



↘ 9 Steps to Financial Security

Estate Plan – do it

Calculate retirement

Invest wisely, time horizon

Have fun but know your needs first

Insure your health, life, home, auto...

Save for non-monthly bills and emergencies

Pay your taxes, but plan

Give some away

Earn some money based on your values & goals



↘ Basics of Financial Security

Peace of Mind

Risk Tolerances

Time Horizon

Priorities

Needs, desires

Expectations

Attitudes

Goals

Values



↘ Basics of Financial Security

Financial freedom

Conservative-aggressive

1, 5, or more than 10 years

Debt-free living, giving

Security, housing, transportation, college

Rate of return, build wealth, preserve assets

Godly view of circumstances

Build emergency fund, eliminate debt, save, spend wisely

God, family, church, community



↘ A “biblical perspective”?

Mark 8:36

Proverbs 21:5; 21:20

Proverbs 15:22

Leviticus 19:11

Phillipians 4:11-13

Proverbs 22:7

Acts 20:35

I Chronicles 29:11-12

Deuteronomy 8:18



↘ A “biblical perspective”?

Enough's enough

Listen to counsel

Invest wisely

Be honest (and to yourself, too)

Be content with what you have

Borrowers are slaves to the lender

It is better to give than to receive

We manage the resources He has provided

God owns everything as our Creator



9 Dumb Activities people do with their finances

Planning—NOT

Saving—NOT

Keeping little cash

DCA-ing into bonds

Buying too much car

Buying too much home

Consolidating debt

Being too conservative

Seeking to maximize returns



↘ **Obstacles to Financial Security**

You - Desire

Discipline

Markets Down

Economic

Congress, IRS

Unplanned Crises

Illness/Accident

Occupation

Dependents Needs



↘ Obstacles to Financial Security

No commitment

Unwilling to act

Investment performance

Inflation, deficits, interest rates

Legislative and tax law changes

Unprepared for emergencies

Health issues

Career changes, job loss

Family changes (spouse, children, your parents)



↘ Ratios to Financial Security

Own minus Owe = Net Worth

Income > Expense

Debt/Income < .30 to 1.0

Emergency fund = 3-6 mos.

All debt < 36% of Gross Income

Fixed debt < 15% of Net Income

Mortgage or Rent < 28% of Gross Income

Current assets / current liabilities > 1.0

Liabilities = What you owe

Assets = What you own



↘ Risks to Financial Security

Outliving Assets

Dissipation

Purchasing Power

Market prices (*economic*)

Interest/Reinvestment Rates

Events (*political, other*)

Exchange Rates (*country, currency*)

Financial (*use of leverage, manager styles*)

Business (*10 sector types, industries*)



↘ **Risks to Financial Security**

BIGGEST RISK

**Not achieving
the *return needed*
to support the specific goals
or retirement lifestyle desired**



9 Risks to Real Estate Investing (rental income)

Taxes

Economy

Tenants/vacancy

Landlord duties

Over exposure (net worth)

Illiquidity

Diversification

Cost of borrowing (leverage)

Over-paying (Cap. Rate)



↘ **9 Rules to Individual Company Stock Investing**

Momentum

Add <50%

No "average down"

Don't sell too early

"Buy high, sell higher"

Buy into "strength" (not "low")

Invest only if willing to lose

Pay off all debts first

Maintain an "emergency fund"



9 Steps to calculate needs for retirement

Decide *"take" rate*

Keep *2-5 years liquid*

Plan *on 25-30 years*

Estimate *other income resources*

Add *expenses that will be new*

Subtract *expenses that will go away*

Determine *an inflation rate*

Calculate *a reasonable return on current investments*

Know *how much you spend today*



9 Ideas to save Social Security

Re-index

Raise NRA

Adjust COLA

Invest funds in stocks

Universal Social Security

Pay costs with Estate Taxes

Tax the benefits more

Increase the tax rate (6.2% to 7.5%)

Raise cap of \$102,000 more than inflation



↘ **Issues for Retirement Satisfaction**

Enjoy work

Social

Intellectual stimulation

Time with grandchildren

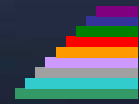
Children

Finances

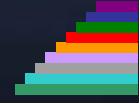
Health

Housing

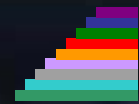
Independence



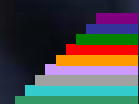
Giving as you desire



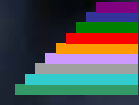
Living debt-free



Buying in cash (check, debit, charge card)

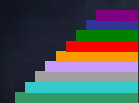


Keeping an adequate emergency fund



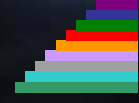
Saving for short-term desires/needs

(Vacations, furniture, jewelry, wish list)

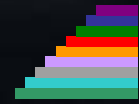


Investing for long-term needs

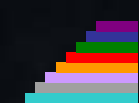
(Retirement, college)



Planning your childcare, estate transfers



Being Finally, mortgage-free, too!



Enjoying Life, relationships