



Financial Management

Six Steps to Financial Success





Six Steps to Financial Success

- 1. Protect What You Have**
- 2. Take Control of Your Cash Flow**
- 3. Invest Wisely**
- 4. Manage Your Taxes**
- 5. Save for Retirement**
- 6. Leave a Legacy**

A photograph of an elderly couple walking together on a paved path next to a swimming pool. The woman is wearing a light-colored top and a long skirt, and the man is wearing a striped shirt and khaki pants. They are surrounded by lush greenery and trees. The image has a semi-transparent dark overlay.

SIX STEPS TO FINANCIAL SUCCESS

Protect What You Have

Key Areas of Insurance Coverage



Property and Casualty



Long-term Care



Disability Income



Liability



Medical



Life

A photograph of an elderly couple walking together on a paved path next to a swimming pool. The woman is wearing a light-colored dress and a red scarf, and the man is wearing a striped shirt and khaki pants. They are surrounded by lush greenery and trees. The scene is overlaid with a semi-transparent dark blue filter.

SIX STEPS TO FINANCIAL SUCCESS

Take Control of Your Cash Flow

Cash Management Process



Assess your current situation



Build a cash reserve



Pay down your credit-card debt

Traditional Savings Vehicles



**Savings
Accounts**



**Certificates
of Deposit**



**Money
Market Funds**

A photograph of an elderly couple embracing in a garden. The woman is wearing a white top and a long, light-colored skirt, and the man is wearing a striped shirt and khaki pants. They are standing on a paved walkway next to a swimming pool. The background is filled with lush greenery and trees. The image has a semi-transparent dark overlay.

SIX STEPS TO FINANCIAL SUCCESS

Invest Wisely

Why Do People Invest in Mutual Funds and ETFs?

- Convenience
- Professional management
- Flexibility
- Diversification

Mutual funds and exchange-traded funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Mutual Fund Checklist

| | Yes | No |
|---|--------------------------|--------------------------|
| 1. Do the objectives of the fund you are considering meet your personal objectives? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are you emotionally committed to leaving your money in this investment for the long term, through the ups and downs of the market cycle? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the fund you are considering part of a "family of funds"? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Have you reviewed the fund's 1-year, 5-year, and 10-year performance record? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is the current portfolio manager the same manager who produced the track record you reviewed? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Have you reviewed the costs associated with this fund: | | |
| Management costs? | <input type="checkbox"/> | <input type="checkbox"/> |
| Marketing costs? | <input type="checkbox"/> | <input type="checkbox"/> |
| Acquisition costs? | <input type="checkbox"/> | <input type="checkbox"/> |
| Liquidation costs? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Do you have the privilege of telephone exchanges between funds in the family? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is there a cost for exchanges? | <input type="checkbox"/> | <input type="checkbox"/> |
| Is a specified time required to elapse between exchanges? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Have you investigated the fund's reputation for investor services? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Is the investment philosophy of the fund the same as it was: | | |
| 5 years ago? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10 years ago? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Have you investigated the tax aspects of the fund? | <input type="checkbox"/> | <input type="checkbox"/> |

Types of Funds

- Money market funds
- Municipal bond funds
- Income funds
- Growth funds
- Growth and income funds
- Balanced funds
- International and global funds
- Sector funds
- Aggressive growth funds

A photograph of an elderly couple embracing in a garden. The woman is on the left, wearing a white top and a long, light-colored skirt. The man is on the right, wearing a striped shirt and khaki pants. They are standing on a paved walkway next to a swimming pool. The background is filled with lush green trees and plants. The entire image has a semi-transparent dark overlay.

SIX STEPS TO FINANCIAL SUCCESS

Manage Your Taxes

Form 1040

Form 1040 Department of the Treasury—Internal Revenue Service [99] U.S. Individual Income Tax Return

OMB No. 1545-0047 PS Use Only Do not write in block 7 if the 501(c)(3) organization

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial: _____ Last name: _____ Your social security number: _____

If joint return, spouse's first name and middle initial: _____

Home address (number and street). If you have a P.O. box, use _____

City, town, or post office. If you have a foreign address, also use _____

Foreign country name: _____

At any time during 2023, did you receive, sell, send, or otherwise dispose of:

Standard Deduction Someone can claim: You as a dependent Spouse itemizes on a separate return

Age/Business: You: Were born before January 2, 2019

Dependents (see instructions):

If more than four dependents, see instructions and check here:

Attach Sch. B if required.

Standard Deduction for—

- Single or Married filing separately, \$12,400
- Married filing jointly or Qualifying widow(er), \$24,800
- Head of household, \$18,650
- If you checked any box under Standard Deduction, see instructions.

| | | | |
|-----------|---|------------|-------------------|
| 1 | Wages, salaries, tips, etc. Attach Form(s) W-2 | 1 | 100,000.00 |
| 2a | Tax-exempt interest | 2a | |
| 2b | Taxable interest | 2b | 15,000.00 |
| 3a | Qualified dividends | 3a | |
| 3b | Ordinary dividends | 3b | 24,000.00 |
| 4a | IRA distributions | 4a | |
| 4b | Taxable amount | 4b | |
| 5a | Pensions and annuities | 5a | |
| 5b | Taxable amount | 5b | |
| 6a | Social security benefits | 6a | |
| 6b | Taxable amount | 6b | |
| 7 | Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> | 7 | 15,000.00 |
| 8 | Other income from Schedule 1, line 9 | 8 | 5,000.00 |
| 9 | Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income | 9 | |
| 10 | Adjustments to income: | | |
| a | From Schedule 1, line 22 | 10a | |
| b | Charitable contributions if you take the standard deduction. See instructions | 10b | |
| c | Add lines 10a and 10b. These are your total adjustments to income | 10c | |
| 11 | Subtract line 10c from line 9. This is your adjusted gross income | 11 | |
| 12 | Standard deduction or itemized deductions (from Schedule A) | 12 | |
| 13 | Qualified business income deduction. Attach Form 8995 or Form 8995-A | 13 | |
| 14 | Add lines 12 and 13 | 14 | |
| 15 | Taxable income. Subtract line 14 from line 11. If zero or less, enter -0- | 15 | 159,000.00 |

For Disclosures, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Call No. 1-800-829-1040 Form 1040 (2023)

Tax-Favored Investments

Tax Exempt

- Municipal bonds
- Roth IRA/Roth 401(k) and 403(b) plan contributions

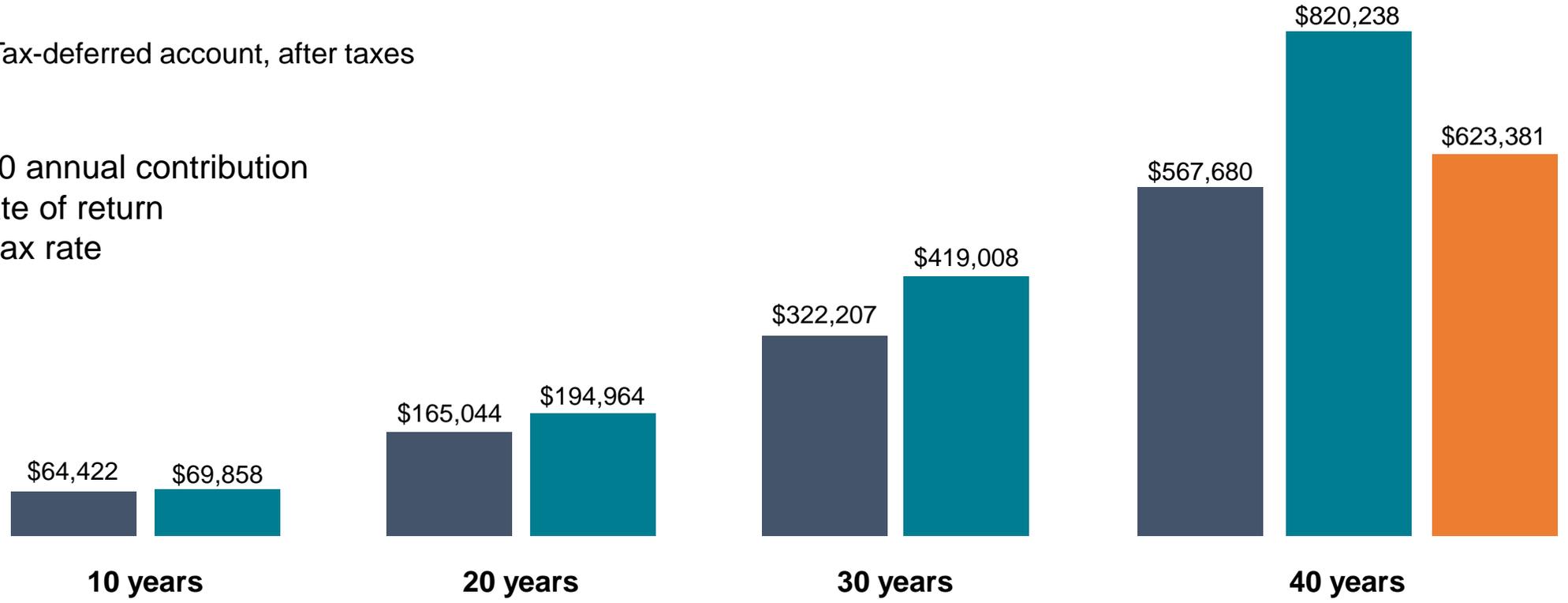
Tax Deferred

- Traditional IRA
- Employer-sponsored retirement plans [e.g., 401(k) and 403(b) plans]
- Annuities

Advantages of Tax-Deferred Growth

- Taxable (24% rate)
- Tax deferred
- Tax-deferred account, after taxes

\$5,000 annual contribution
6% rate of return
24% tax rate



This hypothetical example is used for comparison purposes only and does not represent any specific investments. Actual results will vary.

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SIX STEPS TO FINANCIAL SUCCESS

Save For Retirement

Benefits of Employer-Sponsored Retirement Plans



- **Pre-tax and Roth contributions**
- **Tax-deferred accumulation**
- **Employer match**
 - NFP's match is 50% on your first 6%.
- **Annual contribution limits**
 - 2025 limits: \$23,000 (under age 50) and \$31,000 (age 50 and older)

How Much Will You Need to Retire?

Save for Retirement

How Much Will You Need to Retire?

Use the following worksheet to determine how much money you may need in order to fund the retirement lifestyle you have envisioned. The factors on the facing page will help you complete the calculations.

Ahead of the Game

Only 48% of Americans have tried to calculate how much money they will need to retire comfortably.

Almost 40% of workers who have performed a retirement needs calculation expect to need \$1 million or more to live comfortably in retirement.

Source:
Employee Benefit Research Institute, 2009

| | Example | You |
|---|--------------|----------|
| 1. Expected retirement age | 67 | _____ |
| 2. Estimated length of retirement (years) | 25 | _____ |
| 3. Current annual income | \$ 75,000 | \$ _____ |
| 4. Percentage of income desired in retirement | 80 % | _____ % |
| 5. Annual income desired in current dollars (Use 3 times the 4) | \$ 60,000 | \$ _____ |
| 6. Expected annual Social Security income in current dollars | \$ 18,500 | \$ _____ |
| 7. Expected annual pension plan income in current dollars | \$ 10,000 | \$ _____ |
| 8. Income needed from savings and investments in current dollars (Use 5 minus Aes 6 and 7) | \$ 31,500 | \$ _____ |
| 9. Income needed from savings and investments in future dollars (Use 8 times Factor A) | \$ 83,579 | \$ _____ |
| 10. Amount you must save by retirement, in future dollars (Use 9 times Factor B) | \$ 1,455,369 | \$ _____ |
| 11. Amount you have saved already | \$ 150,000 | \$ _____ |
| 12. What your savings might grow to by the time you retire (Use 11 times Factor C) | \$ 699,150 | \$ _____ |
| 13. Amount you still need to save by the time you retire (Use 10 minus Aes 12) | \$ 756,219 | \$ _____ |
| 14. Amount you need to save each year (Use 13 times Factor D) | \$ 16,561 | \$ _____ |

The hypothetical example shown assumes a 47-year-old who plans to retire at age 67 and spend 25 years in retirement. It is used for illustrative purposes only and does not represent any specific investment. Even though the example uses a hypothetical 8% rate of return, remember that rates of return will vary over time, particularly for long-term investments. Actual results will vary.

You should bear in mind that roughly calculating the cost of retirement is only a beginning. We recommend a more thorough cash-flow analysis considering all sources of income and expenses.

Developing an Effective Retirement Plan



Factors To Consider

- Retirement age
- Lifestyle
- Length of retirement
- Income sources
- Tax situation

An elderly couple is shown in a romantic embrace on a stone patio next to a swimming pool. The woman is wearing a white top and a long, light-colored skirt, while the man is wearing a striped shirt and khaki pants. They are surrounded by lush greenery, including tall trees and various plants. In the background, there are several lounge chairs and a table, suggesting a resort or a well-maintained garden. The overall atmosphere is peaceful and serene.

SIX STEPS TO FINANCIAL SUCCESS

Leave a Legacy

Probate



The court proceedings that conclude all the legal and financial matters of the deceased

- Expensive
- Time-consuming
- Not private

Estate Distribution Techniques



Will

Jointly held property

Contracts

- Life insurance policies
- Annuity contracts
- Pensions
- IRAs
- Employer-sponsored retirement plans

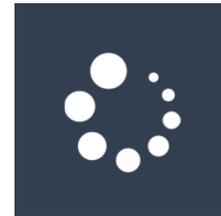
Trusts

Trusts



Testamentary Trust

Established by a last will and testament upon your death



Living Trust

Created and funded during your lifetime

Additional Estate Documents



Power of Attorney



Durable Power of Attorney



Medical Durable Power of Attorney



Living Will

Connect With Us!



Phone: 866-240-8591

Email: NFPFinancialEducation@nfp.com



NFP.com