

GET FIT.

GET FINANCIALLY FIT!



Cut the Cards

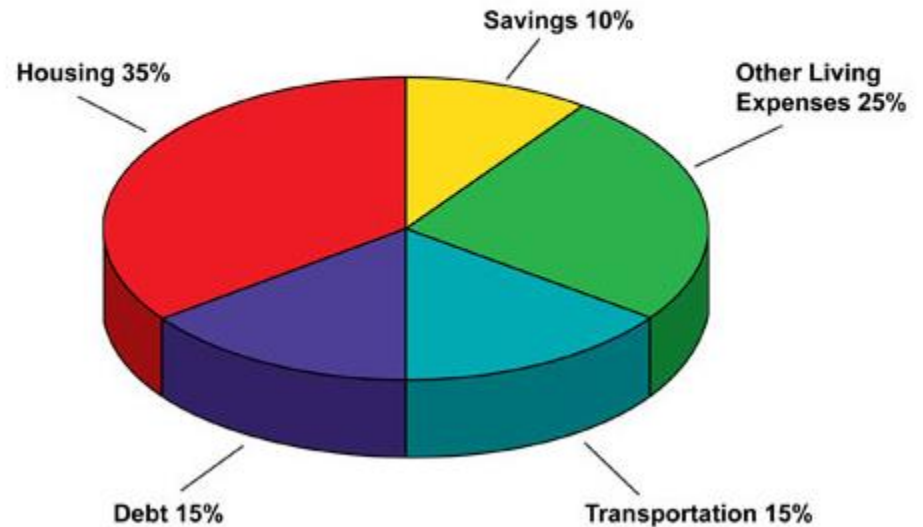


Write it down!

----- Monthly Budget

Items	Budget Amt	Actual Amt	Difference	Notes
INCOME				
Income Total				
Other Income				
EXPENSES				
Mortgage/Rent				
Household Maintenance				
Taxes				
Insurance				
Electricity				
Water				
Sewage				
Gas				
Phone				
Trash				
Cable				
Cell Phone				
Groceries				
Entertainment				
Charity/Donations				
Fuel				
Auto Insurance				
Car Payment				
Child Care				
Credit Cards/Debt				
Loans				
Life Insurance				
Health Insurance				
Clothing				
Child Support/Alimony				
Other				
SAVINGS				
Retirement				
College				
Basic/Other				
TOTALS				
Total Income - Total Expenses \$-----				

Spending Plan Pie Chart



Frugality means...

Smarter Money Management

- Savings
- Debt Repayment
- Investment

Smarter Spending

- S-t-r-e-t-c-h your money as far as it will go
 - Coupons
 - Rebates
 - Price per Unit

Harnessing your creativity

- Do it yourself – Can you do it?
 - Reuse, repurpose, and create

All Aboard

Food

- Eat out less
- Menu Plan BEFORE you shop and buy in bulk

Utilities

- Lower/Raise your thermostat
- Turn off lights

Clothing

- Buy simple, high quality pieces that can be mixed and matched
- Thread up – sell what your children grow out of

Travel

- Staycation
- Plan your route

Budgeting made easy

- 1) Set Realistic Goals
- 2) Identify your Income and Expenses
- 3) Separate Needs and Wants
- 4) Design your Budget
- 5) Put your Plan into Action
- 6) Seasonal Expenses
- 7) Look Ahead

Reach for the goal- together

Make the goal setting a family event.

- Take the time to talk it out. Family dinner!

Be specific

- Make it measurable and be accountable

Small steps count

- Small weekly goals are easier to stick with than big long term.

Write it down where everyone can see it

- Print off the weekly goals and put them on the refrigerator

Work as a team—communication is key if more than one person is spending and using funds

Make A Vision Board



~~Stress~~
Relax.



Family
IS EVERYTHING



Tips from millionaires

Sit down and evaluate

- Look at your bank accounts and understand what you see

Start (or update) your game plan

- Budget

Carry Cash

- You spend more when you use plastic

Set boundaries for yourself and your family

- Learn to say NO and mean it.

Start saving NOW for Halloween and Christmas.



Get real About your Money

Take responsibility for your finances.

- Be smart and take control

Quit avoiding it – Awareness is Key!

- Take responsibility for your finances by being up to date on the state of your accounts.
 - IF they are running low, a lifestyle adjustment may be needed.

Make money fun instead of depressing.

- Try to beat yourself each month by saving more than the last.



Real advice

Get everyone in the household on board. Be honest and frank about money and finances.

Sit down as family and pay the bills for the month. I have actually done this and the kids but I could hear them tell each other to turn lights off, or no, don't ask them for that they paid BILLS!

Use the envelope system—if you know you want to only spend \$100 on groceries, \$50 on entertainment, \$20 on gas keep 3 separate envelopes and the 'buckets' separate. When the envelope is empty you stop spending.

Cash only-no debit or credit card.

Distinguish the difference between **needs** and **wants**. Take care of needs first, save something (even if it's \$5.00), and don't forget to occasionally reward yourself (such as a special dinner or something) for all your hard work.

Use a checkbook register or use a budget app

If you have 2 paychecks try and live on one and save the rest completely. Can't do it? Cut out all extras till you can. Never have 2 car payments at one time.

Set up automatic payments & keep separate accounts(club) for different needs(car insurance, Christmas expenses, vacation, etc.)

Refuse to pay fees for anything

Thank you

Michele Beasley, Telcoe Federal Credit Union

www.telcoe.com

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How Much Do You Really Need To Retire?



Questions to first answer.....

1. Age you started saving for retirement?
2. When will you retire?
3. Income saved annually?
4. Safe withdrawal rate from portfolio?
5. Salary replacement in retirement?
6. Life Expectancy?
7. Expected Rate of Return?

Will it be enough?

RETIREMENT NEST EGG(HYPOTHETICAL ILLUSTRATION)

	ESTIMATED RATE OF RETURN		
10 YEARS	4%	6%	8%
\$5,000	\$ 62,432	\$ 69,858	\$ 78,227
\$10,000	\$ 124,863	\$ 139,716	\$ 156,454
\$15,000	\$ 187,295	\$ 209,575	\$ 234,682
20 YEARS	4%	6%	8%
\$5,000	\$ 154,846	\$ 194,964	\$ 247,115
\$10,000	\$ 309,692	\$ 389,927	\$ 494,229
\$15,000	\$ 464,538	\$ 584,890	\$ 741,343
30 YEARS	4%	6%	8%
\$5,000	\$ 291,641	\$ 419,008	\$ 611,729
\$10,000	\$ 583,283	\$ 838,016	\$ 1,223,458
\$15,000	\$ 874,925	\$ 1,257,023	\$ 1,835,188

Sample Case

John (60) & Mary (58) would like to retire at age 65. Both will take Social Security at age 65 and use 1.50% C.O.L.A., Inflation Rate=3%, Investment Rate of Return=5%

	Annual Income	401k Balance Today	Monthly 401k Contributions OWN/Comp Match	Pension paid at 65
John	\$60,000	\$200,000	\$500 /\$250	\$1000 month
Mary	\$40,000	\$100,000	\$350/\$150	\$500 month



Retirement Analysis

Income Goals

You have indicated that you would like to have the following monthly retirement income:¹
At John's age 65 and Mary's age 63 - 69.60% of current income, or \$5,800

Income Sources

To support these goals you have the following monthly sources:
Mary's employment income from age 63 until age 65
Social Security benefits at John's age 65 - \$1,992
Social Security benefits at Mary's age 65 - \$1,565
Pension beginning at John's age 65 - \$1,000
Pension beginning at Mary's age 65 - \$500

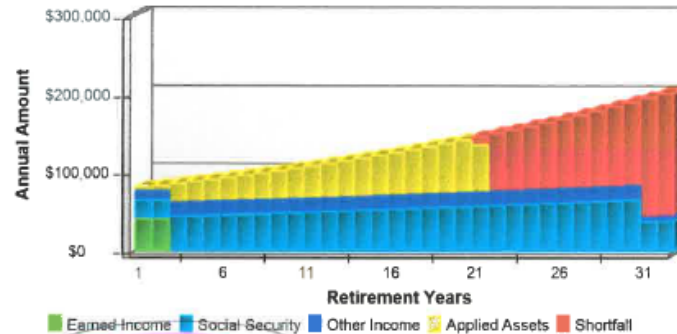
Available Assets at Retirement

John's retirement assets - \$307,889
Mary's retirement assets - \$162,481
Other assets - \$0

Analysis

Your funds will be depleted at Mary's age 83. Your current savings of \$850 will need to be increased by \$4,339 with the additional monthly savings earning a rate of return of 5.00%.

Retirement Cash Flows



An additional \$296,300 will be required at retirement to meet your goals.

Values shown in this presentation are hypothetical and not a promise of future performance.

¹ Monthly amounts shown are in today's dollars.



#1

Retirement Timeline

Today's Dollars
\$5,800 x 12 = \$69,600

Assumptions:

Retirement Rate of Return: 5.00%
Rate of Inflation: 3.00%

Analysis Results:

Total of Annual Shortfalls: \$1,132,736
Additional Capital Required: \$296,300

Mary's Income

Pensions

Ages	Need	Sources				Asset Balance	Annual Shortfall
		Earned Income	Social Security	Other Income	Earnings from Assets		
					Begin. Balance	\$470,369	
65/63	\$80,685	\$40,000	\$23,901	\$12,000	\$23,933	\$489,518	\$0
66/64	83,106	40,000	24,259	12,000	24,856	507,528	0
67/65	85,599	0	43,409	18,000	25,301	508,638	0
68/66	88,167	0	44,060	18,000	25,305	507,836	0
69/67	90,812	0	44,721	18,000	25,209	504,954	0
70/68	93,537	0	45,392	18,000	25,005	499,815	0
71/69	96,343	0	46,073	18,000	24,684	492,229	0
72/70	99,233	0	46,764	18,000	24,235	481,995	0
73/71	102,210	0	47,465	18,000	23,649	468,899	0
74/72	105,276	0	48,177	18,000	22,915	452,715	0
75/73	108,435	0	48,900	18,000	22,019	433,200	0
76/74	111,688	0	49,633	18,000	20,952	410,097	0
77/75	115,038	0	50,378	18,000	19,698	383,135	0
78/76	118,489	0	51,134	18,000	18,245	352,024	0
79/77	122,044	0	51,901	18,000	16,576	316,457	0
80/78	125,705	0	52,679	18,000	14,677	276,108	0
81/79	129,477	0	53,469	18,000	12,531	230,631	0
82/80	133,361	0	54,271	18,000	10,119	179,661	0
83/81	137,362	0	55,085	18,000	7,424	122,809	0
84/82	141,482	0	55,912	18,000	4,425	59,663	0
85/83	145,727	0	56,750	18,000	1,101	0	10,213
86/84	150,099	0	57,602	18,000	0	0	74,497
87/85	154,602	0	58,466	18,000	0	0	78,136
88/86	159,240	0	59,343	18,000	0	0	81,897
89/87	164,017	0	60,233	18,000	0	0	85,784
90/88	168,937	0	61,136	18,000	0	0	89,801
91/89	174,006	0	62,053	18,000	0	0	93,952
92/90	179,226	0	62,984	18,000	0	0	98,242
93/91	184,603	0	63,929	18,000	0	0	102,674
94/92	190,141	0	64,888	18,000	0	0	107,253
93	195,845	0	37,359	6,000	0	0	152,486
94	201,720	0	37,919	6,000	0	0	157,801

run out →

Values shown in this presentation are hypothetical and not a promise of future performance



Reduce lifestyle (#2)

Retirement Analysis

Income Goals

You have indicated that you would like to have the following monthly retirement income:¹
At John's age 65 and Mary's age 63 - 57.60% of current income, or \$4,800

Income Sources

To support these goals you have the following monthly sources:
Mary's employment income from age 63 until age 65
Social Security benefits at John's age 65 - \$1,992
Social Security benefits at Mary's age 65 - \$1,565
Pension beginning at John's age 65 - \$1,000
Pension beginning at Mary's age 65 - \$500

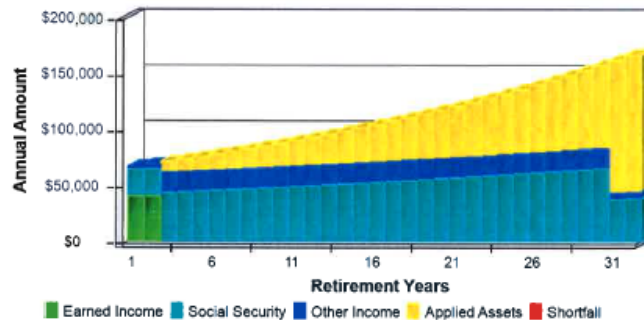
Available Assets at Retirement

John's retirement assets - \$307,889
Mary's retirement assets - \$162,481
Other assets - \$0

Analysis

Your current savings of \$850 will need to be increased by \$0 with the additional monthly savings earning a rate of return of 5.00%.

Retirement Cash Flows



Values shown in this presentation are hypothetical and not a promise of future performance.



Today's Dollars (#2)
\$4,800 X 12 = \$57,600

Retirement Timeline

Assumptions:

Retirement Rate of Return: 5.00%
Rate of Inflation: 3.00%

Mary's Income

Analysis Results:

Total of Annual Shortfalls: \$0
Additional Capital Required: \$0

Pensions

Ages	Need	Sources				Asset Balance	Annual Shortfall
		Earned Income	Social Security	Other Income	Earnings from Assets		
65/63	\$66,774	\$40,000	\$23,901	\$12,000	Beg. Balance \$470,369 \$24,316	\$503,812	\$0
66/64	68,777	40,000	24,259	12,000	25,982	537,275	0
67/65	70,841	0	43,409	18,000	27,229	555,072	0
68/66	72,966	0	44,060	18,000	28,099	572,265	0
69/67	75,155	0	44,721	18,000	28,936	588,767	0
70/68	77,410	0	45,392	18,000	29,737	604,487	0
71/69	79,732	0	46,073	18,000	30,496	619,323	0
72/70	82,124	0	46,764	18,000	31,208	633,172	0
73/71	84,588	0	47,465	18,000	31,868	645,918	0
74/72	87,125	0	48,177	18,000	32,470	657,440	0
75/73	89,739	0	48,900	18,000	33,008	667,809	0
76/74	92,431	0	49,633	18,000	33,474	676,285	0
77/75	95,204	0	50,378	18,000	33,862	683,321	0
78/76	98,060	0	51,134	18,000	34,164	688,559	0
79/77	101,002	0	51,901	18,000	34,373	691,831	0
80/78	104,032	0	52,679	18,000	34,478	692,956	0
81/79	107,153	0	53,469	18,000	34,472	691,744	0
82/80	110,368	0	54,271	18,000	34,343	687,991	0
83/81	113,679	0	55,085	18,000	34,083	681,480	0
84/82	117,089	0	55,912	18,000	33,678	671,981	0
85/83	120,602	0	56,750	18,000	33,119	659,248	0
86/84	124,220	0	57,602	18,000	32,391	643,022	0
87/85	127,946	0	58,466	18,000	31,482	623,023	0
88/86	131,785	0	59,343	18,000	30,378	598,959	0
89/87	135,738	0	60,233	18,000	29,062	570,516	0
90/88	139,810	0	61,136	18,000	27,520	537,362	0
91/89	144,005	0	62,053	18,000	25,734	499,144	0
92/90	148,325	0	62,984	18,000	23,685	455,489	0
93/91	152,775	0	63,929	18,000	21,355	405,998	0
94/92	157,358	0	64,888	18,000	18,724	350,252	0
/93	162,078	0	37,359	6,000	14,655	246,187	0
/94	166,941	0	37,919	6,000	9,212	132,377	0

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Surplus

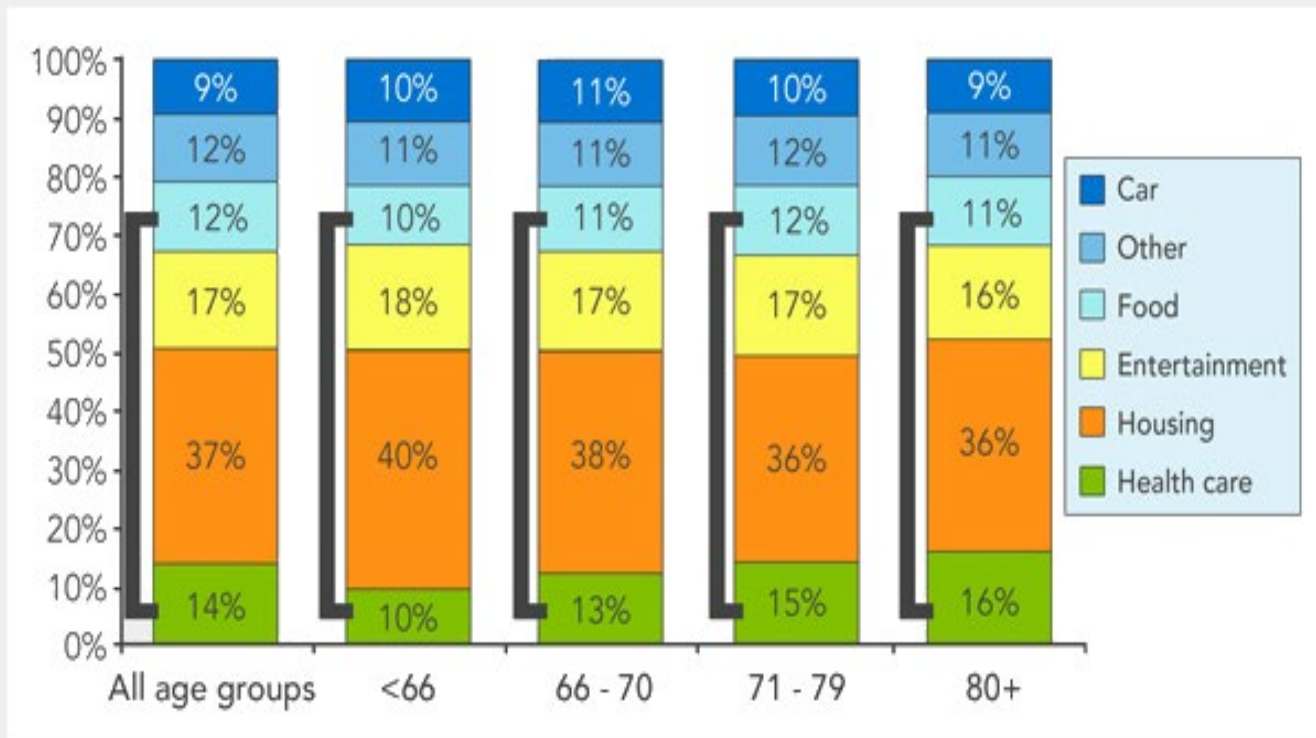
Will you be ready?

Other Factors To Consider

- Enroll in your workplace plan---earlier the better -then max out your IRA contribution via payroll deduction with Telcoe Credit Union IRA savings or certificate of deposit
- **Save at the highest levels possible**
- **Increase your savings when your salary increases**
- **Diversify your savings mix**
- Do not overestimate your salary growth or your savings returns
- **Envision your lifestyle in retirement you want, what will it cost?**
- **Avoid taking out 401k or 403b loans or cashing out when you change jobs!**

Medical Expenses In Retirement

Retirees are paying more for health care than food



Source: Strategic Advicers, Inc., 2008.

An average couple retiring today at the age of 65 will need over **\$300,000** to pay medical expenses throughout retirement.....



6.2%- amount earnings workers pay
into SS

\$1,693.88--average a retired worker
receives monthly in Social Security

Age to Receive Full Social Security Benefits

(Called “Full Retirement Age” or “Normal Retirement Age.”)

Year of Birth ¹	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

1. If you were born on January 1st of any year you should refer to the chart as if your birthday was in the previous month. (If you were born on the 1st of the month, we figure your benefit as if your birthday was in the previous month.)

Source: <http://www.socialsecurity.gov/retire2/retirechart.htm>

If You Start Benefits in June of	Age	First Year Estimated Monthly Benefit (in Future Inflated Dollars)
2017	62	\$1,571
2018	63	\$1,735
2019	64	\$1,956
2020	65	\$2,203
2021	66 and 2 months*	\$2,496
2022	67	\$2,758
2023	68	\$3,071
2024	69	\$3,404
2025	70	\$3,758

In this example, waiting an extra year from age 67 to age 68 resulted in 11.3% increase in the monthly benefit.

* Starting benefits in August of 2021; Full Retirement Age based on a birth year of 1955 is 66 and 2 months.

Social Security Benefit Payment Hypothetical Examples (for a person born June 15, 1955 currently earning \$80,000/year)³

Begin Benefits	Estimated Monthly Benefit in Future Dollars ⁴	If You Receive Social Security Benefits Until Age...	Estimated Total Benefits Paid to You ⁵	Lump-Sum That Would Be Required at Retirement to Create a Stream of Payments Equal to Social Security Benefit ⁶
62	\$1,571	80	\$448,030	\$286,253
		85	\$620,979	\$349,698
		90	\$821,474	\$407,327
		95	\$1,053,902	\$459,672
66 and 2 months ⁷ (FRA)	\$2,496	80	\$514,454	\$361,917
		85	\$758,593	\$470,779
		90	\$1,041,617	\$569,661
		95	\$1,369,719	\$659,477
70	\$3,758	80	\$524,730	\$409,420
		85	\$851,318	\$586,430
		90	\$1,229,923	\$747,211
		95	\$1,668,829	\$893,253

Want to schedule a individual meeting?

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