


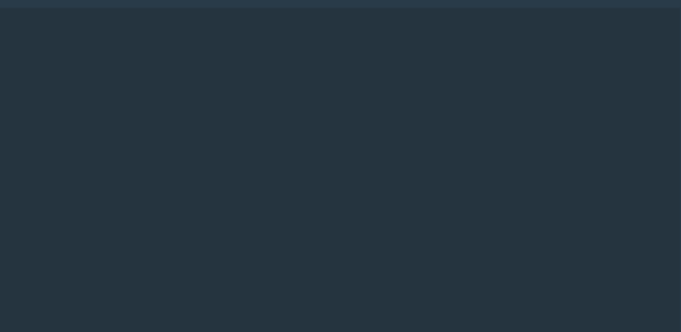

Smart Money Moves for Every Stage of Life



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Our Schedule Today

- 
- 
- 
- I. Opening
 - II. Middlegame
 - III. Endgame

Our Schedule Today

I. Opening

Establish Control





● Track spending





- Track spending
- Classify expenses
 - Save
 - Fixed Expenses
 - Variable Expenses





- Track spending
- Classify expenses
- Automate savings
- Automate fixed expenses





- Track spending
- Classify expenses
- Automate savings
- Automate fixed expenses
- Budget the rest



**Establish
Control**

**Establish
Savings**



Build Emergency Savings

- It's going to rain!
- First goal is one-month of living expenses
- Then build to three-six months of expenses



Capture Your Match

- Start saving right away in the Tax Deferred Account or the Roth 403(b)



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- After one year, elect 4% in Contributory Retirement Account



Capture Your Match

Start saving right away in the Tax Deferred Account or the Roth 403(b)

After one year, elect 4% in Contributory Retirement Account

- Save 1%, get a 1.5% match
- Save 2%, get a 3% match
- Save 3%, get a 4% match
- Save 4%, get a 5% match

After one year, receive the basic company contribution

- 1 year of service, receive 1% of pay
- 2 years of service, receive 2% of pay
- 3 years of service, receive 3% of pay
- 4 years of service, receive 4% of pay
- 5 years of service, receive 5% of pay

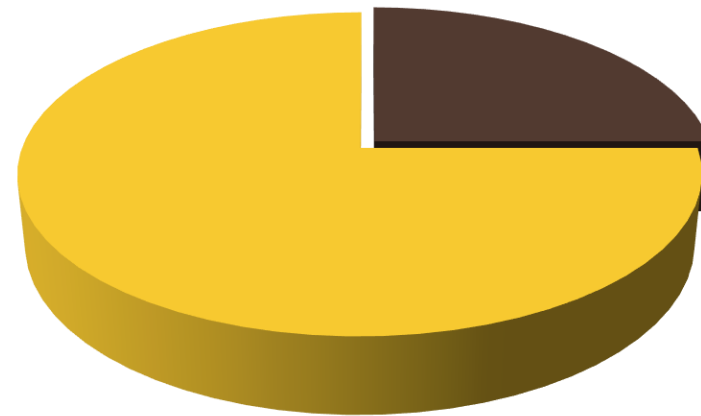


Capture Your Match

- Start saving right away in the Tax Deferred Account or the Roth 403(b)
- After one year, elect 4% in Contributory Retirement Account
- Consider converting Contributory Retirement Account contributions to Roth



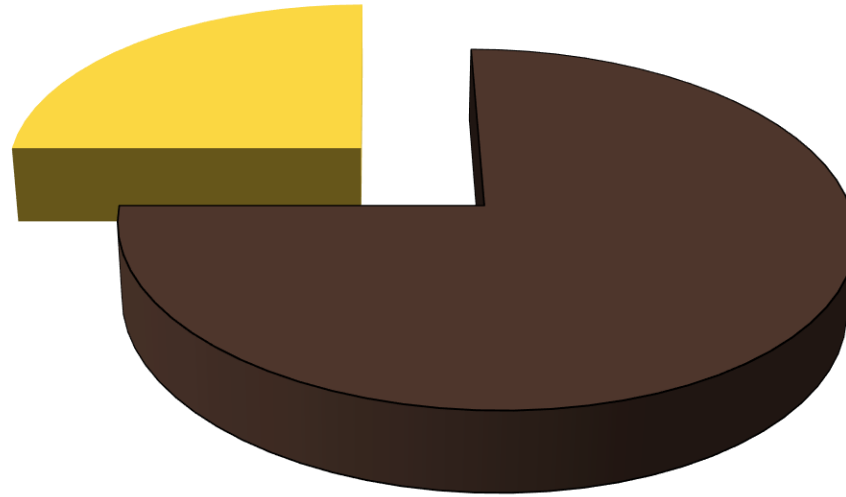
Automate Everything!



■ Chocolate ■ Banana



Automate Everything!



■ Chocolate ■ Banana



**Establish
Control**

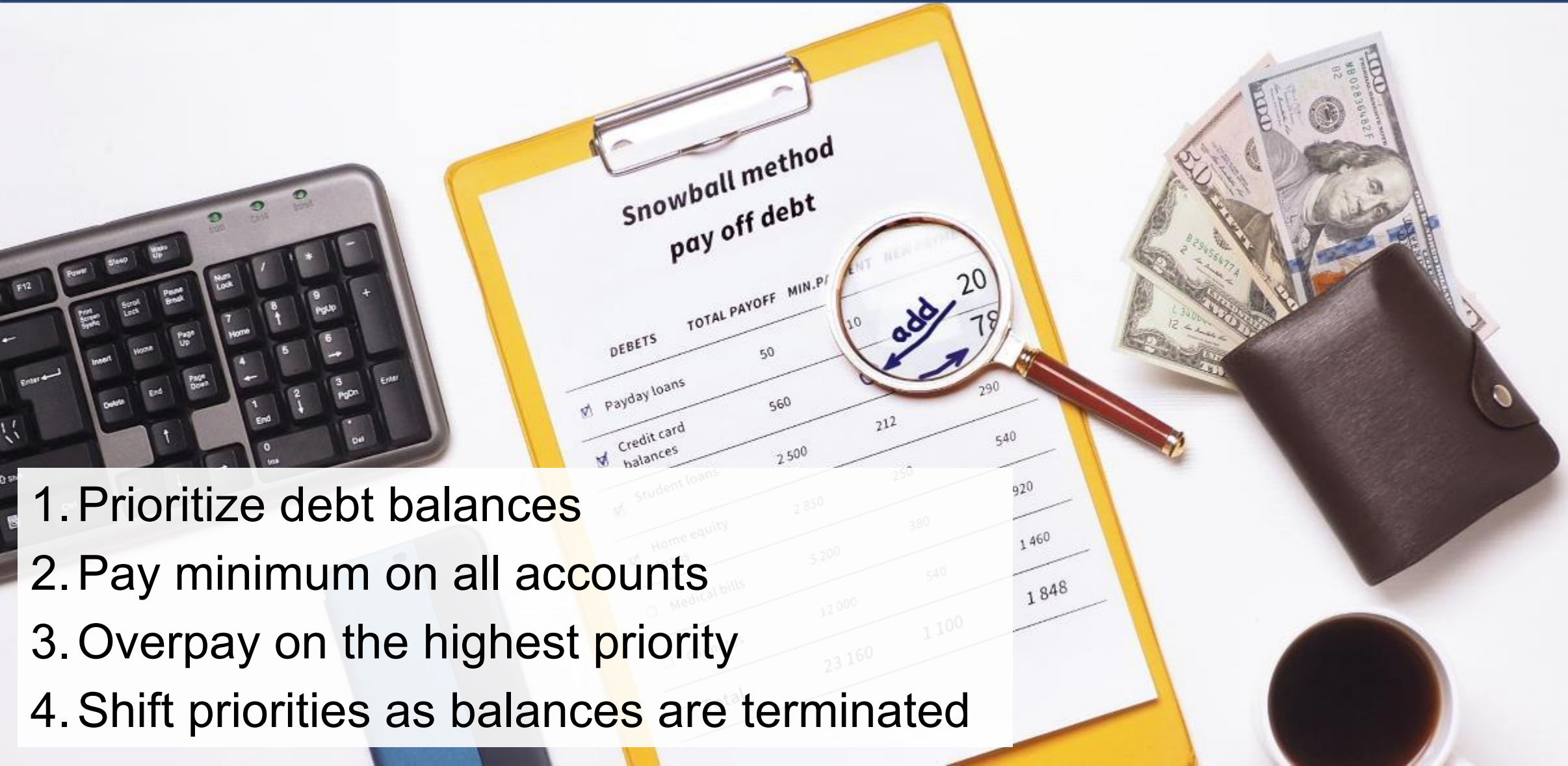
**Establish
Savings**

**Establish
Freedom**



Debt Snowball

1. Prioritize debt balances
2. Pay minimum on all accounts
3. Overpay on the highest priority
4. Shift priorities as balances are terminated



Our Schedule Today

I. Opening

II. Middlegame

Invest for Growth



Investment 101



Stocks

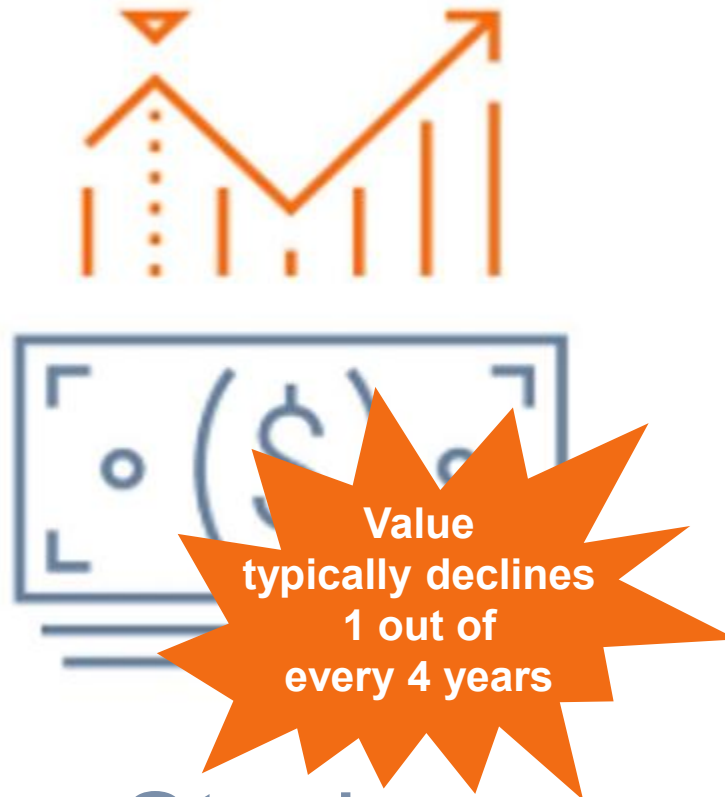
8% expected
long-term
rate of return



Bonds / MM

3% expected
long-term
rate of return

Investment 101



Stocks

8% expected
long-term
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Bonds / MM

3% expected
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ASSET ALLOCATION



- STOCK
- BONDS
- REAL ESTATE
- CASH



Investment 101

Stocks	Bonds / MM
90%	10%
80%	20%
70%	30%
60%	40%
50%	50%
40%	60%
30%	70%

Two Ways to Diversify



Target Retirement
Date Funds



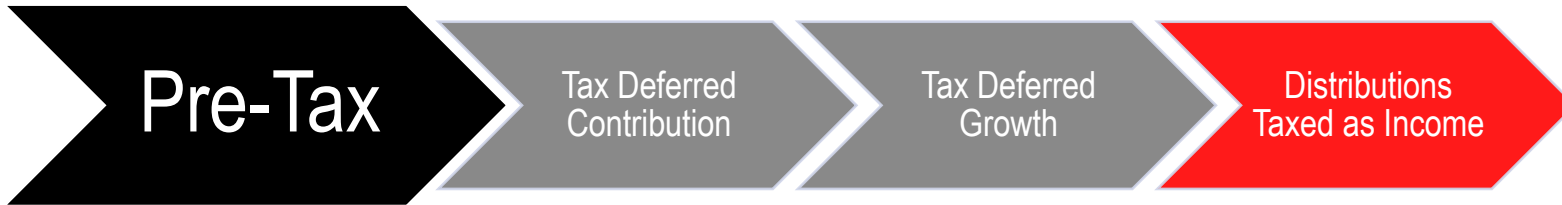
Custom Menu with
Varying Asset Classes

**Invest for
Growth**

**Broaden
Your
Goals**



When do you want to pay taxes?



● Traditional IRA



When do you want to pay taxes?

Pre-Tax

Tax Deferred
Contribution

Tax Deferred
Growth

Distributions
Taxed as Income

Roth

After Tax
Contribution

Tax Free Growth

Tax Free
Distributions

- Traditional IRA

- Roth IRA



Roth IRAs

- Additional retirement savings
- Could be considered emergency savings too
- Flexible distribution options
- Beware of income limits



When do you want to pay taxes?

Pre-Tax

Tax Deferred
Contribution

Tax Deferred
Growth

Distributions
Taxed as Income

Roth

After Tax
Contribution

Tax Free Growth

Tax Free
Distributions

HSA

Tax Free
Contributions

Tax Free Growth

Tax free
Distributions

- Traditional IRA
- Roth IRA
- HSA



Health Savings Account

Tax-advantaged
account for you
to save for
healthcare expenses





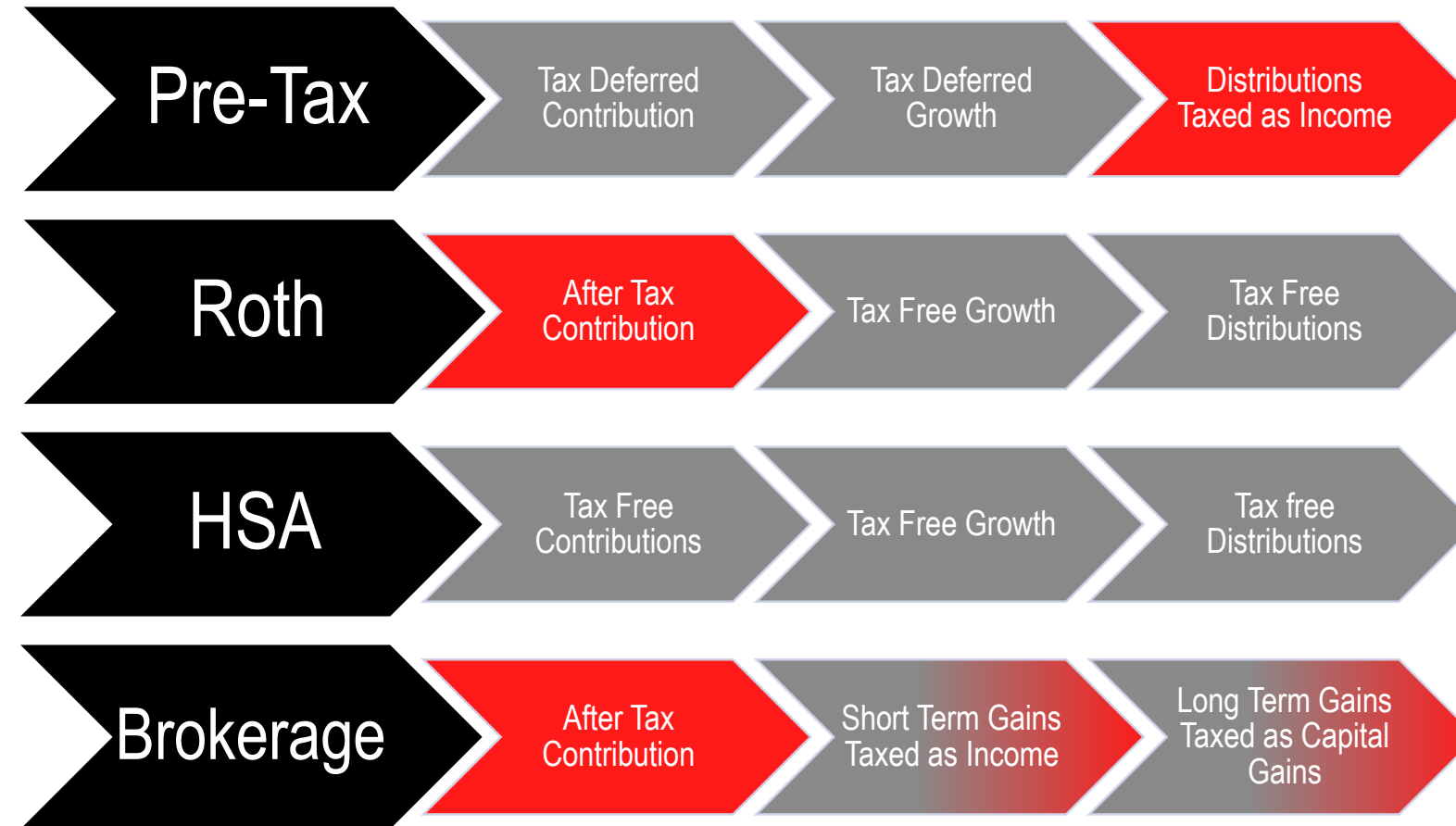
You can choose to pay for
today's medical expenses
out of pocket and
invest your HSA for future
health care expenses.



An eligible expense is NOT
just that year's health
expenses!

Past year expenses
count too!

When do you want to pay taxes?



- Traditional IRA
- Roth IRA
- HSA
- Brokerage Account



Capital Gains

- Short-term losses offset short-term gains
- Long-term losses offset long-term gains
- Try to hold on to investments for at least one year



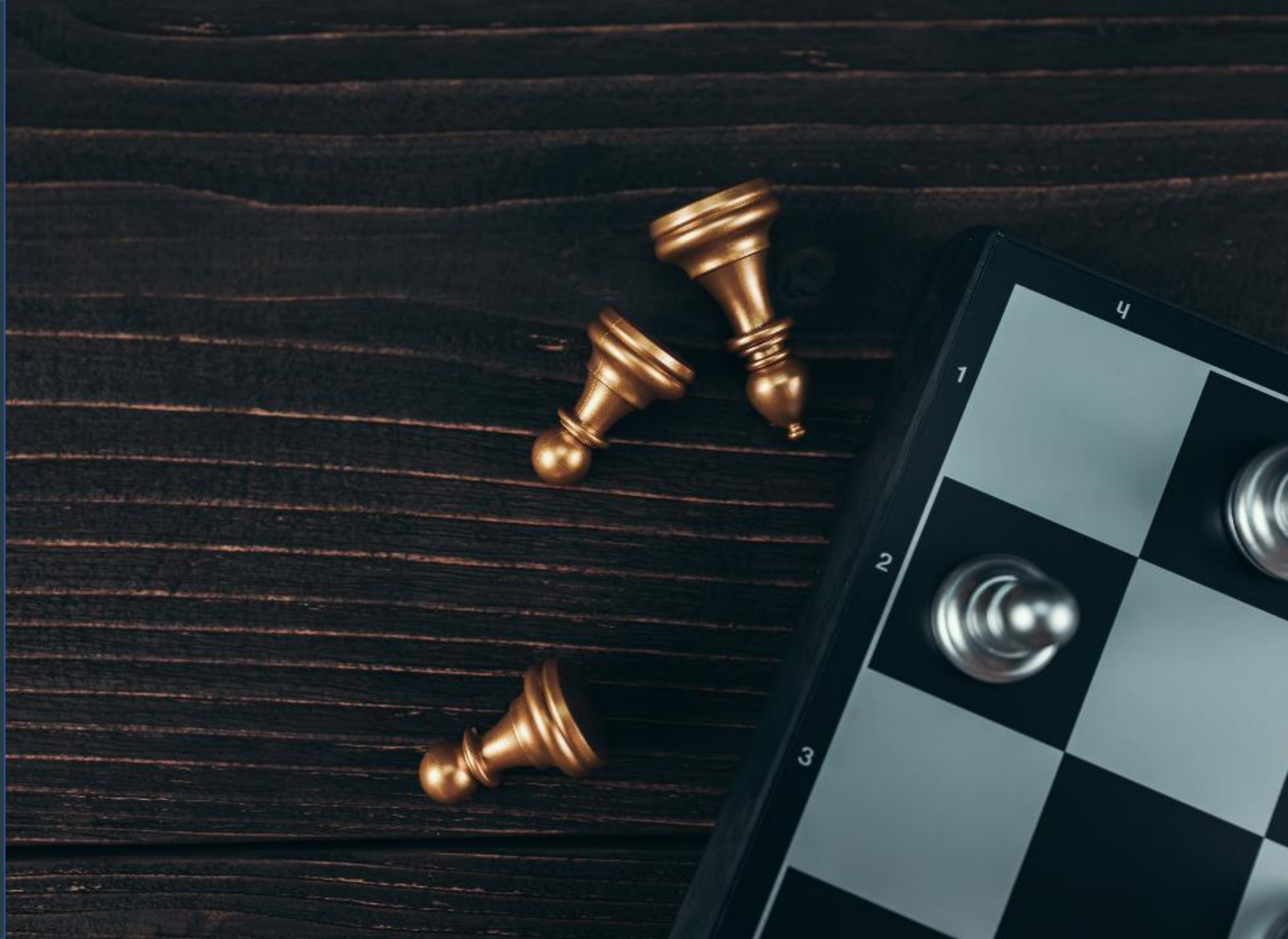
Regular Brokerage
Accounts:
Step up in basis
when you pass



**Invest for
Growth**

**Broaden
Your
Goals**

**Avoid
Attrition**



Investing And Fees

Mutual fund performance is reported net of fees. Initial balance is reduced by front load prior to investing.

Portfolio 2015-2023	Initial Balance	Load	Exp. Ratio	Av. ROI	Final Balance
Vanguard Growth Index Investor	\$100	0%	0.17%	14%	\$322



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Mutual fund performance is reported net of fees. Initial balance is reduced by front load prior to investing.

Portfolio 2015-2023	Initial Balance	Load	Exp. Ratio	Av. ROI	Final Balance
Vanguard Growth Index Investor	\$100	0%	0.17%	14%	\$322
American Funds Growth Fund of Amer A	\$100	5.75%	0.63%	12%	\$264



Our Schedule Today

- I. Opening
- II. Middlegame
- III. Endgame

Moderate Your Risk



Downshift Risk

Stocks	Bonds / MM
90%	10%
80%	20%
70%	30%
60%	40%
50%	50%
40%	60%
30%	70%



Downshift
as you near
retirement

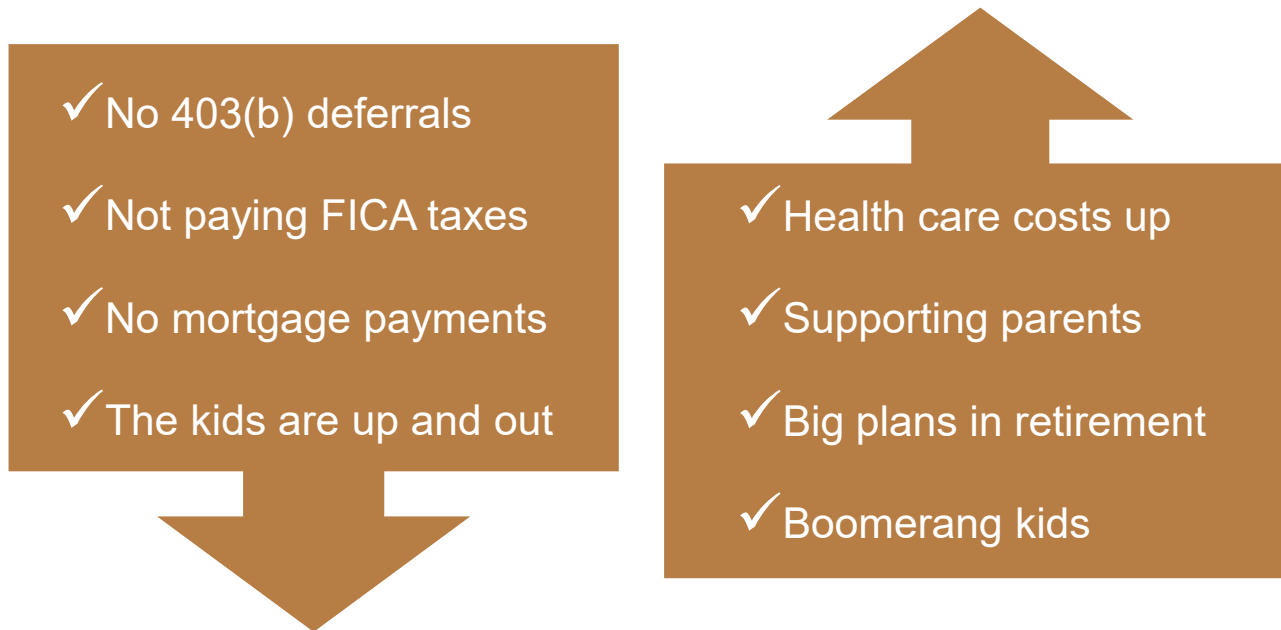
**Moderate
Your Risk**

**Determine
Your Need**



Your Wage Replacement Ratio

- Rule of thumb: 75% to 80% of current wage
- Factors used to customize your ratio:



The great debate: What to budget for healthcare

- According to the Boston College Center for Retirement Research, healthcare expenses not covered by Medicare will cost \$197,000



Ask Yourself

*“To have the
retirement I’d like,
how much do I want
to spend monthly?”*



**Moderate
Your Risk**

**Determine
Your Need**

**Plan Your
Withdrawals**



$$\text{DB} + \text{DC} = \text{RI}$$

(Example - \$90,000)

Social Security **\$50,000**

+ Pension **\$0**

+ DC withdrawal **\$40,000**

= Retirement Income **\$90,000**

- Go to SSA.gov for a benefit projection
- Contact pension admin for benefit
- Calculate needed retirement income
- The difference is your needed withdrawal



How Long Will Your Money Last?

Pull out 8% per year – Money lasts 14 years

Pull out 7% per year – Money lasts 16 years

Pull out 6% per year – Money lasts 20 years

Pull out 5% per year – Money lasts 25 years

Pull out 4% per year – Money lasts 30 years

Assumes 5% annual return and 3% annual increase in withdrawal for inflation adjustment. For illustration purposes only.

$$\text{DB} + \text{DC} = \text{RI}$$

(Example - \$90,000)

Social Security **\$50,000**

+ Pension **\$0**

+ DB withdrawal **\$40,000**

= Retirement Income **\$90,000**

- Divide to calculate balance required for \$40,000 income:

- 4% of \$1,000,000 (30 yrs)

- 5% of \$800,000 (25 yrs)

- 6% of \$666,666 (20 yrs)

- Multiply to calculate income attained from your balance:

- \$1,000,000 - \$40,000

- \$500,000 - \$20,000



Using the Bucket Method



**Cash
Bucket
3 years of
Withdrawal**



**Growth
Bucket
Invested
60/40?**

Smart Money Moves for Every Stage of Life



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