

A photograph of a woman lifting a young girl in the air. Both are laughing joyfully. The woman is wearing a grey long-sleeved shirt and blue denim shorts. The girl is wearing a pink long-sleeved shirt and a yellow bow in her hair. The background shows a window with curtains.

Core Financial Concepts

Prepare for your Future



A Transamerica Company



Charting your financial future begins with these core concepts.

The **Six Steps** to Financial Independence¹

Are you asking the right questions and making the right moves for your future?



Cash Flow

- Earn additional income
- Manage expenses



Debt Management

- Consolidate debt
- Strive to eliminate debt



Emergency Fund

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



Proper Protection

- Protect against loss of income
- Protect family assets



Build Wealth

- Strive to outpace inflation and reduce taxes



Preserve Wealth

- Reduce taxation
- Build a family legacy

Life Insurance

How much do you need?

Age, health, debts, dependents, income and a variety of other factors should all be considered.*

However, the basic rule of thumb is approximately **10x** your annual family income.



* There are many variables that affect your life insurance needs. You may need more or less insurance depending on any existing savings, assets, retirement funds and whether the purpose of the death benefit is to replace income or for estate planning.

The 3-Legged Stool

A Broken Traditional Retirement Model

Past retirees often enjoyed a combination of a company pension, a Social Security check and their personal savings. With this traditional model all but gone, a new retirement strategy focused on personal responsibility is needed.

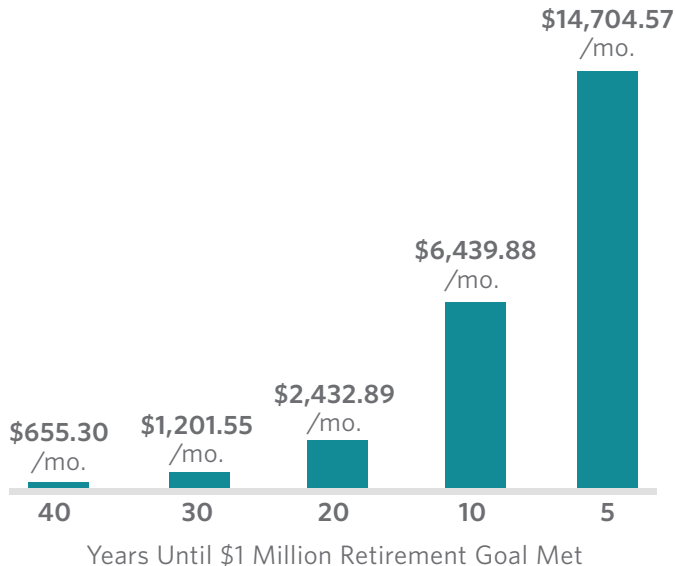


The High Cost of Waiting

Time: Your worst enemy or greatest ally

Here is a hypothetical example of how the monthly amount required to reach \$1 million for retirement changes with how much time you have to hit that goal in an 5% tax-deferred account.²




The best way to put time on your side is to start saving today.



Power of Time

Time can be your greatest ally or your worst enemy. If you haven't started saving for your future, start now.

An example of saving \$2,500 per year, for 25 years, in a product earning 5% per year.*

	Person A	Person B	Difference
			
Age Started Investing	30	40	10 years
Principal Invested (25 years)	\$62,500	\$62,500	\$0.00
Age Stopped Investing	55	65	10 Years
Total Accumulation at age 65	\$204,074	\$125,284	\$78,790

* All figures are for illustrative purposes only and do not reflect an actual investment in any product. Additionally, they do not reflect the performance risks, taxes or charges associated with any actual investment, which would lower performance. This illustration is not an indication or guarantee of future performance. Contributions are made at the end of the period. All accumulation figures are rounded to the nearest dollar.

The Rule of 72

Divide 72 by an annual rate of return to calculate approximately how many years it takes for money to double. Understand that most investments generate fluctuating returns, so the period in which an investment can double cannot be determined with certainty. Keep in mind that this is just a mathematical concept. This hypothetical example does not reflect any taxes, expenses, or fees associated with any specific investment. If these costs were reflected the amounts shown would be lower and the time to double would be longer. Investing involves risk including the potential loss of principal.

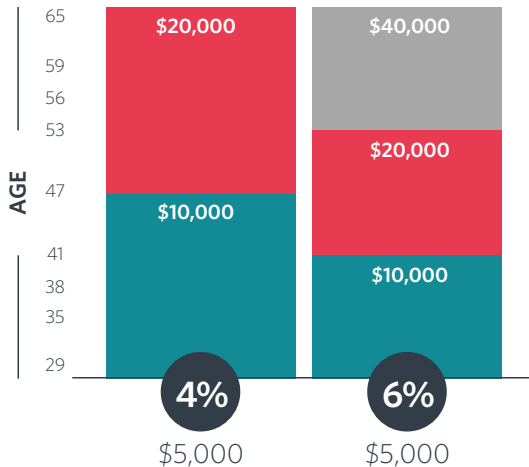
If you're concerned about taxes, your financial professional can help you develop a strategy that considers the impact of taxes.*

72 ÷ 2% = 36 At 2% money nearly doubles every 36 years		72 ÷ 4% = 18 At 4% money nearly doubles every 18 years		72 ÷ 6% = 12 At 6% money nearly doubles every 12 years	
YEARS	AMOUNT	YEARS	AMOUNT	YEARS	AMOUNT
Initial Amount	\$10,000	Initial Amount	\$10,000	Initial Amount	\$10,000
35	\$19,999	18	\$20,258	12	\$20,122
70	\$39,996	36	\$41,039	24	\$40,489
		53	\$79,941	36	\$81,473
				48	\$163,939

* World Financial Group, Inc., its affiliated companies and its independent associates do not offer tax and/or legal advice. Please consult with your personal tax and/or legal professional for further guidance.

How many times will your money double?

Notice how a \$5,000 investment at age 29 doubles more often as the rate of return increases.



That's exciting to think about. But consider the interest rate on your credit card. Is it 18%? Higher? The Rule of 72 can work against you just as powerfully as it can work for you. Debt management is still important.

The **Impact** of Losses

It hurts more than you think

If you lose 50% of \$10,000, what rate of return does it take to get back to \$10,000?

A 50% gain only gets you back to \$7,500.

A 100% gain is required to fully recover a 50% loss.



What Does Your **Future** Hold?

We can offer three options:



Client

- Consider becoming a client if you do not need additional income or if you're satisfied with your career.
- Take advantage of our strategies to help you chart your path to financial independence.



Part-time Career

- Consider becoming a part-time WFG associate and explore the opportunity of being self-employment.
- Licensing, commissions, technology and field training programs help you get off to a quick start.
- Control your time and create a career on your terms.



Full-time Career

- If you're interested in a career in financial services, consider becoming a full-time associate with WFG.
- Build a business as big as your commitment and vision.
- Earn incentives: bonus pools, overrides, and renewals and trails.

- 1 When investing, there are certain risks, fees, charges, and limitations that one must take into consideration.
- 2 In this hypothetical example, a 5% compounded rate of return is assumed on hypothetical monthly investments over different time periods. The example is for illustrative purposes only and does not represent any specific investment. It is unlikely that any one rate of return will be sustained over time. This example does not reflect any taxes, or fees and charges associated with any investment. If they had been applied, the period of time to reach a \$1 million retirement goal would be longer. Also, keep in mind, that income taxes are due on any gains when withdrawn.

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