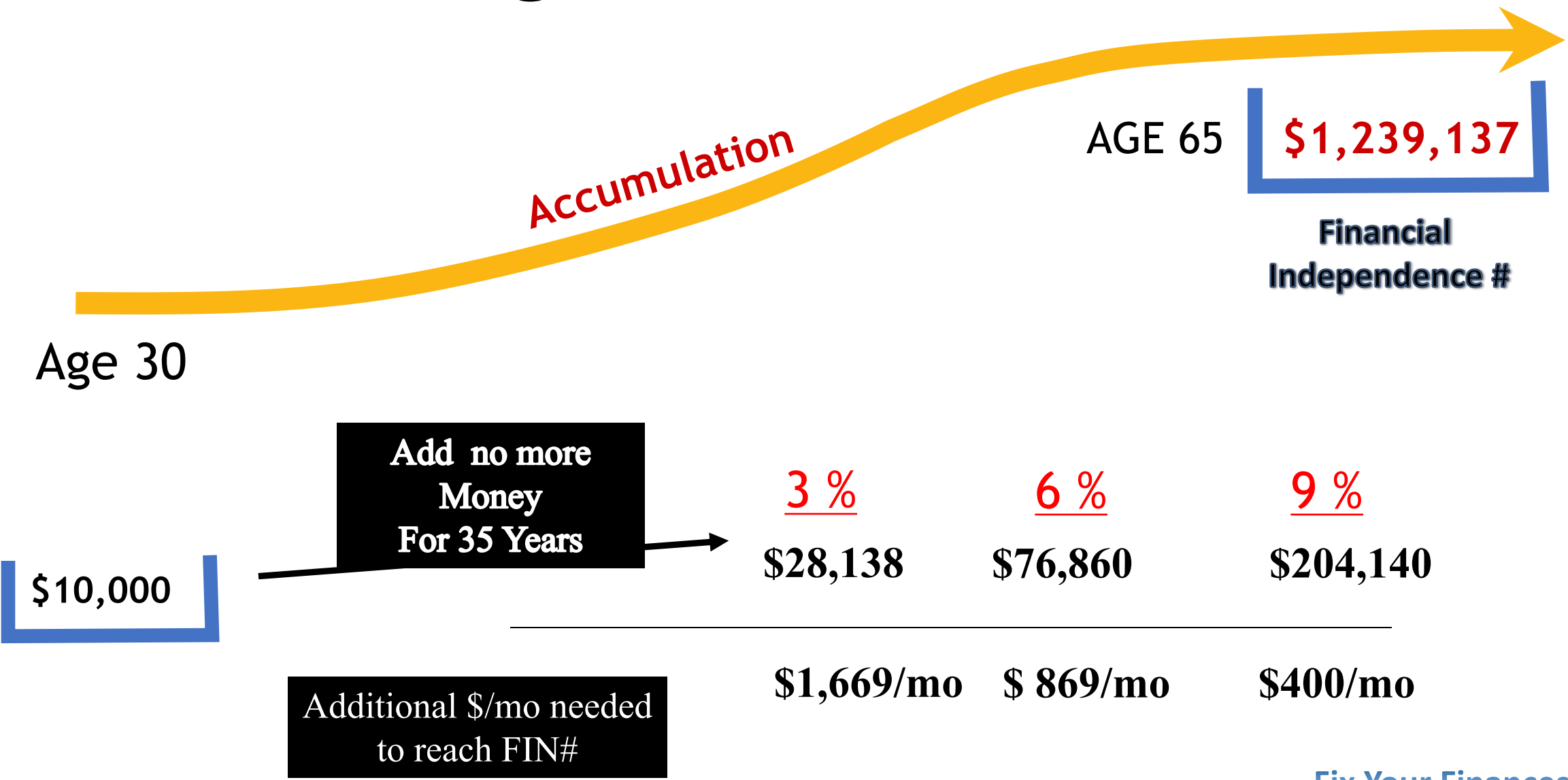
Shortage of time!

A lot of Money!

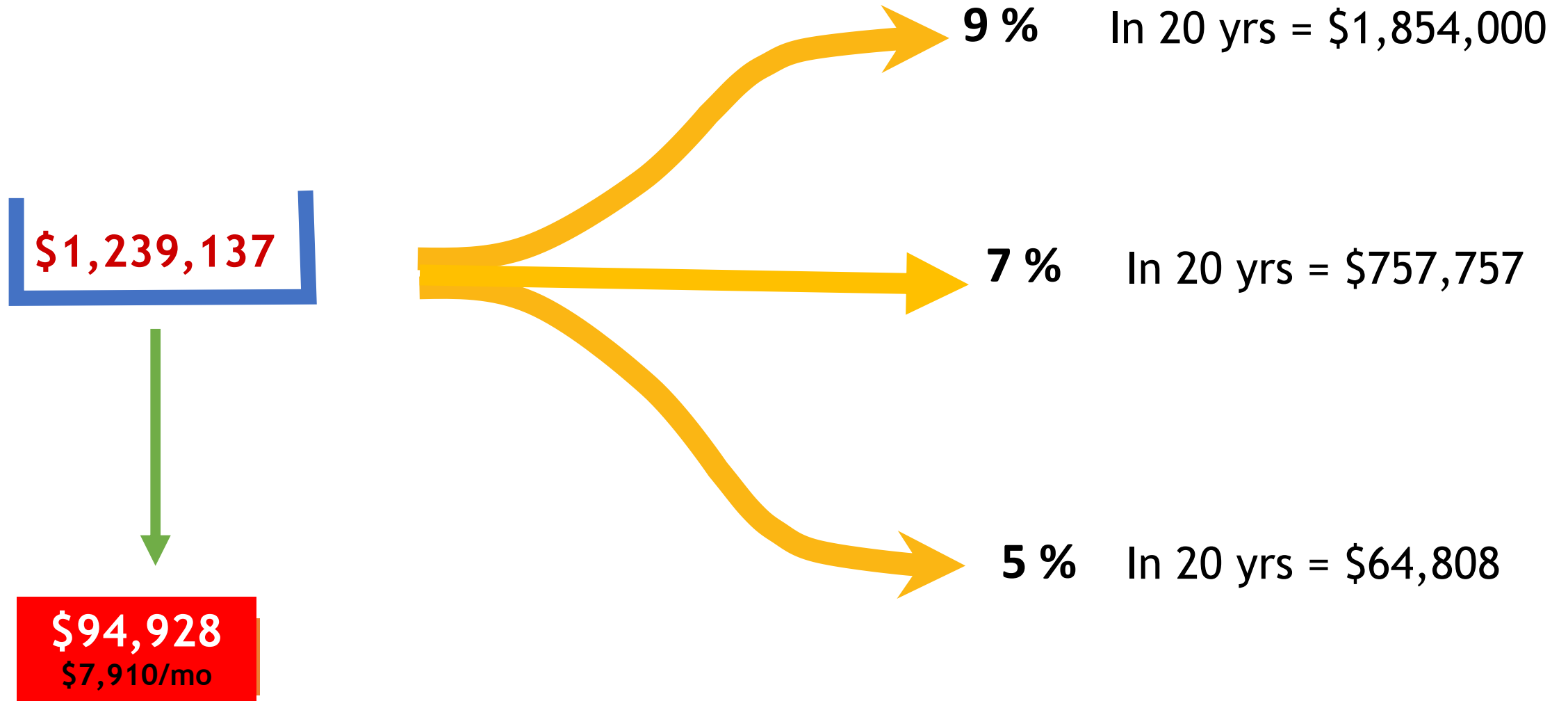
Highy rate of return

These are the facts of life!

Accumulating Your FIN#



Spending Phase



For Illustrative Purposes Only!!!...No Inflation Factored into above Numbers

Retirement Needs

Jack and Donna Ryan

Objective

☛ Save enough for a secure and comfortable retirement.

Needs Analysis

Monthly Income Goal & Benefits		Assumptions	
Current employment income	\$5,000	Retirement Age	67 (30 yrs)
Income goal %	50%	Life Expectancy	87 (20 yrs)
Income goal in today's \$	\$2,500	Current retirement savings	\$0
Income goal in future \$	\$6,068	Current monthly savings	\$0
Social Security benefits	Exclude	Inflation rate	3%
Monthly pension benefits	Exclude	ROR before/during retirement	9%/6%

☛ Due to inflation, your projected income need will be \$6,068 per month the first year of your retirement.

☛ To provide your retirement income goal for 20 years (to age 87), you need to accumulate \$1,079,000 by retirement age 67. This is your Financial Independence Number.**

☛ One way to do this is to save \$585 each month. This is \$585 more than you are now saving. This would increase your retirement savings to 12% of your current employment income.

The Rule of 72		72 ÷ 3% = 24 years	72 ÷ 6% = 12 years	72 ÷ 12% = 6 years	
The Rule of 72 approximates the number of years it takes to double your money. If you earn a 12% rate of return your money would double every 6 years. (72 ÷ 12% = 6 years)		Beginning	\$1,000	\$1,000	\$1,000
		Year 6			\$2,000
		Year 12		\$2,100	\$4,200
		Year 18			\$8,600
		Year 24	\$2,100	\$4,200	\$17,600
		You have 1.8 doubling periods until your retirement, assuming 12% ROR.			

	Retire at Age 62	Retire at SS Age (67)	Retire at Age 72
Retirement fund required *	\$1,088,000	\$1,079,000	\$1,005,000
Monthly savings needed			
at 1% before retirement, 1% during	\$5,856	\$4,183	\$2,884
at 6% before retirement, 5% during	\$1,345	\$1,170	\$733
at 9% before retirement, 6% during	\$963	\$585	\$339

** Assumes 9.00% ROR before retirement and 6.00% during retirement.

*** These results are hypothetical, are not guaranteed, and do not take into account tax consequences for earnings, withdrawals, or transactions. Actual investment fluctuates in value and actual results would differ, and could be significantly impacted by periods of negative returns. This page cannot be used without an accompanying presentation of the FINA Important Notice section that provides further explanation.

Ask Your Rep for a Complimentary Financial Needs Analysis

- A Financial Plan that is Personalized to You
- Free of Charge
- Calculate your Net Worth
- Find out your FIN Number
- Debt Elimination Plan
- Calculate Insurance Needs
- And More.....

Thank You for Attending

In One Place We have all the “Education and Products” to Help You Reach Your Goals

- 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. **Take Action for Your Family**
- 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”

