A booklet providing financial best practices and information

Guardian

Empowering women for financial freedom

Financial information to help you plan, protect and prepare for your future

"Life is a game, play it; life is a challenge, meet it; life is an opportunity, capture it."

Unknown

Life is fast-paced, and our future concerns can inadvertently be placed on the back-burner, but when it comes to securing you and your family's future, the time to start planning is now. Understanding your current financial situation, setting goals based on your values and having a solid understanding of what it will take to protect your family and assets is an important first step in achieving your goals.

This seminar is for you. It's about the **unique challenges and goals** that **women** face in order to provide you with the basic tools to **start planning your future**... So let's begin.

The roadmap

Step One	Matching money with your values and goals
Step Two	Understanding your financial foundation
Step Three	Small change, big results
Step Four	Checklist for your future
Step Five	Ways to learn about saving and planning
Appendix	Tips, tricks, info and more

How do you feel about your financial future?

Have you ever wondered what the most satisfied and emotionally confident Americans are doing right? The statements below can help provide a snapshot of your financial and emotional confidence.

Please check any statement in the four boxes below that describes your current beliefs.

Day-To-Day Decision Maker

☐ I try to balance the information and news I consume.

☐ Having enough money to enjoy life now is important.

☐ It's difficult to maintain a work/life balance.

☐ There is a lot of uncertainty in the world.

☐ It's important to raise my children well.

☐ I focus a lot of my time thinking about monthly expenses.

Ambitious Spender

☐ It's important to keep up with the latest technology trends.

☐ I will most likely continue to work in retirement (start a biz, part-time job, etc.)

☐ If I save & invest well, I'll be ready for retirement.

☐ I like to focus on being a respected member of my community.

☐ The pace of change is so fast nowadays.

Retirement Realist

☐ A work/life balance is important to me.

☐ I think about how to best find guaranteed income in retirement.

☐ I am confident I'll maximize my retirement income.

☐ I participate in a workplace savings plan: 401(k), etc.

☐ I often think about new ways to create more retirement income.

Confident Planner

☐ A work/life balance is important to me.

☐ I understand most concepts about financial planning and protection.

☐ I have laid out a plan for protecting my money now, as well as increasing it in the future.

☐ Making good investment decisions is of the utmost importance.

☐ I am not overly concerned with credit card debt.

Review the statements you selected in each box. Which of the four categories do you best relate to?

I best identify as: ______________________________

We found that Americans generally fall into one of four categories, based on their behaviors and attitudes (not just demographics and income), when it comes to financial and emotional confidence.

Day-To-Day Decision Maker

People who identify as Day-to-Day Decision-Maker tend to focus on day-to-day demands (like raising children) and having enough money to enjoy life.

Ambitious Spender

People who identify as an Ambitious Spender tend to enjoy demonstrating their success, participating in their community and keeping up with the latest tech trends.

Retirement Realist

People who identify as Retirement Realist place a high priority on work/life balance, devoting time to family, and having meaningful experiences. But the thought of how to continue their lifestyle in the future can be daunting.

Confident Planner

People who identify as a Confident Planner tend to have it figured out when it comes to finances, work/life balance and staying healthy.

Take action

Take the full Financial & Emotional Confidence Quiz and learn what you can start doing to become more financially confident, please visit livingconfidently.com today and share your results with your financial professional.

The American experience

Attitudinal Segments

Segment Name	Day-to-Day Decision-Maker	Ambitious Spender	Retirement Realist	Confident Planner
% of Total Respondents*	26%	20%	34%	21%
Attributes:	Highest Concentration of Women	Highest Concentration of Small Business Owners	Looking for Guaranteed Income in Retirement	Oldest and Most Educated Cohort

* These four segments add up to 101% (a common rounding issue)

15% of respondents with household incomes greater than $350K identified themselves as among the Day-to-Day Decision-Maker population, which shows us even high net worth individuals are not immune from stressors.

Source: From Concerned to Confident; The Guardian Study of Emotional and Financial Confidence (2016)

Building your values frame

Matching money with your values and goals

Before setting your sights on the goals you want to achieve, take stock of the values most important to you in order to help guide you.

After all, leading a fulfilled life is everyone's goal.

Write down the values that help shape your most important decisions. Examples include:

- Living a healthy lifestyle
- Feeling confident about your decisions
- Enjoying more experiences
- Helping others
- Spending time with family and loved ones
- Security
- Living a meaningful life
- Faith

1. ________________________________
2. ________________________________
3. ________________________________
4. ________________________________
5. ________________________________
6. ________________________________

Following your values provides a benchmark from which to measure your success.

Goals provide direction

Know where you're going by setting the path you choose

Setting SMART goals not only provides direction, it also provides a blueprint on how to achieve your target. Remember to be Specific, Measurable, Achievable, Relevant and Time-bound.

Write down your goals and circle your two most important at this time. Examples include:

- Purchase a vacation home in 12 years
- Make annual donations to my favorite charities
- Paying for two kids in college
- Start a new business in 15 years
- Have my retirement fund cover 30 years with enough left for my children

What help do you need to achieve your goals? (Who?... What?)

Goals and milestones help guide us on our journey through life and remind us to celebrate along the way.

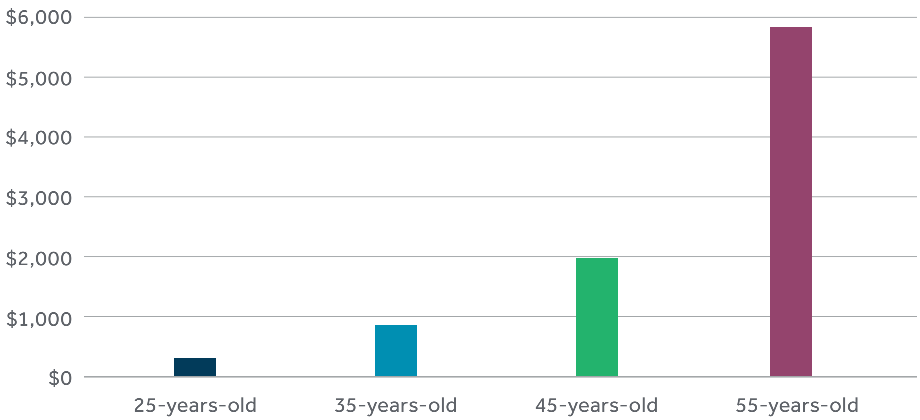
Understanding your financial foundation

You now vs. you tomorrow

It's important to protect what you have now, save for what you want tomorrow and invest for your future. The value of time is a simple, yet powerful tool that puts you in the driver's seat of your future finances.

The sooner you get started, the smaller your monthly investment needs to be.

Monthly savings needed to accumulate $1 million by age 65*



The image represents monthly savings necessary using a 7% hypothetical rate of return (compounded). This is for illustrative purposes only and not indicative of any investment.

Bottom line

A well-designed plan helps you know what you need to save in order to prepare for tomorrow and beyond, while still protecting your assets today.

Did you know...

Women are estimated to control two-thirds of consumer wealth in the U.S. over the next decade.[1]

Small change, big results

Tweak your daily routine and see the difference

We all have our routines, whether it's daily, weekly or monthly that, when slightly modified, can add up to big savings for future goals.

Example: Joan's work day routine

One medium coffee	$ ________
One small muffin	$ ________
Lunch	$ ________
One beverage	$ ________
TOTAL	$ ________

- $15.50/day, but remove an item or two. Let's say lunch (bring leftovers or prepared meals)
- $10.00 savings/day = $ ________ per month
- $ ________ per month = $2,400 per year
- $2,400 per year with hypothetical 7% annual growth rate = $ ____________ in 30 years

Save a little now, have **a lot** more later.

There are also many apps and online budgeting programs, like The Living Balance Sheet® that will help provide a clear picture of your expenses and income.

Hypothetical examples are not intended to suggest a particular course of action or represent the performance of any particular financial product or security.

Checklist for your future

Use these documents to keep track of your financial strategy

Example: Review the list below and check all that apply

- ☐ I have a budget
- ☐ I have a will
- ☐ I have a living will
- ☐ I have a healthcare proxy
- ☐ I have insurance
  (____ Life, ____ Health, ____ Disability, and/or ____ Long-term care)
- ☐ I have a power of attorney
- ☐ I've recently reviewed/updated beneficiaries for all of my accounts
- ☐ I have an umbrella policy

Review the list below and collect these documents to begin a financial strategy discussion with a financial professional.

- ☐ Mortgage statements
- ☐ Credit card statement
- ☐ IRA/401K/Annuity statements
- ☐ Bank statements (Savings and checking accounts)
- ☐ Insurance documents (Life insurance, Car, Home, Umbrella, etc.)

Did you know...

56% of adults say being able to save money while paying bills is most important.[1]

[1] Concerned to Confident; The Guardian Study of Emotional and Financial Confidence (2016)

Learning, earning saving and planning

It's important to understand how to create a balanced financial strategy. Talking to a professional is a great way to get personalized service and direct answers to your questions, but continued education is just as important.

Go online:

- NEFE.org: National Endowment for Financial Education
- MyMoney.gov: Government site that provides basics on financial literacy
- Livingconfidently.com: Provides resources to understand your style of financial strategy and how to best approach planning using that style

Take a Financial literacy class:

- Find one through your local two-year or four-year colleges.
- Most offer them through their Continuing Education program.

Read newspapers and magazines. Examples include:

- *Wall Street Journal*
- *Financial Times*
- *Fortune*
- *Barron's*

Use budgeting apps and software to begin understanding your cash flow:

- Many banks and credit cards offer online budgeting apps that help you categorize your money and begin to create a budget.
- The Living Balance Sheet® provides in-depth budgeting and planning tools to incorporate your expenses, savings and income in real-time.

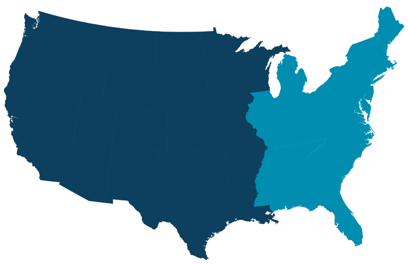
Set an appointment with a financial professional:

- Create a list of questions that you have. There are NO dumb questions so bring as many as you want. They are there to help answer specific questions that are unique to your situation and provide guidance.

Turn to page 13 for a selection of financial definitions.

Appendix

Did you know?



Nearly two-thirds of Americans feel they are not good at living within their means.~

More than

1 in 3

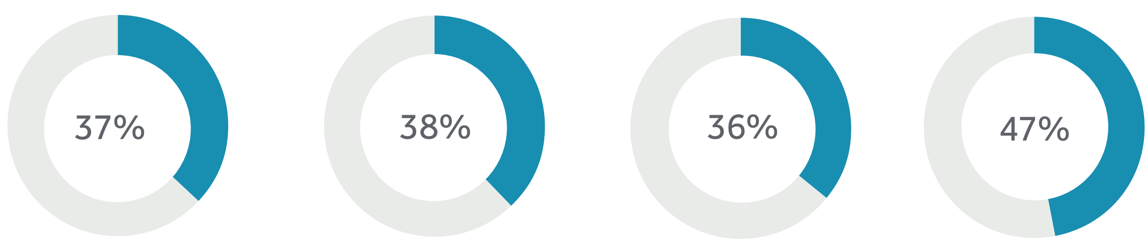
Americans consider delaying retirement.~

% who listed the following as top priorities in life~

Being happy	**100%**
Great marriage	**80%**
Raising children well	**71%**
Fit and healthy	**64%**
Secured retirement	**61%**
Enough money to enjoy life	**64%**

Financial strategies can imapct all of these goals!

The New Normal~



Are not satisified with their lives overall~

Feel the need to stay on top of breaking news minute-to-minute~

Feel threatened by the possibility of terrorism at home~

Are troubled by chaos in the world~

Each generation has it's own twist on their financial future:

- Gen X: 42% of women in this group have experienced divorce, unemployment, support education and have reduced assets. *
- Millennial: More likely to say a life milestone or challenge caused them to tweak their saving strategy to save more.*
- Boomers: More likely to rank life values higher than other generations.*

Sources:
~ From Concerned to Confident; The Guardian Study of Emotional and Financial Confidence (2016)
^ Pew Research Center, Breadwinner Moms report (2013),
* Women and Financial Power study from Ameriprise (2014)

Appendix

15 financial rules to live by

Protection

1. Protection First
Protection should always be the first financial consideration. Before focusing on plans that will build your tomorrows, it is prudent to properly protect yourself against what might happen today.

2. Full Replacement
The primary role of insurance is to fully replace the item being insured by maintaining coverage equal to that item's complete appraised value. Therefore, your insurance should allow you to replace the whole house, the entire car, the real ring, and your full economic or "human life" value.

3. Lifetime Protection
Self insuring rarely pays off. You should select insurance strategies that will properly protect you — no matter how long you live.

Assets

4. Rate of Return
Savings or investment returns are important in order to keep pace with the Real Cost of Living™.

5. Minimal Risk
Disciplined savings eliminates the need to take too much risk with your money.

6. Tax Advantages*
The impact of compounding taxes can be devastating to the performance of your savings and investments. Strategies and products exist that allow you to reduce your tax burden.

7. Liquidity
Build an ample supply of short term capital before implementing illiquid wealth building products.

...continued

Appendix

…15 financial rules to live by

Liabilities

8. Eliminate Debt
Pay off all short term debt as soon as possible.

9. Reduce Taxes*
Certain assets create embedded taxes on your balance sheet that will be triggered upon sale or liquidation. You should be aware of this possibility and take steps to minimize the impact of these hidden taxes.

10. Mortgage Selection
If your mortgage payment is too high, it could be crowding out your ability to protect properly, save for tomorrow, or maintain a balanced lifestyle. Ideally, your mortgage payment should not exceed 15% of your monthly gross income.

Cash Flow

11. Increase Gross Income
Rather than automatically compounding interest and reinvesting dividends and realized capital gains into the same accounts, seek to use this cash flow to satisfy other financial opportunities.

12. Protect First
Update your insurance coverage as needed so that you have the maximum protection in every area — for the minimum cost.

13. Cost of Living Savings
In order to absorb the Real Cost of Living™, save at least 15% of gross income.

14. Debt and Tax Efficiency*
Pay off credit cards each month, avoid taxes, and make sure your monthly mortgage payment allows you to maintain overall financial balance.

15. Budgeted Lifestyle
After protecting properly, saving at least 15% of your gross income, and doing what you can to reduce the drag of debt and taxes, what's left can be used for your current lifestyle. Creating a budget will help you stay on track and allow you to review your spending habits.

* Guardian, its subsidiaries, agents or employees do not give tax or legal advice. You should consult your tax or legal advisor regarding your individual situation.

Appendix

Debt versus savings, which comes first?

Which came first the Chicken or the Egg? Another interesting question is... What's more important, to pay debts or save first? When you think about the issue of paying down debt before saving money, it's important to take a step back and consider the big picture.

A different approach

When you start out in life you establish credit by utilizing credit cards, auto loans and student loans. You typically have very little savings. So when life's emergencies and events occur you usually turn to the only place you have available, credit cards and personal loans. Imagine if you took a different approach? One we advocate for within The Living Balance Sheet®.

What if you focused on using your first dollars to protect your income and protect against unexpected life events? Examples include car accidents, law suits, illness, death, disability. Next you would focus on saving 15% to 20% of gross income and build up a year's income in savings. Then you can begin to pay down the non deductible debt and all debts after that. This is opposite the approach advocated by many financial representatives which is to begin paying all debts without protection from life's events, and without regard to having a good savings discipline first. It is this thinking that has Americans with trillions in credit card debt and student loan debt. Then when an unexpected event occurs and adequate savings is not in place, the debt increases.

The cycle of building up debt and paying it down, only to build it up again, is so prevalent in today's society that many Americans live their entire life with this cycle repeating itself.

So start today by putting your future ahead of the credit card companies and banks. Commit to protect your most valuable asset, which is you and your ability to earn an income. Give proper attention to maximum auto, home and umbrella coverages. Then, commit to save a minimum of 15% to 20% of your gross income and build savings of one year of gross income in liquid accessible funds. Do not count your 401(k) in this equation as it should not serve as a short term savings account. There are restrictions on withdrawals under the age of 59 1/2 including penalties and taxes. Lastly, work on paying off credit cards, auto's and other non-deductible debts.

It's okay to be different than the majority of Americans when it comes to this issue. Different can translate into a successful plan and future.

The Living Balance Sheet®

Appendix

Financial terms everyone should know

Net worth — The difference between your assets and liabilities. You can calculate yours by adding up all of the money or investments you have, including the current market value of your home and car, as well as the balances in any checking, savings, retirement or other investment accounts. Then subtract all of your debt, including your mortgage balance, credit card balances and any other loans or obligations. The resulting net worth number helps you take the pulse on your overall financial health.

Asset allocation — The process by which you choose what proportion of your portfolio you'd like to dedicate to various asset classes, based on your goals, personal risk tolerance and time horizon. Stocks, bonds and cash or cash equivalents (like certificates of deposit) make up the three major types of asset classes, and each of these reacts differently to market cycles and economic conditions.

Liquidity — The ability of an asset to be converted to cash quickly without sacrificing value or giving a discount on the price.

Capital gains — The increase in the value of an asset or investment — like a stock or real estate — above its original purchase price. The gain, however, is only on paper until the asset is actually sold. A capital loss, by contrast, is a decrease in the asset's or investment's value.

You pay taxes on both short-term capital gains (a year or less) and long-term capital gains (more than a year) when you sell an investment. By contrast, a capital loss could help reduce your taxes.

Annuity — A financial product designed to grow an individual's funds and then upon annuitization, pay a fixed payment for the designated number of periods. Annuities are used primarily as a way to secure cash flow during retirement years.

Diversification — Spreading risk by investing in a range of investment tools such as securities, commodities, real estate, CDs, etc.

Defined-contribution plans — A retirement plan companies may offer as a benefit to their workers in which the employer, the employee or both make contributions on a regular basis. The 401(k) and 403(b) are the most common forms of defined-contribution plans. The money that goes into these accounts comes out of earnings pre-tax, so you don't pay taxes on the amount you put away every year.

Qualified withdrawals (usually those you make at age 59½ or older) are taxed as ordinary income. The value of the retirement benefit is determined by its investment performance.

RMD — Required Minimum Distribution – The minimum annual amount required for retirement account holders to withdraw, starting a age 70 ½. This amount is calculated based on the account value on December 31 of the prior year divided by the factor on the IRS RMD table. (RMD does not apply for Roth IRAs.)

Permanent life insurance — A type of policy that provides coverage over the lifetime of the insured and also offers an investment component called cash value. You can withdraw or borrow against that cash value after a surrender period.

Term life insurance — A type of policy that provides coverage over a set period, generally anywhere from five to 30 years. If you die within the set term, your beneficiaries receive a payout. If you don't, the policy expires with no value.

Umbrella insurance — A type of policy that provides additional liability coverage beyond what your home, auto or boat insurance may provide. You might consider umbrella insurance if you're at risk for being sued for property damage or other people's injuries, such as if you hire a nanny or other employees to regularly work in your home. Umbrella insurance can also protect your assets if someone sues you for slander or defamation of character.

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The Guardian Life Insurance Company of America
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