- Aspen Stake -

Financial Self-Reliance

"7 Steps to Money Security"

Presented by: Adam Davis

“It is my purpose to provide for my saints.”

D&C 104:15

You are a child of our Father in Heaven.

He loves you and will never forsake you.

He knows you
and is ready to extend to you the *spiritual and temporal blessings* of self-reliance.

The First Presidency

Why do we need to master our Stewardship over financial resources?

As you strive to use your money wisely,

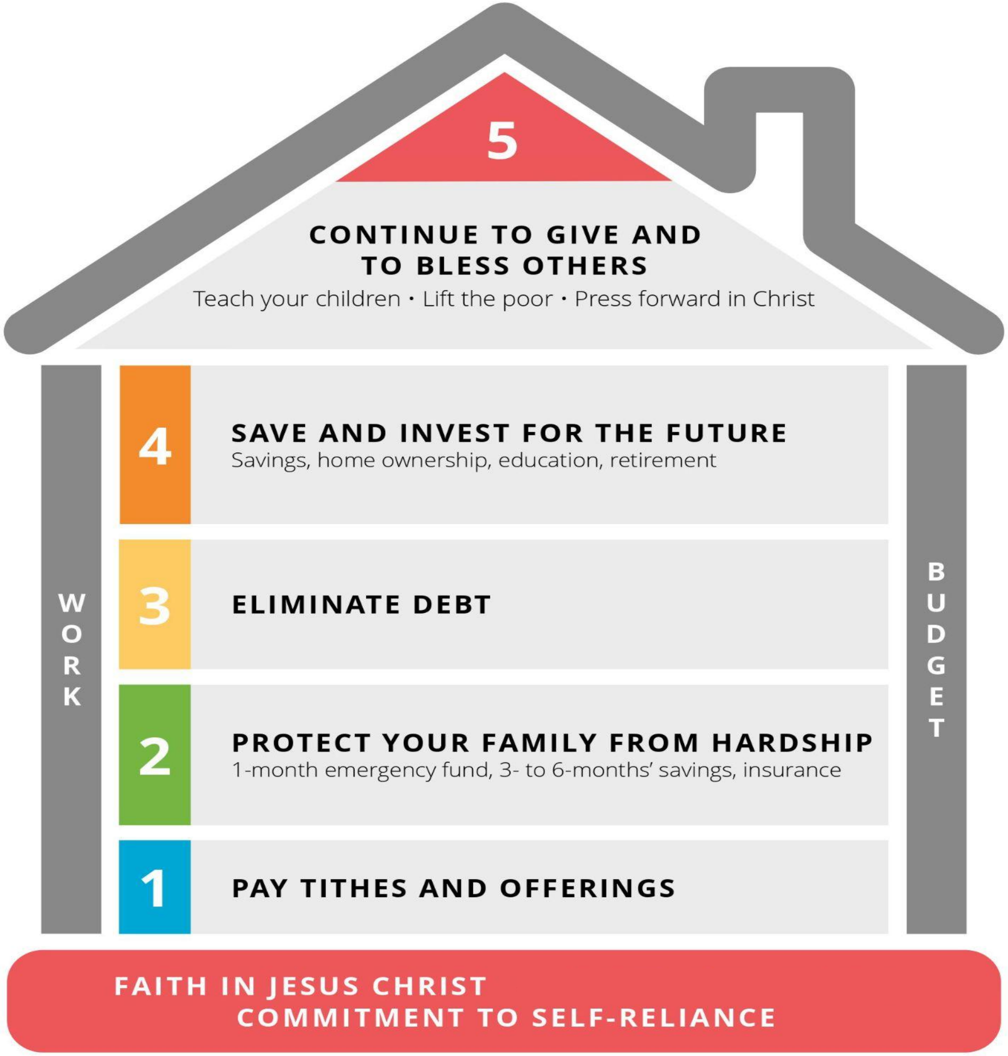
your faith in Christ can increase,

paving the way for future blessings.

If you have *paid your debts,* if you have *a reserve,* even though it be small,

then should storms howl about your head, you will have *shelter* for your [families] and *peace in your hearts.*

Gordon B. Hinckley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Teach your children • Lift the poor • Press forward in Christ
4
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Savings, home ownership, education, retirement
3
ELIMINATE DEBT
2
PROTECT YOUR FAMILY FROM HARDSHIP
1-month emergency fund, 3- to 6-months' savings, insurance
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PAY TITHES AND OFFERINGS
WORK
BUDGET
FAITH IN JESUS CHRIST
COMMITMENT TO SELF-RELIANCE

“By small and simple things are great things brought to pass.”

Alma 37:6

…By small and simple habits,

financial peace of mind

is brought to pass.

The 7 Money Milestones

1. Financial Education
- Increase financial literacy
- Find a financial professional

2. Proper Protection
- Protect against loss of income
- Protect against loss of savings

3. Emergency Fund
- Save at least 3-6 months of income
- Prepare for unexpected expenses

4. Debt Management
- Change spending habits
- Strive to eliminate debt

5. Cash Flow
- Manage expenses
- Earn additional income

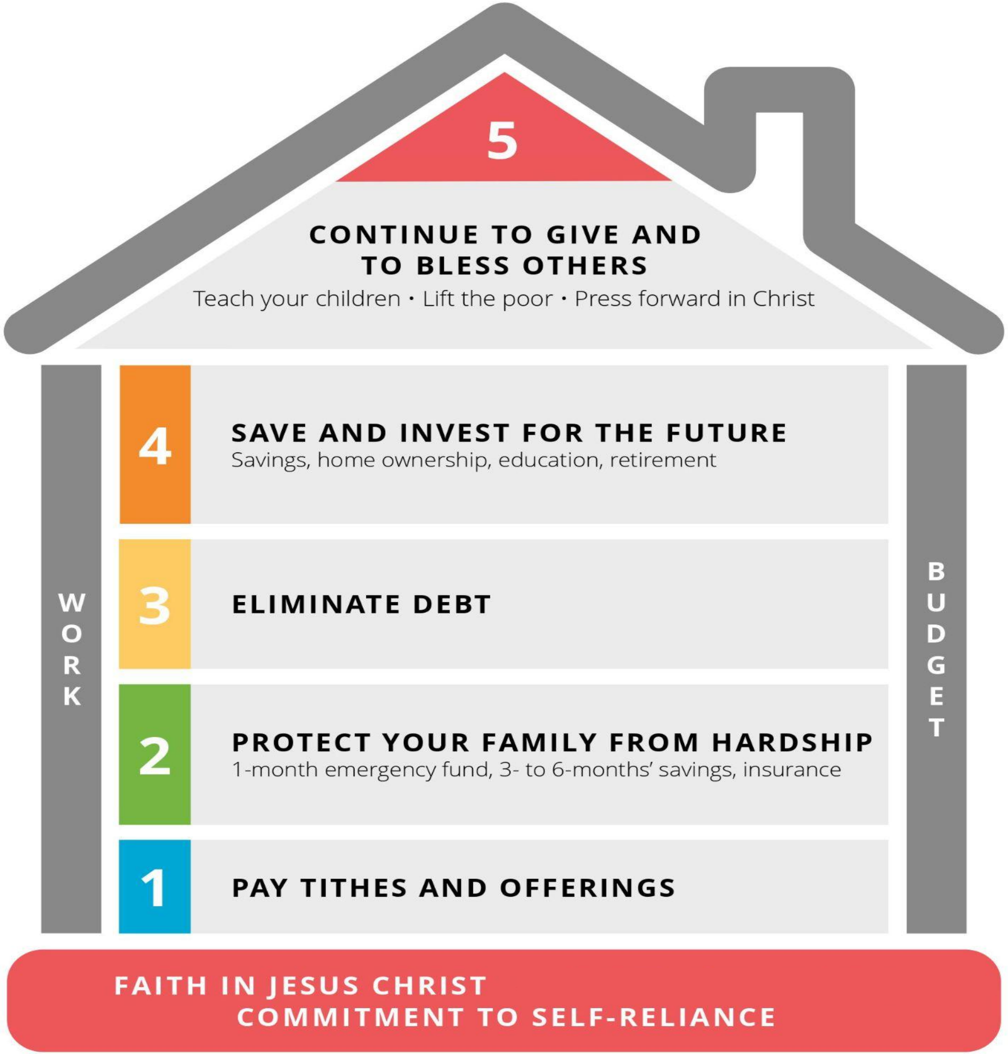
6. Build Wealth
- Avoid the impact of taxes, losses, inflation
- Avoid running out of money in retirement

7. Protect Wealth
- Create an estate plan
- Guard your legacy

1

Financial Education

- Become financially literate
- Find a financial professional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Read books on finance/goal setting

- The Richest Man in Babylon
- Tax-Free Income For Life
- HowMoneyWorks
- Total Money Makeover

Talk to financial professionals

- Attend seminars/classes
- Talk to people with experience
- Meet agents with several options

Set worthy goals

- Dream big
- Have purpose and meaning
- Plan on going on Missions Etc.

But before ye seek for riches, seek ye for the kingdom of God. And after ye have obtained a hope in Christ ye shall obtain riches…to do good.

Jacob 2:18-19

Successful finances begin with the payment of an ***honest tithe*** and the giving of a ***generous fast offering.***

The Lord has promised to ***open the windows of heaven and pour out great blessings*** upon those who pay tithes and offerings faithfully.

Malachi 3:10 & Isaiah 58:6-12

- Be modest in expenditures
- Discipline yourself to avoid debt
- Pay off debt as quickly as you can
- Free yourselves from bondage

Once you learn to read, you will be forever free.

– FREDERICK DOUGLASS

The same is true about learning how money works.

Literacy

Competence or knowledge in a specified area.

– Oxford University Press

Financial Literacy

Understanding how to earn, spend, save, manage and invest money.

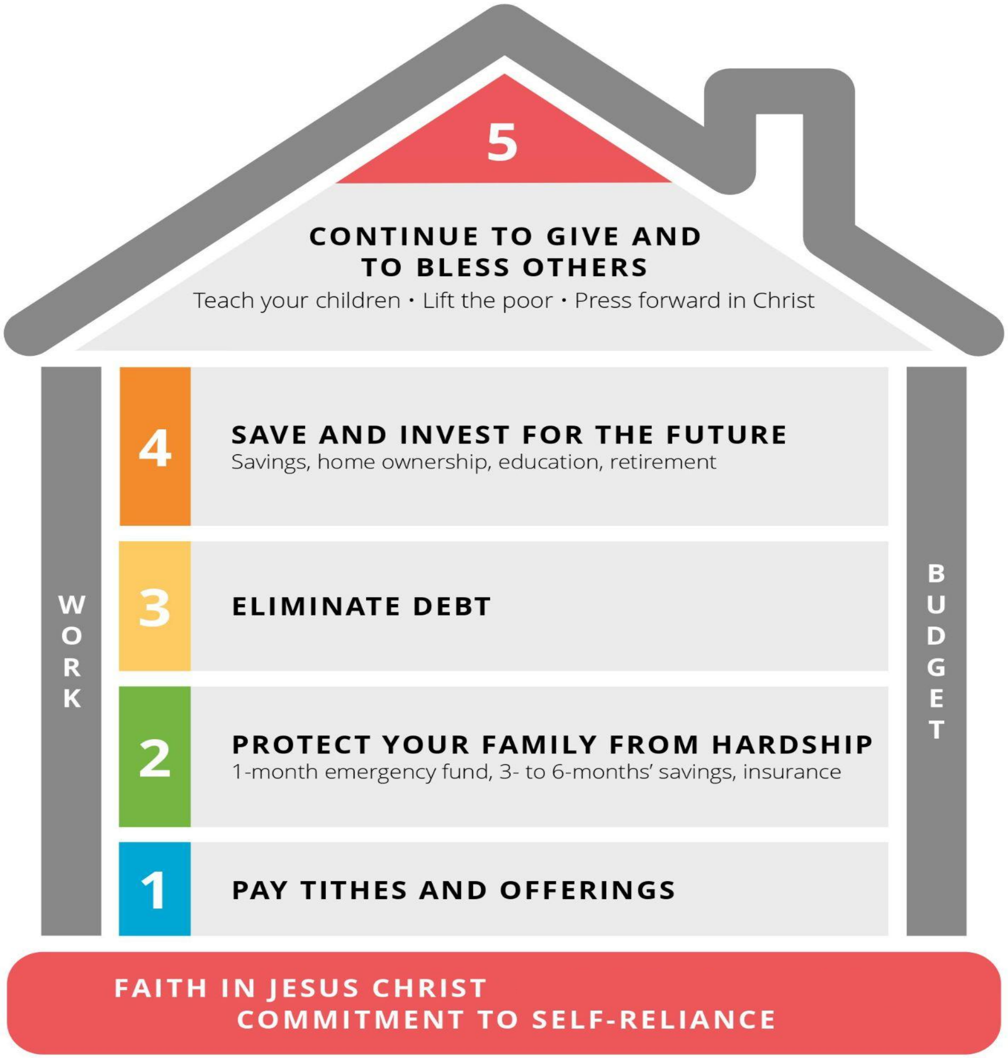
– Federal Reserve Bank of St. Louis

Milestone 1

2

Proper Protection

- Protect against loss of income
- Protect against loss of savings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"Nothing seems so certain as the unexpected in our lives. With rising medical costs, *insurance is the only way* most families can meet serious accident [or] illness. Life insurance provides income continuation when [you] prematurely die…

…Every family should make provision for proper health and life insurance."

Elder N. Eldon Tanner

Car+ Homeowners (P+C) Insurance

- Accidents
- Repairs + Injuries
- Losses + Damages
- Liability

Long Term Care (LTC) Insurance

- Informal + Formal Care
- Inability to perform 2 of 6 ADLs
- Protect from spending down assets too quickly

Life Insurance

- Loss of income
- Pay off debt + mortgage
- Funeral and final expenses
- Education for children
- Future health concerns

Health Insurance

- Check-ups / Wellness
- Hospitalization
- Surgeries
- Illness
- Medications

Milestone2

Life

With the DIME Method in mind, here's a real-life story of what being "Properly Protected" really means when it matters most.

Angela, age 44, recently lost her husband Doug to cancer. They worked with a HMW Educator to secure $1,130,000 in Proper DIME Protection years before his diagnosis:

D - $50,000 (cars + credit cards)________$950/mo
I - $720,000 ($72,000 x 10)
M - $300,000____________________$1,800/mo
E - $60,000 ($15Kx4 kids)

With the death benefit, Angela funded kids' Education accounts, paid off the Mortgage, and paid off the Debt. $2,750/mo ($33,000/yr) was freed up.

Angela now only needs about $39,000/year to live the exact same lifestyle.

Taking 5%/yr from a $720,000 Personal Pension (RISe Strategy) gives her an Income of $36,000/yr

3

Emergency Fund

- Save 3-6 months' income
- Prepare for unexpected expenses


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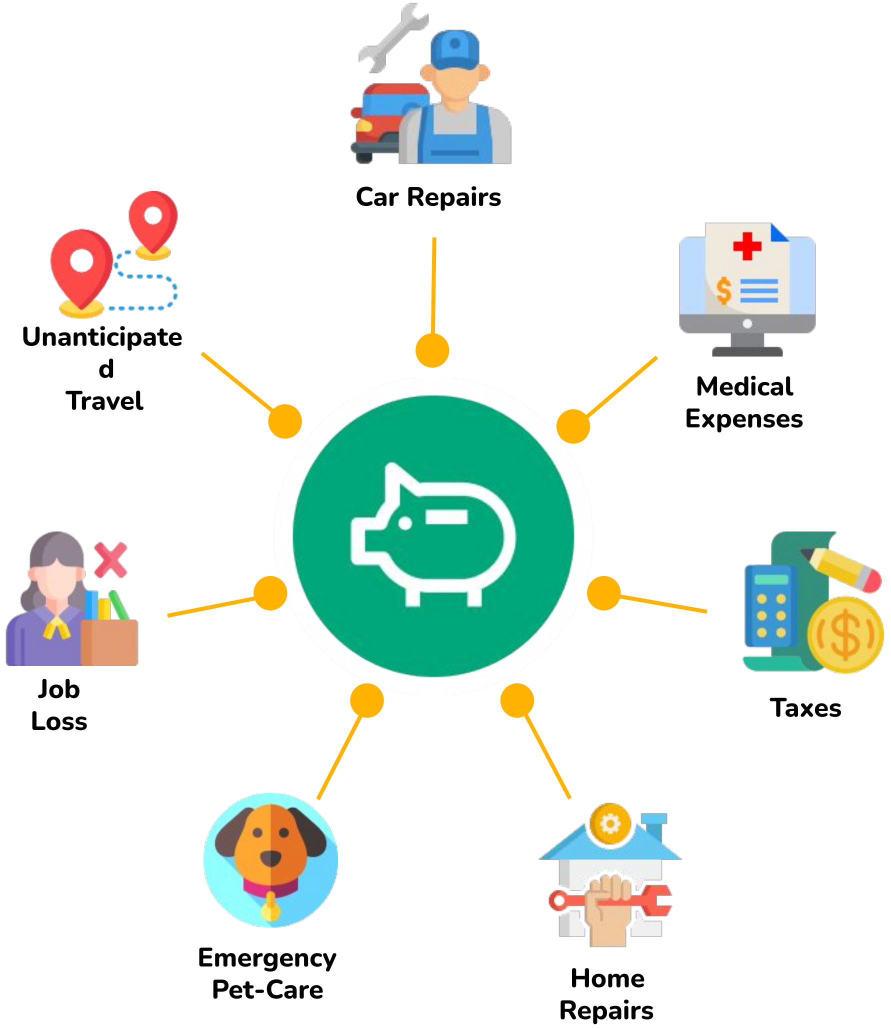
Milestone



Create an Emergency Fund

Goal 1:	$1,000
Goal 2:	1 Month of Income
Goal 3:	3 Months
Goal 4:	6 Months

Emergency Fund Musts

- A Dedicated Account
- Monthly Auto-Deposit
- Accessible
- Growing

The Rule of 72

The higher the interest rate, the fewer years it takes money to double.

The Rule of 72 is a mathematical concept that approximates the number of years it will take to double the principal at a constant rate of return compounded over time. All figures are for illustrative purposes only, and do not reflect the performance risks, fees, expenses or taxes associated with an actual investment. If these costs were reflected, the amounts shown would be lower and the time to double would be longer. The rate of return of investments fluctuates over time and, as a result, the actual time it will take an investment to double in value cannot be predicted with any certainty. Investing entails risk, including possible loss of principal. Results are rounded for illustrative purposes. Actual results in each case are slightly higher or lower.

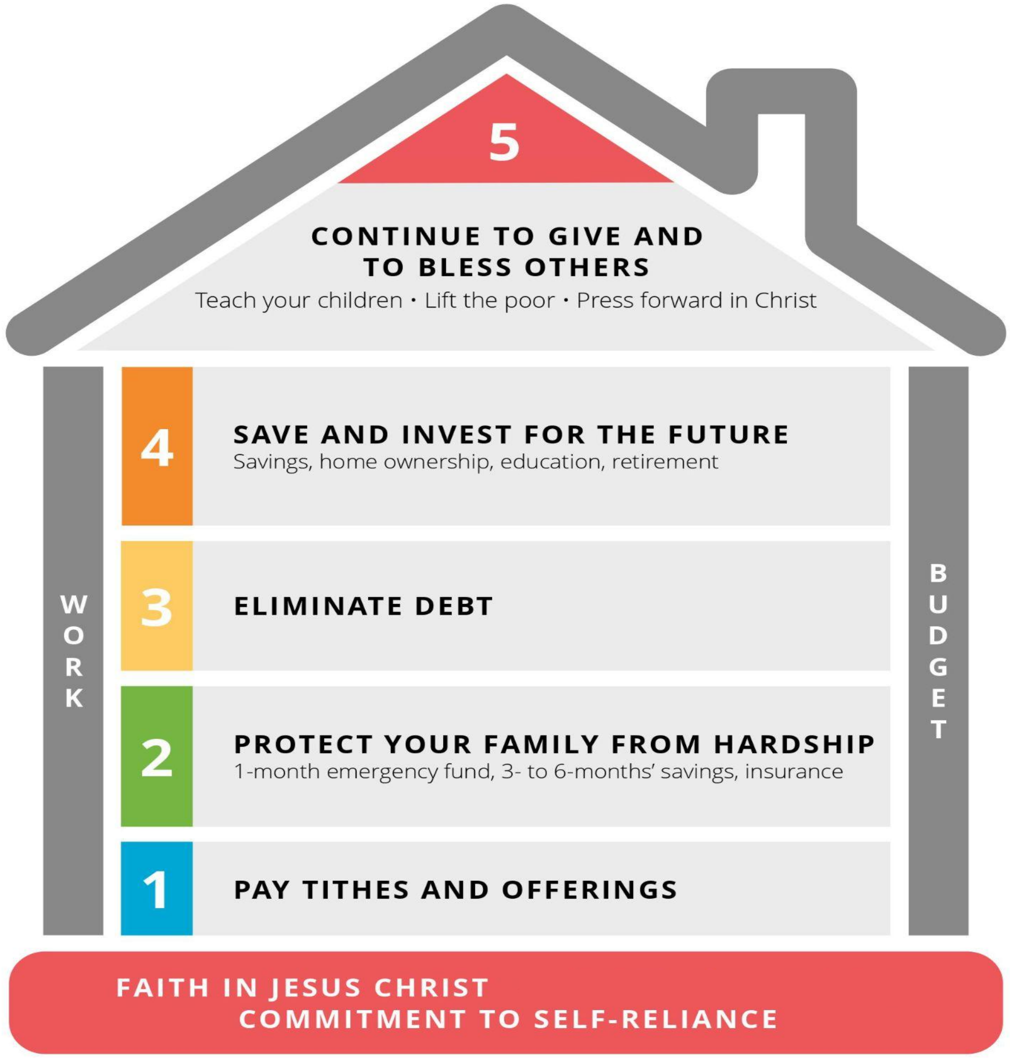
72 ÷

- 1% = 72 years to double
- 3% = 24 years to double
- 6% = 12 years to double
- 9% = 8 years to double
- 12% = 6 years to double

4

Debt Management

- Change spending habits
- Strive to eliminate debt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"Once in debt, *interest is your companion every minute of the day and night;* you cannot shun it or slip away from it; you cannot dismiss it; it yields neither to entreaties, demands, or orders;

and whenever you get in it's way or cross its course or fail to meet its demands,

…it crushes you."

Elder J. Reuben Clark

DEBT

The average American has $28,900 in personal debt, not including mortgages. And over half of Americans suffer from anxiety relating to debt.*

Milestone 4

5 Methods

Reduce and Eliminate Debt

Organize
Know what you owe

Transfer
Lower interest

Snowball
Target one at a time

Consolidate
Combine debts + lower payments

Negotiate
The step before bankruptcy

If there is any *one thing that will bring peace and contentment* into the human heart, and into the family, it is to *live within our means.*

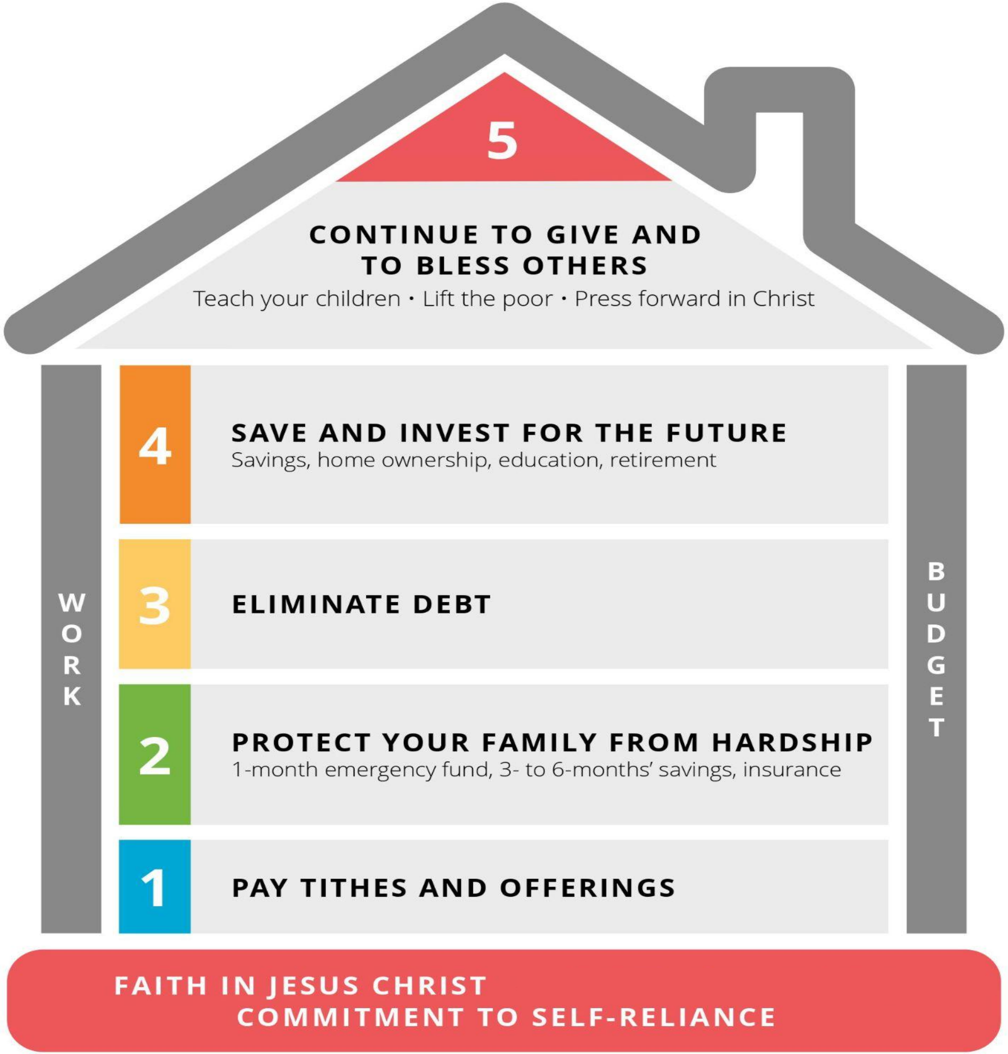
And if there is any one thing that is grinding and discouraging and disheartening, it is to have *debts and obligations that one cannot meet.*

Heber J. Grant

5

Increase Cash Flow

- Earn additional income
- Manage expenses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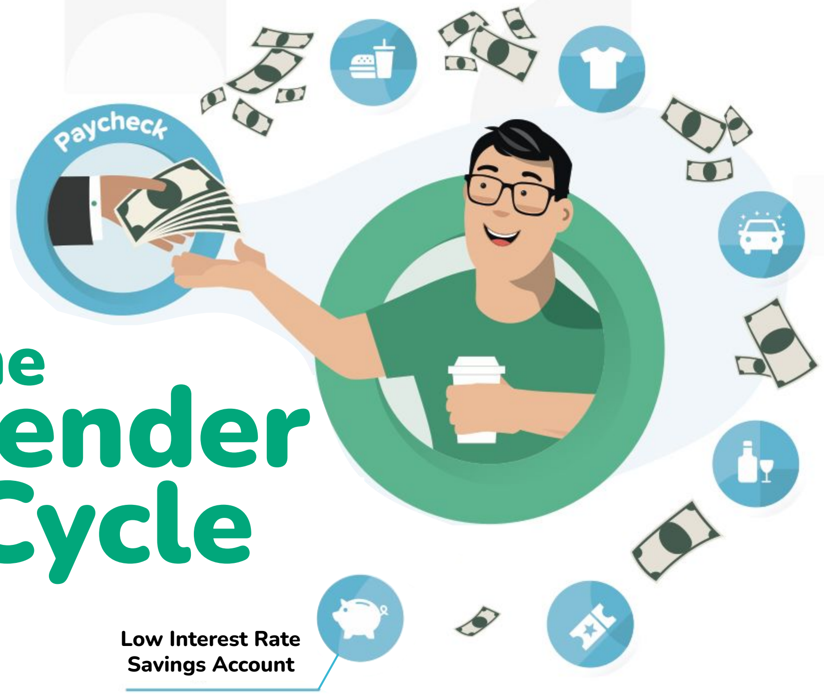
Do not spend money for that which is of no worth, nor your labor for that which cannot satisfy."

2 Nephi 9:51

If you wish to get rich, save what you get. *Any fool can earn money;* but it takes a wise man to save and dispose of it to his own advantage.

Brigham Young

The Spender Cycle



Lack of financial literacy traps people in the Spender-Cycle, often for life.

The Spender gets a paycheck - and instead of putting their money to work, they hand the money to The Savers who then build wealth with the Spender's money.

Apply The Saver-Cycle principles:

- Free Up Money
- Pay Yourself First
- Invest in Appreciating Assets
- Only Upgrade Lifestyle with Passive Income

A Budget

- Must be flexible
- Live below your means
- Find a method that works and stick to it
- Your future security is more important than any present bill

Him

You

Them

Following a Budget will help you:

1. Take control of your temporal life
2. Put off the natural man – *Mosiah 3:19*
3. Invite the Spirit into your home

Creating and following a budget is an act of faith.

If you go over budget, don't give up!
Consistently review and revise it.

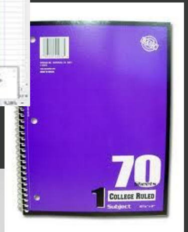
It may take several months of adjustments before you have an effective budget.

There is no “best” budget.
The best budget is the one that works for you and the one that you can stick to.

Budget Methods:

1. The Envelope Method
2. Budgeting Software
3. Spreadsheets / Notebook
4. Two Banks Method

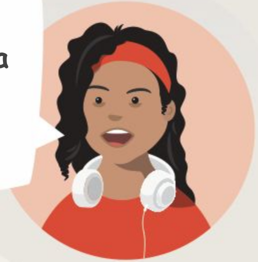




3 Big Moves to supercharge your cash flow

1 Add a Side Gig

A recent survey found that 45% of U.S. workers have a side gig earning an average of $1,122 per month*



2 Start a Business

By becoming an entrepreneur part-time, you could leverage hours outside of your day job and then transition full-time as business increases

3 Free Up Cash Flow

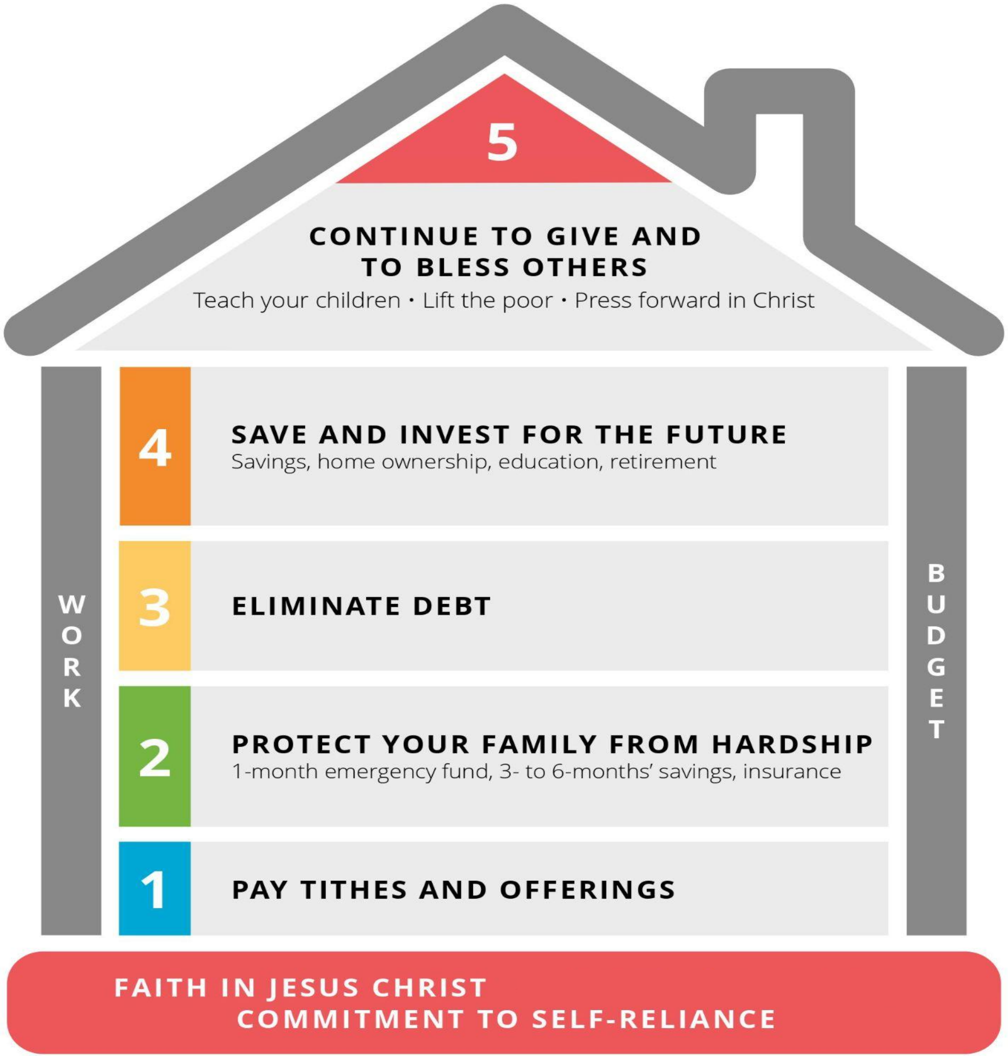
Working with your financial professional, take a close look at the 4 ways you can free up cash flow on the next slide. These approaches are more simple than you might think

* *"One-third of Americans say they need a side gig to pay expenses," James Wellemeyer, June 2019*

6

Build Wealth

- Avoid the impact of taxes, losses, inflation
- Accumulate and grow assets for the future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“

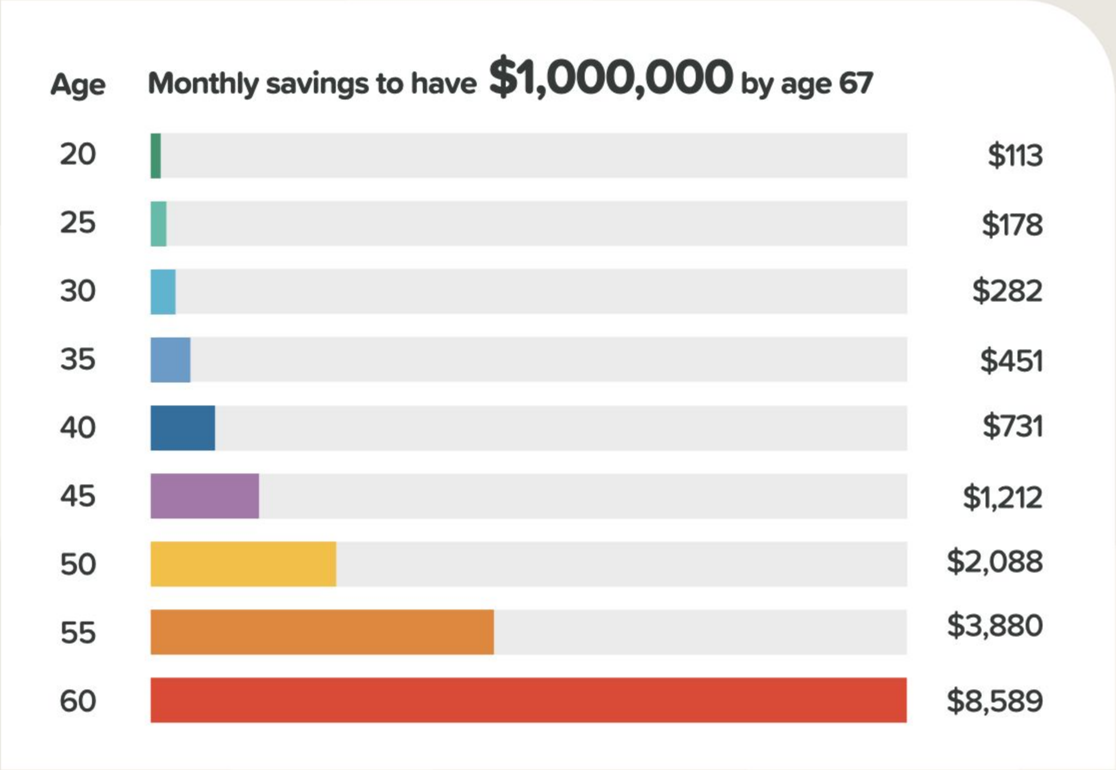
Procrastination is, hands down, our favorite form of self-sabotage.

– ALYCE CORNYN-SELBY

The longer you wait, the more you must save.

The Impact of Procrastination

- Assumes a 9% average annual interest rate, compounded monthly
- Based on a retirement age of 67
- Find your age
- Find how much you need to save monthly
- Are you saving enough?



This is a hypothetical scenario for illustration purposes only and does not represent an actual investment in any product. Actual investments can fluctuate in value and there is no assurance that these results can or will be achieved. It does not include performance risks, expenses, fees or taxes associated with any actual investment, which would lower results. Rate of return is an assumed constant nominal rate, compounded monthly. It is unlikely that any one rate of return will be sustained over time. Investing entails risk, including possible loss of principal. Numbers are rounded to the nearest dollar in some cases. Retirement needs vary by income and cost of living—$1 million isn't an adequate goal for every saver.

** "Income Percentile by Age Calculator for the United States in 2018," PK, Oct 2019*

The Seed vs. The Harvest

Would you rather pay taxes on...

The Seed

The Harvest

3 Ways Your Money Can Be Taxed

Tax Now

Taxes are paid on interest, earnings, and dividends every single year.

Savings | CDs • Stocks • Mutual Funds

Tax Later

Taxes are paid when you start taking distributions in retirement.

401k | 403b | 457 • IRA • SIMPLE | SEP

Tax Never

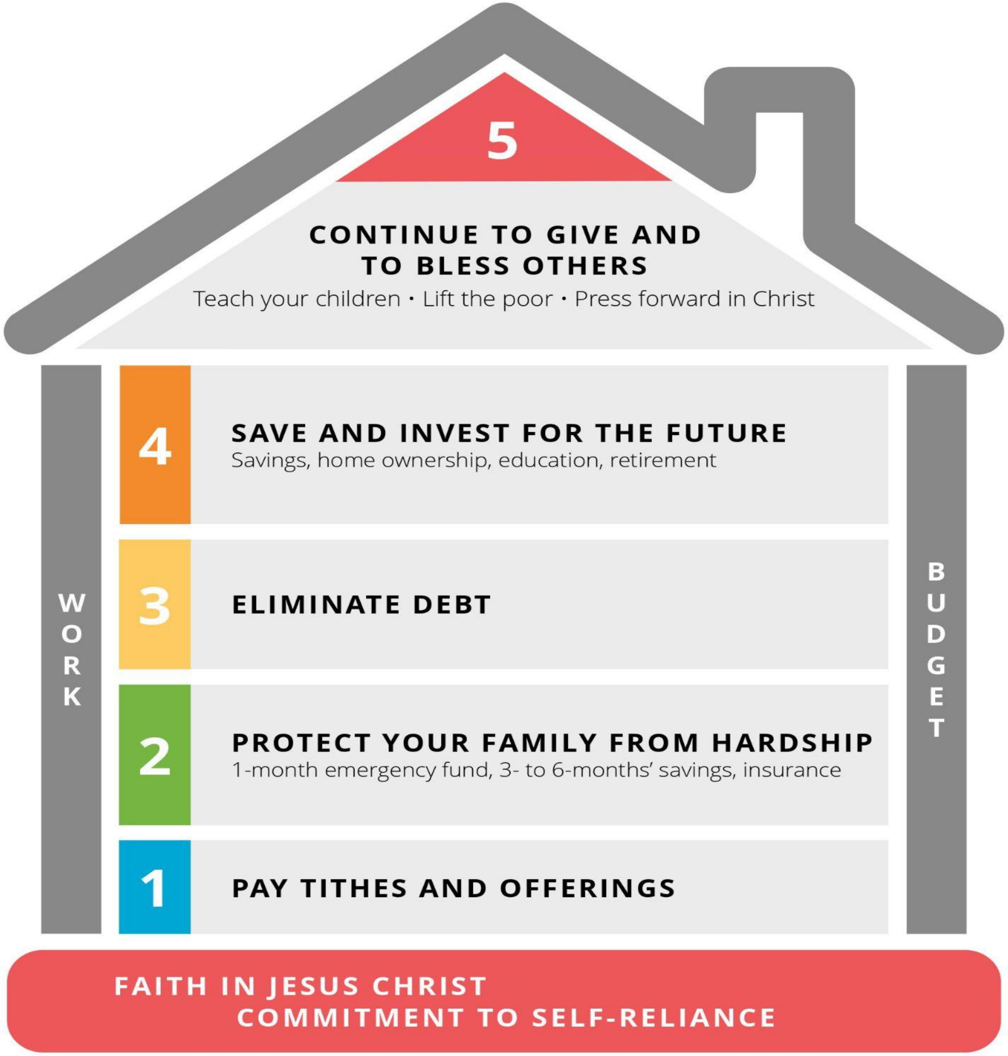
Taxes are not owed on earnings and distributions.

Roth IRA • Permanent Life Insurance

7

Protect Wealth

- Create a will
- Guard your legacy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4 Documents

Your Estate Plan Should Include

HowMoneyWorks does not provide tax or legal advice. Please consult with your personal tax and/or legal professional for guidance on your particular situation.

Will

Identifies the guardian of your minor and special needs children, who will carry out your wishes, and how your property will be distributed

Financial Power of Attorney

Identifies who will control your affairs, like managing bills, insurance, taxes, or selling property, if you're not able to do it yourself

Advance Healthcare Directive or Living Will

Identifies the person to make your healthcare decisions if you cannot and states what medical treatment you wish to receive if you're unable to choose one

Health Insurance Portability and Accountability Act (HIPAA) Release

Permits your healthcare agent to access your medical records/insurance information to assist in your treatment

You can help your family and business partners avoid unnecessary expenses and delays of the probate process with one additional estate planning tool...

a trust.

Trusts can...

- **Manage your property** after you become physically or cognitively impaired
- **Protect the interests of your children** who are currently incapable of handling money due to age, immaturity, disability, illness, or substance abuse
- **Protect special needs children** and beneficiaries from losing eligibility for government benefits
- **Provide privacy** since the trust is not filed with the probate court
- **Avoid probate in multiple states** if you own real estate in more than one state
- **Lower your estate taxes** and provide added tax advantages for large estates

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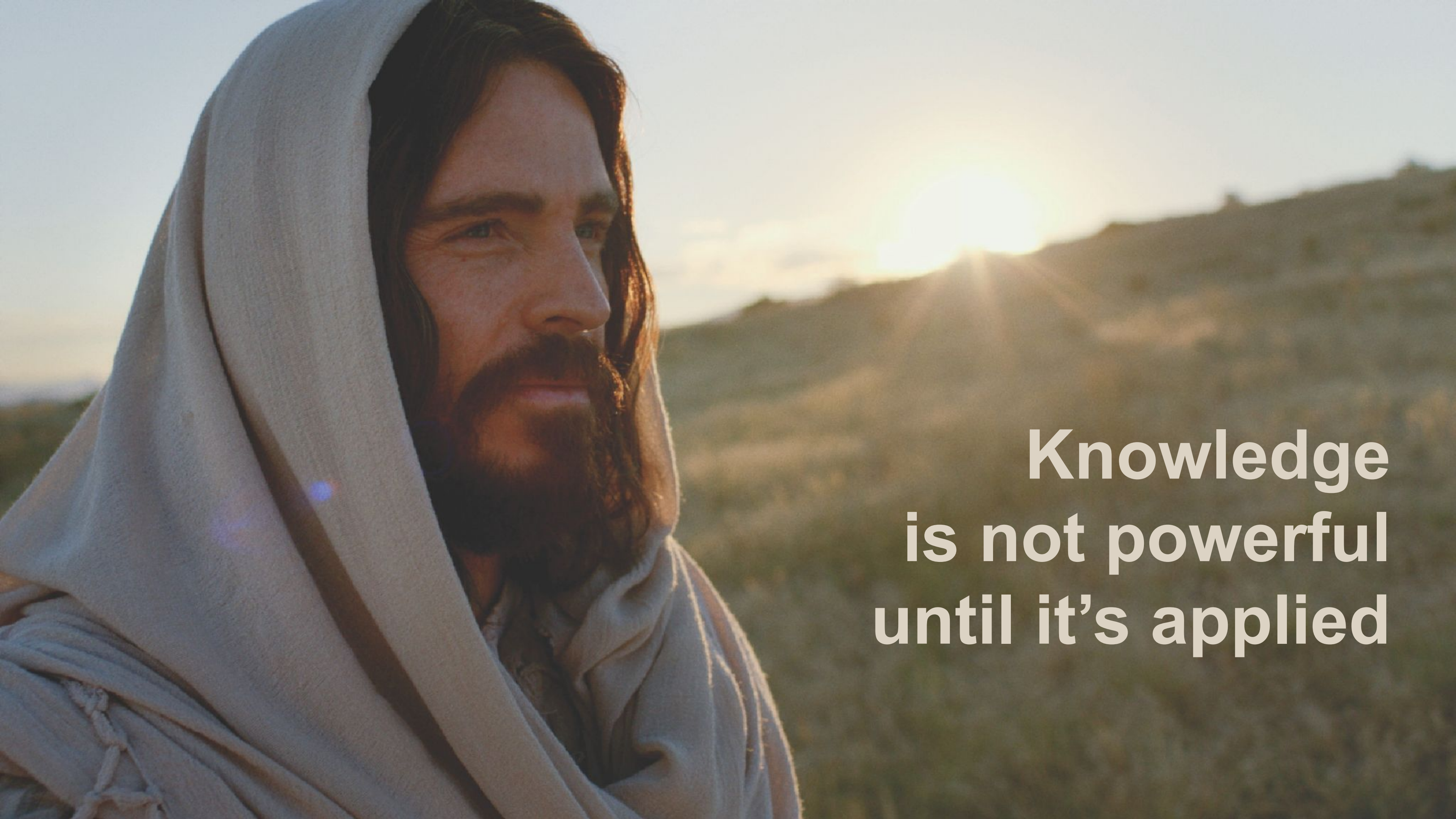
Decide

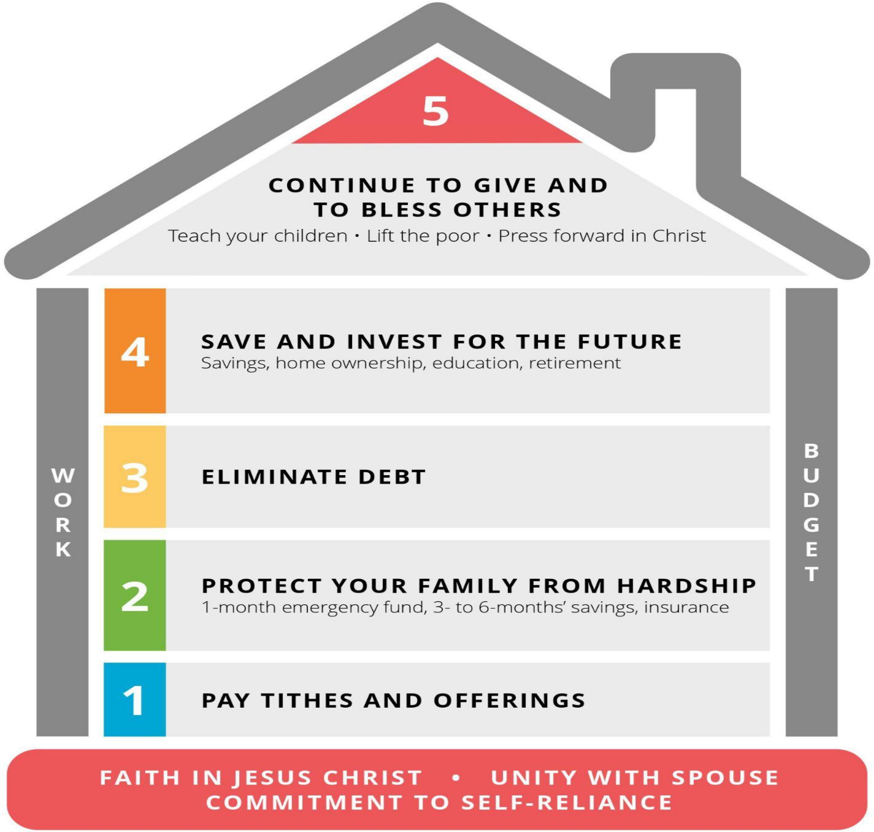
Start

Now

A step in any direction takes you farther than no step at all.


Knowledge
is not powerful
until it’s applied

The 7 Money Milestones



Text me if you have any questions:

Adam Davis
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