VERY BOLD

2 CORINTHIANS 3:12

'24 season

building our financial house GOD's way

- A Mindset of Stewardship -

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VERY BOLD


Other Goals
Dreams *and* Toys
College Saving/Mortgage Elimination
Retirement
Consumer Debt Elimination
Budget – Emergency Fund – Will*
Protect Your Income & Assets

Cashflow Breakdown:

- **In** (Income) & **Out** (Life-Style)
- *10/10/80 – Rule *
- Tithes (time, talents & treasure) **10%**
- Savings & Investments **10%**
- Living Expenses **80%**
- *(30 > Housing – 50 > Other Expenses)*

Breakdown Example:

- **$90K** Married couple Income ($7,500 Gross)
- Fed-22% + F.I.C.A-6.2% + State-1.45% = -**29.65%**
- Take home pay (Net) > $63,315 (**$5,276.25**-mth)
- **10%** > $750 * **10%** > $527
- 80% > 30% - $1,199 * 50% - $1,999
- What’s Left (Gross – **10%**) – Savings – Exps **>** **$801**

Budget Worksheet

Where is your money going?

The first step in managing your finances is understanding where you are spending your money. Use this Budget Worksheet to get a handle on where you are currently spending your money and identify areas that you could cut in order to reduce your overall expenses.

Please note… shaded input fields can be entered as you work through your budget or can be pre-populated from other sections when the FNA is printed.

Housing

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

Family

	Now	Future
Food & Grocery	$	$
Clothing	$	$
Medical / Dental / Prescriptions *(not covered by insurance)*	$	$
Laundry & Dry Cleaning	$	$
Child Care	$	$
Educational Expenses	$	$
Legal Expenses	$	$
Alimony / Child Support	$	$
Baby Sitters	$	$
Other	$	$
Subtotal (b)	**$**	**$**

Giving

	Now	Future
Charitable	$	$
Non-Charitable	$	$
Gifts (birthday, holiday, etc.)	$	$
Other	$	$
Subtotal (c)	**$**	**$**

Transportation

	Now	Future
Gas & Oil	$	$
Maintenance & Repairs	$	$
Other (travel, etc.)	$	$
Subtotal (d)	**$**	**$**

Leisure

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

Consumer Debt

	Now	Future
Mortgage	$	$
Other Debt	$	$
Subtotal (f)	**$**	**$**

Insurance Premiums

	Now	Future
Life Insurance	$	$
Auto Insurance	$	$
Homeowners Insurance (include PMI)	$	$
Health Insurance	$	$
Long Term Care / Disability	$	$
Legal Protection	$	$
Subtotal (g)	**$**	**$**

Savings

	Now	Future
Retirement	$	$
Non Retirement	$	$
Education	$	$
Other Goals & Dreams	$	$
Emergency Fund	$	$
Subtotal (h)	**$**	**$**

Taxes

	Now	Future
Income Taxes	$	$
Property Taxes	$	$
Subtotal (i)	**$**	**$**

	Now	Future
Total Monthly Income	$	$
Total Living Expenses - (a + b + c + d + e)	$	$
Total Other Expenses - (f + g + h + i)	$	$
Surplus / (Shortfall) =	$	$

Debt Stacking Can Lead to Debt Freedom

If the idea of paying off your debt seems overwhelming, consider debt stacking. They say you can eat an elephant – one bite at a time. Well, the same concept works with paying off your debt! By taking into account the interest rate and amount of debt, debt stacking identifies an efficient order for you to pay off your debts. You begin by making consistent payments on all of your debts.

The debt that debt stacking suggests that you pay off first is called your target account. There are programs you can enroll in that will automatically select your target account for you using a variety of criteria to help you get out of debt faster.

When you pay off the target account, you roll that payment into the payment that you were making on the next target account. These extra dollars help you reduce the effect of compound interest working against you. As each debt is paid off, you apply the amount you were paying toward that debt to the payment that you were making on the next target account.

Debt stacking allows you to make the same total monthly payment each month (in the example it is $2,720 each month) toward all of your debt and works best when you do not accrue any new debts. You continue this process until you have paid off all of your debts. When you finish paying off your debts, you can apply the amount you were paying towards your debt toward creating wealth and financial independence!

Debt Stacking

Target Account | Extra Debt Payment Amount

Retail Card 1 $220	+$220			
Credit Card 2 $353	Credit Card 2 $573	+$573		
Car Loan $551	Car Loan $551	Car Loan $1,124	+$1,124	
Credit Card 1 $303	Credit Card 1 $303	Credit Card 1 $303	Credit Card 1 $1,427	+$1,427
Mortgage $1,293	Mortgage $1,293	Mortgage $1,293	Mortgage $1,293	Mortgage $2,720
Total $2,720	**Total $2,720**	**Total $2,720**	**Total $2,720**	**Total $2,720**

As each debt is paid off, you apply the amount you were paying toward that debt to the payment that you were making on the next target account.

	Without Debt Stacking	With Debt Stacking
Payoff	**23 years**	**9 years** 14 years sooner
Interest Avoided	**$0**	**$130,643**
Interest Paid	**$214,442**	**$83,799**
Monthly Payments	**$2,720**	**$2,720**

The above example is for illustrative purposes only. The Debt Stacking concept assumes that: (1) you make consistent payments on all of your debts, (2) when you pay off the first debt in your plan, you add the payment you were making toward that debt to your existing payment on the next debt in your plan (therefore you make the same total monthly payment each month toward your debts), (3) you continue this process until you have paid off all of the debts in your plan. In the example above, when Retail Card 1 is paid off, the $220 applied to Retail Card 1 is applied to Credit Card 2, accelerating its payment to $573. After Credit Card 2 is paid off, the $573 applied to Credit Card 2 is applied to the Car Loan for a total payment of $1,124. The process is then continued until all debts are paid off. Note that the total payment per month remains constant.

THE RULE OF 72

Example > One Time $25,000 Investment

Uneducated Saver | **Educated Saver**

The Difference?
Understanding the Rule of 72 (72 ÷ % = Years to Double)

2% = 36 Years	4% = 18 Years	At Age 29	9% = 8 Years	12% = 6 Years
		35		$50, 000
		37	$50,000	
		41		$100, 000
		45	$100, 000	
	$50,000	47		$100, 000
		53	$200, 000	$400, 000
		59		$800, 000
		61	$400, 000	
$50,000	$100, 000	65	$600, 000	$1,600, 000

Do you want what the Bank, Credit Union or Insurance company pays you OR what the Bank, Credit Union and Insurance company Make on YOUR Money?

VERY BOLD

*The High Cost of Waiting

It can't be stressed enough: The sooner you start to save, the less you will have to put away.

Look at how investing in an IRA today can help you secure a comfortable retirement. $541.66 x 12-mths = *6,500

THE TIME VALUE OF MONEY

Started Contributing Age 22

Stopped Contributing Age 29

Started Contributing Age 30

Stopped Contributing Age 67

Individual A: Contributes from Ages 22-29			**Individual B:** Contributes from Ages 30-67		
Age	Annual Contribution	End-of-Year Accumulation	Age	Annual Contribution	End-of-Year Accumulation
22	*$6,500	$7,110	22	0	0
23	$6,500	$14,890	23	0	0
24	$6,500	$23,390	24	0	0
25	$6,500	$32,700	25	0	0
26	$6,500	$42,870	26	0	0
27	$6,500	$54,010	27	0	0
28	$6,500	$66,180	28	0	0
29	$6,500	$79,500	29	0	0
30	0	$86,960	30	$6,500	$7,110
31	0	$95,110	31	$6,500	$14,890
32	0	$104,040	32	$6,500	$23,390
33	0	$113,800	33	$6,500	$32,700
34	0	$124,470	34	$6,500	$42,870
35	0	$136,150	35	$6,500	$54,010
36	0	$148,920	36	$6,500	$66,180
37	0	$162,890	37	$6,500	$79,500
38	0	$178,170	38	$6,500	$94,070
39	0	$194,880	39	$6,500	$110,000
40	0	$213,160	40	$6,500	$127,430
41	0	$233,160	41	$6,500	$146,490
42	0	$255,030	42	$6,500	$167,340
43	0	$278,950	43	$6,500	$190,150
44	0	$305,120	44	$6,500	$215,100
45	0	$333,740	45	$6,500	$242,390
46	0	$365,050	46	$6,500	$272,230
47	0	$399,300	47	$6,500	$304,880
48	0	$436,750	48	$6,500	$340,590
49	0	$477,720	49	$6,500	$379,650
50	0	$522,540	50	$6,500	$422,370
51	0	$571,550	51	$6,500	$469,100
52	0	$625,170	52	$6,500	$520,220
53	0	$683,810	53	$6,500	$576,130
54	0	$747,960	54	$6,500	$637,280
55	0	$818,120	55	$6,500	$704,180
56	0	$894,870	56	$6,500	$777,340
57	0	$978,810	57	$6,500	$857,370
58	0	$1,070,630	58	$6,500	$944,910
59	0	$1,171,070	59	$6,500	$1,040,660
60	0	$1,280,920	60	$6,500	$1,145,390
61	0	$1,401,080	61	$6,500	$1,259,940
62	0	$1,532,510	62	$6,500	$1,385,240
63	0	$1,676,270	63	$6,500	$1,522,300
64	0	$1,833,520	64	$6,500	$1,672,210
65	0	$2,005,510	65	$6,500	$1,836,190
66	0	$2,193,650	66	$6,500	$2,015,540
67	0	$2,399,420	67	$6,500	$2,211,730
Total Contributions:		$52,000	Total Contributions:		$247,000
Total Accumulation at Age 67:		$2,399,420	Total Accumulation at Age 67:		$2,211,730

Would you rather be Individual A or Individual B?

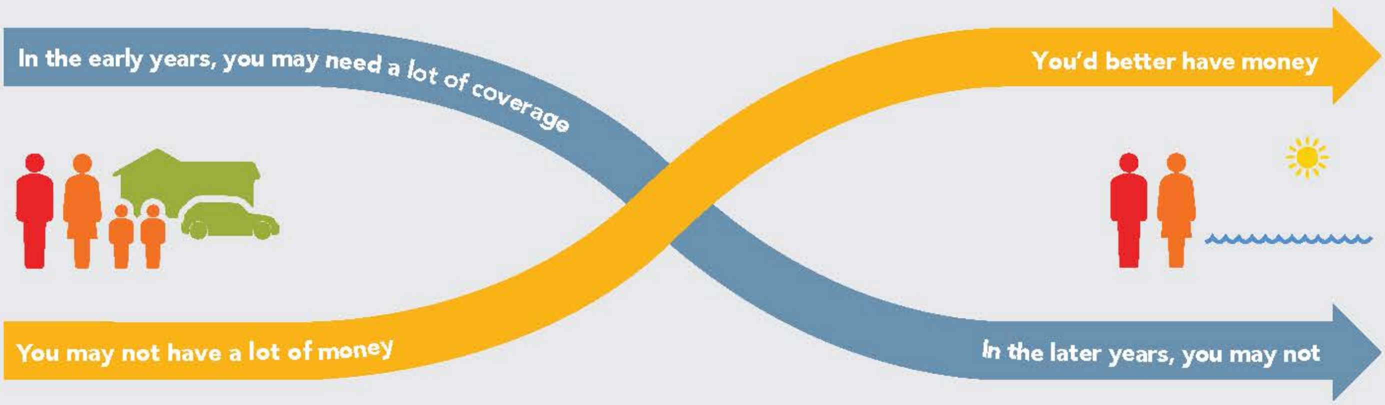
The hypothetical 9% rate of return, compounded monthly, and tax-deferred accumulation shown for both IRA accounts are not guaranteed or intended to demonstrate the performance of any actual investment. Unlike actual investments, the accounts show a constant rate of return without any fees or charges. Any tax-deductible contributions are taxed and tax-deferred growth may be taxed upon withdrawal. Withdrawals from an IRA prior to age 59 1/2 may be subject to a 10% penalty tax. Assumes payments are made at the beginning of each year. Investing entails risk, including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

This material is intended only for general educational purposes and is not a recommendation to buy, sell or hold a security or to adopt a particular investment strategy.

How Life Works

According to the Theory of Decreasing Responsibility (illustrated below), your need for life insurance peaks along with your family responsibilities. *When you're young*, you buy low-cost death protection, term insurance, enough to protect the loss of your earning power, and put the maximum amount you can afford into a promising investment program. *When you're older*, you may have much less need for insurance coverage. If you've saved and invested wisely you should have a significant amount of accumulated cash. You've become "self-insured" and eliminated your need for life insurance.

The Theory of Decreasing Responsibility



Today

1. Young children
2. High debt
3. House mortgage

Loss of income would be devastating

At Retirement

1. Grown children
2. Lower debt
3. Mortgage paid

Retirement income needed

How Much Is Enough?

If you're like most Americans, probably more than you have! Ten times your annual salary is a good rule of thumb. Whatever coverage you choose, buy only one policy, and put the entire coverage amount on that policy. Separate policies mean separate fees and could cost far more!

*

Consumer Tip: Buy life insurance exactly like you buy other kinds of insurance – auto, homeowners, health – for protection only.

Wouldn't you think it was silly if someone tried to sell you auto insurance that included a long-term savings plan? The same is true for life insurance. It pays to buy your insurance separately.
Remember: Do not combine your savings with your life insurance.