



| ADVISOR ADVANCEMENT INSTITUTE

Are you financially fit?

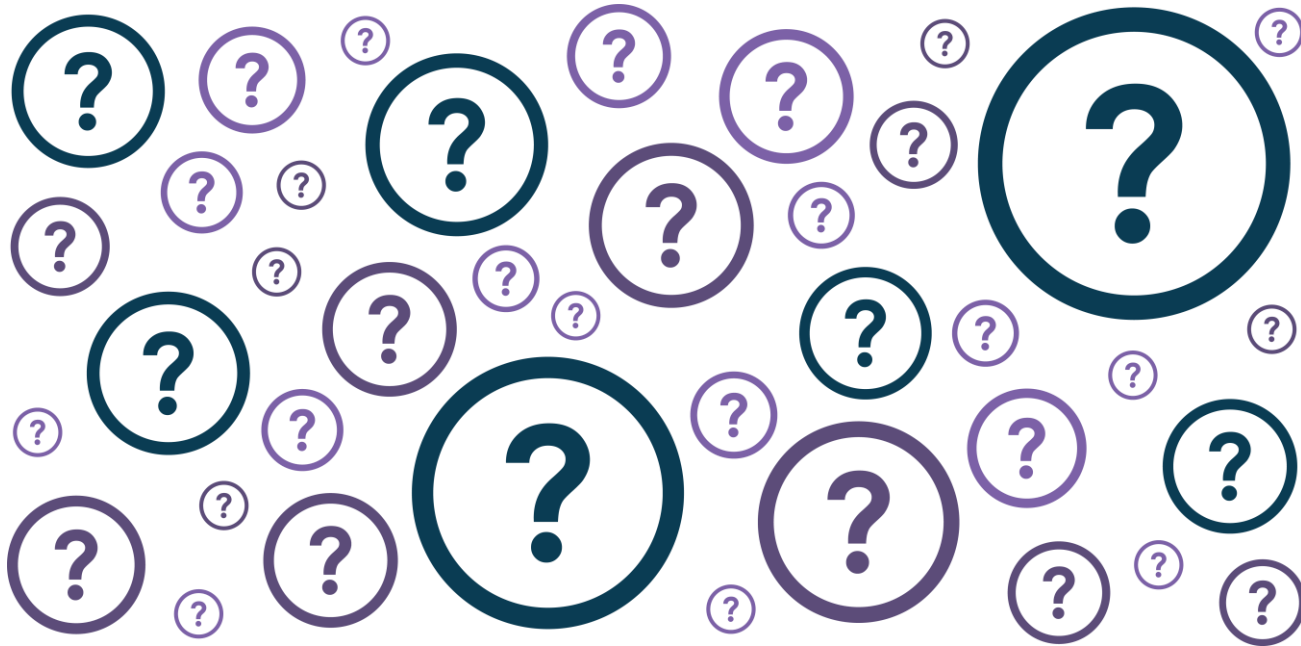


INVESTMENTS

What are we going to talk about

1. The importance of financial wellness
2. The jargon
3. The mind game

We don't know financial wellness



The jargon



Savings

Saving a minimum of **15%** of your gross monthly income

\$50,000 per year = **\$4,167** per month

\$4,167 x **15%** = **\$625** per month savings goal

Automation makes this easy



Emergency fund

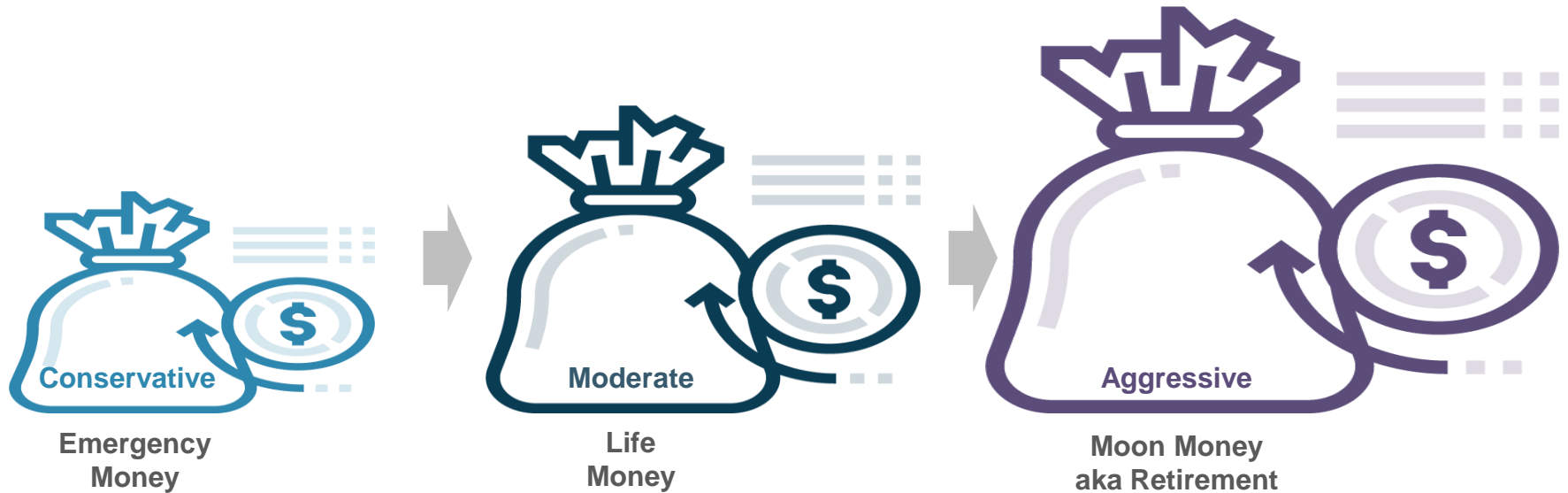
6 months of monthly expenses saved in an emergency savings account

If you spend **\$2,000** a month, then you need to have **\$12,000** saved

Before you pay down debt aggressively, consider this goal

46% of Americans couldn't handle a **\$400** emergency in cash

Savings buckets



Credit score

Minimum credit score of **750**

Credit cards help build credit

50 point difference in credit saves you
\$1,000s in interest

Allows you to travel more



Credit utilization

Your credit utilization should be no greater than **35%** at any given time

If you have **\$1,000** in credit card limit,
you should have no more than **\$350** on the credit card

This applies to the sum of all your cards



Debt to income ratio

Aim to keep it under **35%**
Total monthly debt payments/gross monthly income

Student Loans + Credit Cards + Mortgage
\$300 + \$100 + \$1,500 = \$1,900

If you make **\$50,000** your DI ratio = **46%**



Debt to income ratio

The lower this number,
the more financial flexibility you have



43% is highest ratio
for mortgage approval



*This number is good to look
at for mortgage options*

Investment accounts

2	= the minimum number of investment accounts you should have
Taxable	= brokerage
Retirement/ non-taxable	= IRA, 401K, Roth IRA, SEP IRA

The mindset shift

Budget =

Frugal =

No =



Freedom

The mindset shift

- Financial wellness is a part of your overall wellness
- Financial Fitness = Action
- Auto-draft for goal achievement
- Accountability buddy or financial community
- Develop a money mantra
- Ditch sayings like, “I’m bad with money”



Questions?

Thank you

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