



Getting Your Financial House In Order

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Topics to be Covered

- Keeping a budget
- Saving for the future
- Social Security
- Insurance
- Is your financial house in order?

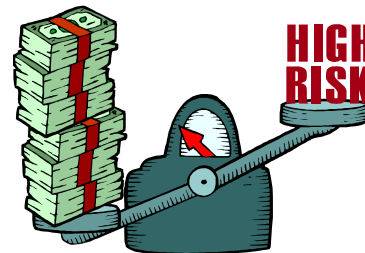
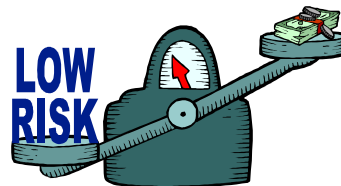
- Balance –Amy Nelson

Keeping Budget

- Forecast income
- Track expenses
- Plan for expenses
- Great for family discussion
- Great tool to measure progress
- Stress reliever

Saving for the future

Fundamentals of investing



Saving for the future

- Emergency Fund
- Retirement
 - 401(k) & 457 Deferred Compensation
 - IRA & Roth IRA
- Special purchase
- Education
 - 529
 - UTMA & UGMA

The Latte Factor

- Coffee & a pastry at S***buck's
\$5.00
- Going every morning on the way to work
\$25.00 a week
- Going every week for a year
\$1,300.00 a year



The Latte Factor

Assume you are 30 and planning
to retire at the age of 62

At age 62 you will have spent...

\$41,600.00

At the coffee shop



The Latte Factor

Now assume that 30 year old put the coffee money in a retirement account averaging an 8% annual return

After 32 years the account would have in it....

\$174,477.60



The Latte Factor

"The most powerful force in the universe is compound interest."

Albert Einstein



Social Security

- Federal Insurance Contributions Act (FICA)
- 1940: 222 Thousand received benefits
35 Million were paying into the fund
Ratio 159.4
- 2010: 54 Million were receiving benefits
- 157 Million were paying into the fund
Ratio 2.9
- Social Security Trust Fund
 - Trust fund reserves are exhausted in 2033

Social Security

- “Normal” withdrawal 65 to 67
- Early retirement at age 62
 - About 20% less
 - Earnings penalty
 - \$14,640 = loss of \$1 for every \$2 over
 - Breakeven is about 12 years or age 77
- Waiting until 70 = 5.5% increase

Insurance

- Life Insurance
- Health Insurance
- Disability
- Causality
- Long Term Care

Is Your Financial House in Order?

- Power of Attorneys
- Medical Power of Attorneys
 - Advanced directives
- Wills & Trusts
- Beneficiaries
- Notifications to Financial Institutions
- Important files and papers
 - Are they safe?
 - Do loved ones know where they are?



BALANCESM



FINANCIAL FITNESS PROGRAM



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When it is appropriate, you are encouraged to
seek professional tax advice.

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