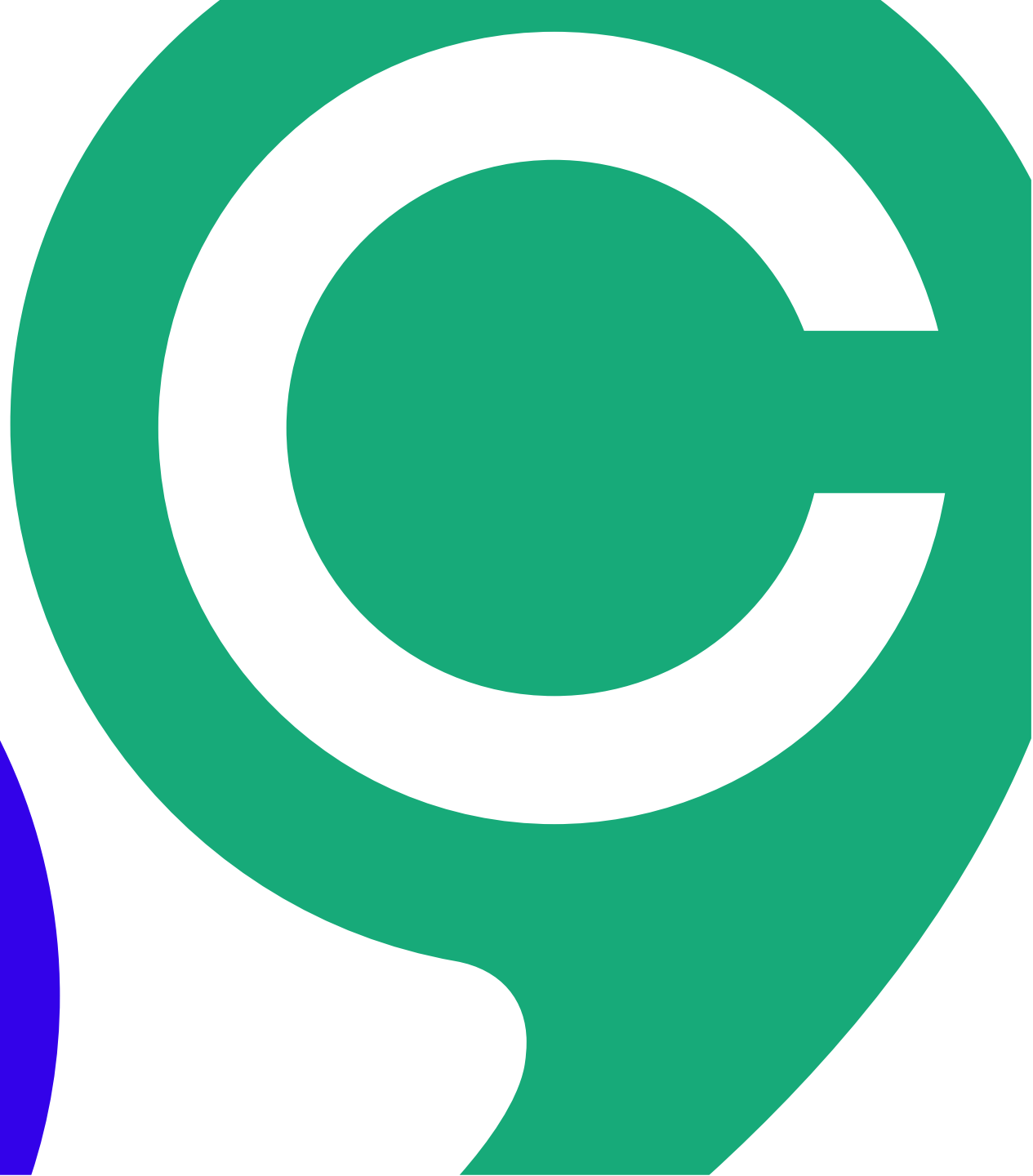
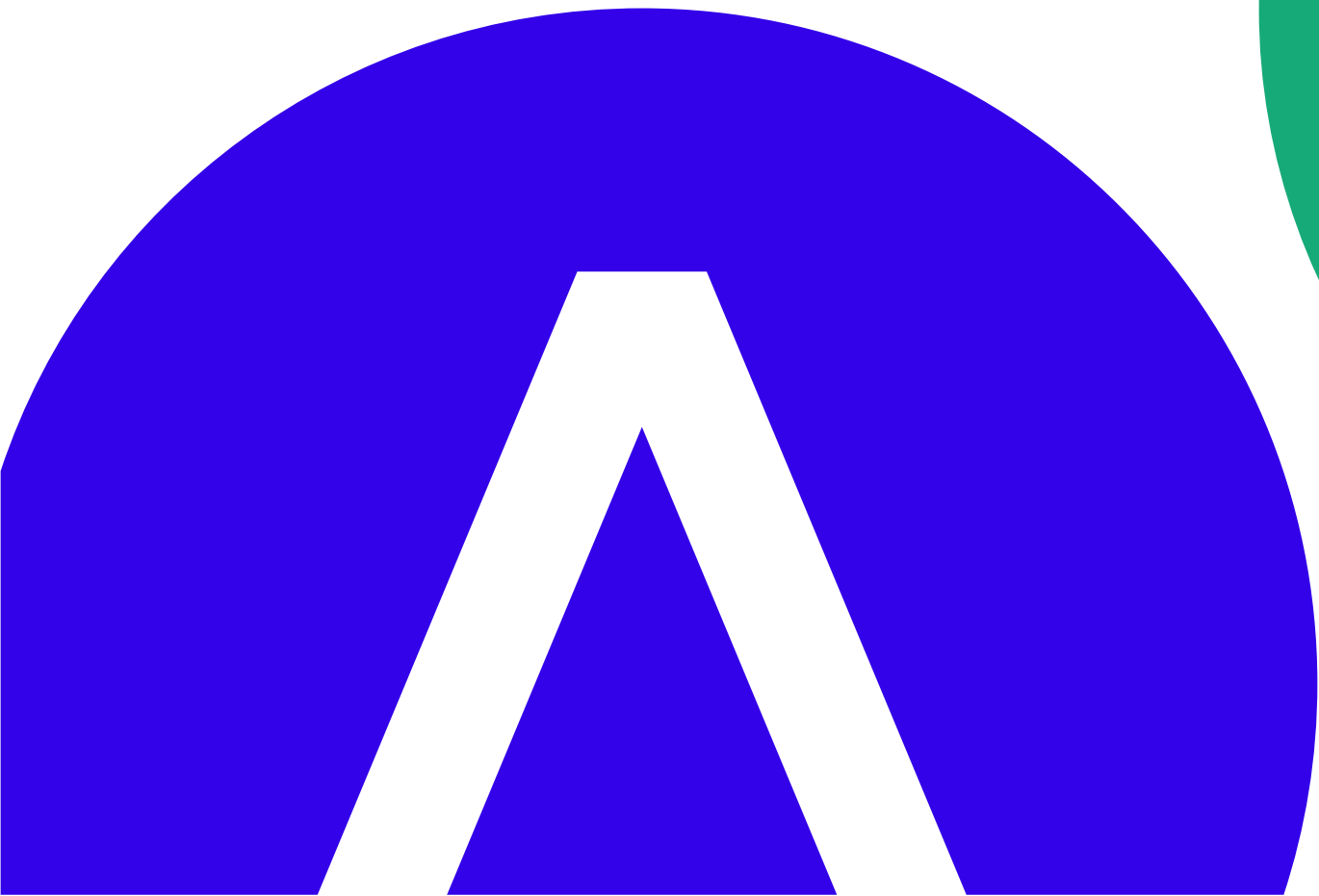


# Your Financial Future

July 9, 2024



# What is Financial Planning?



Perception	Reality
Investment Management	Identifying Goals
	Personal Cash Flow
	Equity Compensation
	Cash Reserves
	Estate Plan
	Real Estate
	Insurance
	Retirement
	Education
	Taxes
	Debt Management
	Investment Management

# What is Financial Wellness?



## Pillars of Financial Wellness

---

1. Clarity about your financial goals and priorities
2. Knowledge of your numbers - income, expenses, net worth, goals, debt, and more
3. Ability to adjust your behaviors and manage your emotions in a way that honors both your priorities and your financial reality

## Influences on Financial Wellness

- Social & economic environment
- Personality & attitudes
  - how you think, feel and act
- Decision context
  - how is info presented to you
- Knowledge & skills
- Behavior
  - what you actually do



# Cash Flow Planning

# Savings Priority



## Establish an Emergency Fund

Target 3 - 6 months of living expenses held in a high-yield savings account



## Maximize Employer Matching

At a minimum, contribute the percent that you employer will match

## Increase Retirement Savings

2024 Limits - \$23,000 employee, \$7,500 catch-up 50 and older

## Invest Towards Long-Term Goals

College, travel, vacation home, etc.



## Prioritizing Your Debt

- List your accounts by interest rate from highest to lowest
- Pay down the higher interest rate balances first - unless you have a small balance that is easily paid off sooner
- Focus on credit cards and personal loans over mortgage debt

### Fixed Interest Rate Debt

vs.

### Variable Interest Rate Debt

Fixed Rate Mortgages

Fixed Rate Personal Loans  
(car, student, etc.)

Adjustable-Rate Mortgages

Variable Rate Personal Loans  
(car, student, etc.)

Credit Cards (revolving)

Lines of Credit (revolving)



# Savings Vehicles

# Example Net Worth Statement



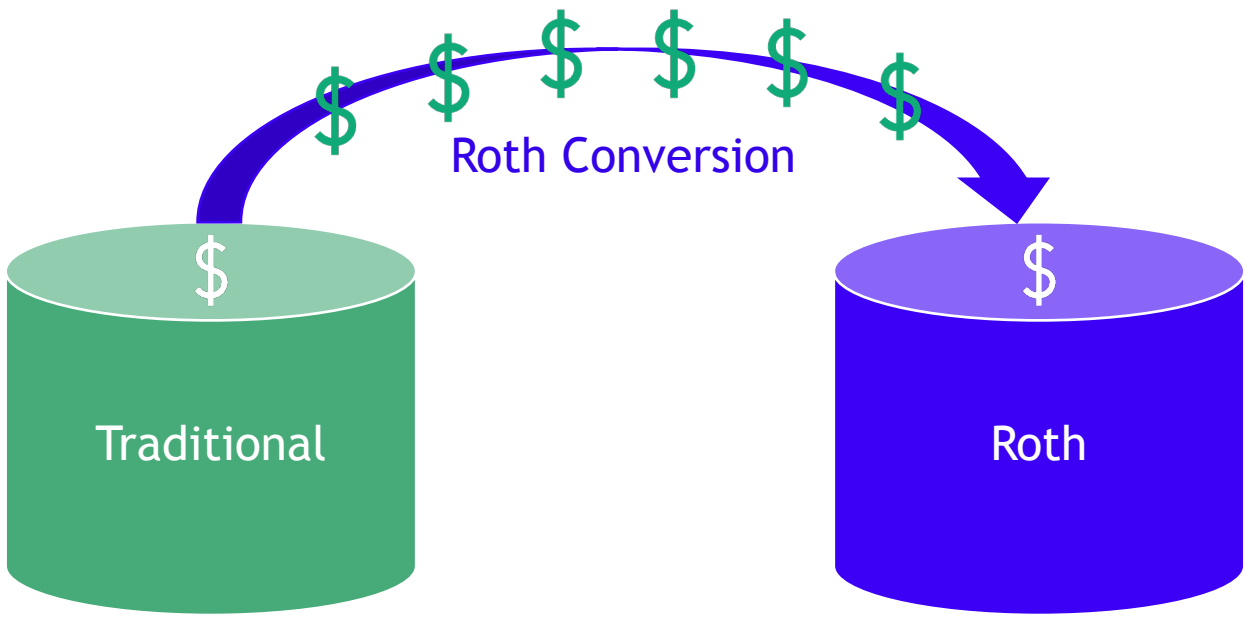
	Client 1	Client 2	Joint	Total
<b>Assets</b>				
<b>Liquid Assets</b>				
Checking / Savings			5,000	5,000
Total Liquid Assets	-	-	5,000	5,000
<b>Taxable Assets</b>				
Brokerage - Fidelity			50,000	50,000
Total Taxable Assets	-	-	50,000	50,000
<b>Tax-Deferred Assets</b>				
IRA - Traditional	10,000	10,000		20,000
401k - Traditional	40,000	40,000		80,000
Total Tax-Deferred Assets	50,000	50,000	-	100,000
<b>Tax-Free Assets</b>				
IRA - Roth	10,000	10,000		20,000
Health Savings Account	5,000			5,000
Total Tax-Free Assets	15,000	10,000	-	25,000
<b>Personal Assets</b>				
Primary Residence			350,000	350,000
Total Personal Assets	-	-	350,000	350,000
<b>Total Assets</b>	<b>50,000</b>	<b>50,000</b>	<b>405,000</b>	<b>530,000</b>
<b>Liabilities</b>				
Mortgage			130,000	130,000
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>130,000</b>	<b>130,000</b>
<b>Total Net Worth</b>				<b>400,000</b>



# Traditional vs. Roth Savings



	Traditional IRA or 401k	Roth IRA or 401k
	<u>Tax Savings Now</u>	<u>Tax Savings Later</u>
Contributions	Tax Deductible	Not Tax Deductible
Withdrawals	Penalty free withdrawals after age 59 ½ and are taxed at ordinary income	Penalty free withdrawals after age 59 ½ and are not taxable
Required Minimum Distributions (RMD's)	Must begin at age 73 (age 75 if born after 1960)	Not Required



# 2024 Annual Contribution Limits



Account	2024 Limit	Catch-Up (Age)	Total with Catch-Up
401k/403b Employee Contribution	\$23,000	\$7,500 (50+)	\$30,500
Traditional/Roth IRA Contribution	\$7,000	\$1,000 (50+)	\$8,000
HSA Contribution (Single)	\$4,150	\$1,000 (55+)	\$5,150
HSA Contribution (Family)	\$8,300	\$1,000/person (55+)	\$10,300
529 Plans	N/A	* \$18,000 annual gift tax exclusion ** Ohio residents can deduct up to \$4,000 per beneficiary, per year from their state income tax for contributions to Ohio's 529 Plan	



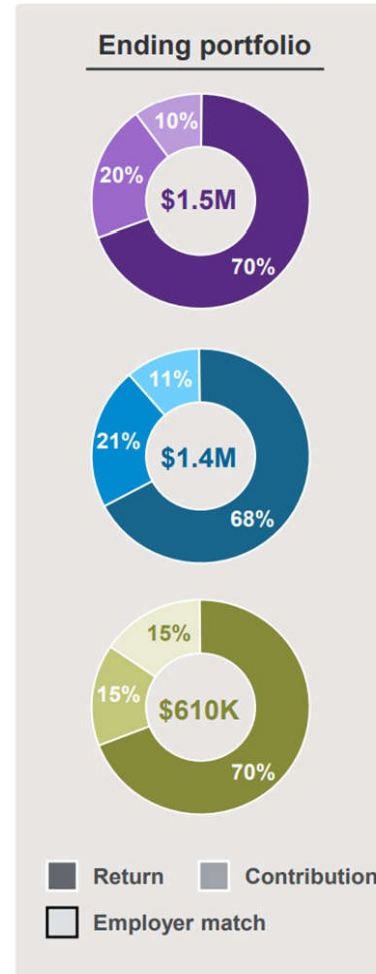
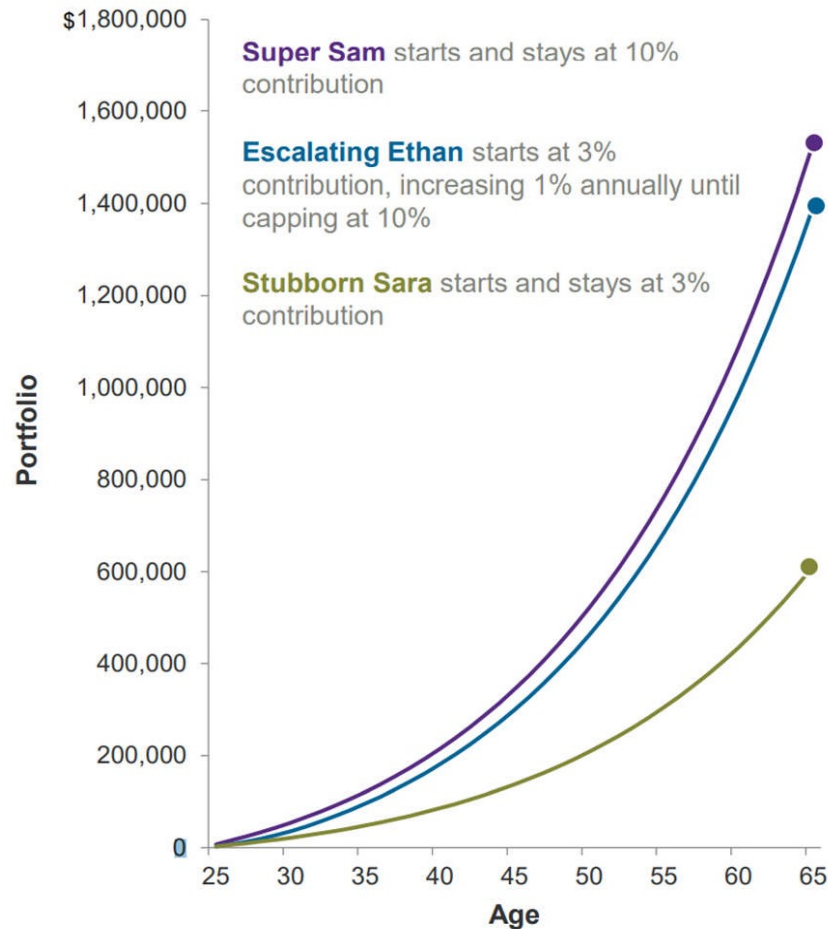
# Investment Basics

# The Benefits of Baby Steps



Truepoint Tip: Save 1 penny more of each dollar you earn!

Account growth of auto-escalation vs. a static contribution



## MODEL ASSUMPTIONS

Start age: 25

Retirement age: 65

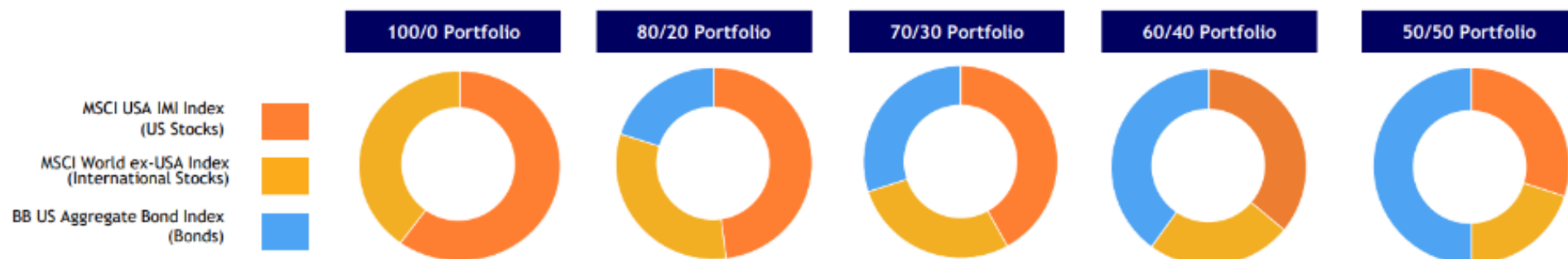
Starting salary: \$50,000

Wage growth: 2.0%

Assumed annual employer match: 100% of employee contribution up to 5%

Investment return: 5.75%

# Investing in the Market



Annualized Returns	100/0	80/20	70/30	60/40	50/50
1 Year	-17.8%	-17.0%	-16.6%	-16.2%	-15.8%
5 Year	5.5%	4.3%	3.7%	3.1%	2.5%
10 Year	8.6%	7.0%	6.2%	5.3%	4.5%
15 Year	5.5%	5.0%	4.7%	4.4%	4.1%
25 Year	6.8%	6.4%	6.1%	5.9%	5.5%
Calendar Year Returns	100/0	80/20	70/30	60/40	50/50
2022	-17.8%	-17.0%	-16.6%	-16.2%	-15.8%
2021	20.1%	15.4%	13.1%	10.8%	8.5%
2020	15.0%	13.6%	12.8%	12.0%	11.2%
2019	27.1%	23.0%	21.0%	19.1%	17.1%
2018	-9.4%	-7.6%	-6.7%	-5.9%	-5.0%
2017	21.9%	17.9%	16.0%	14.0%	12.1%

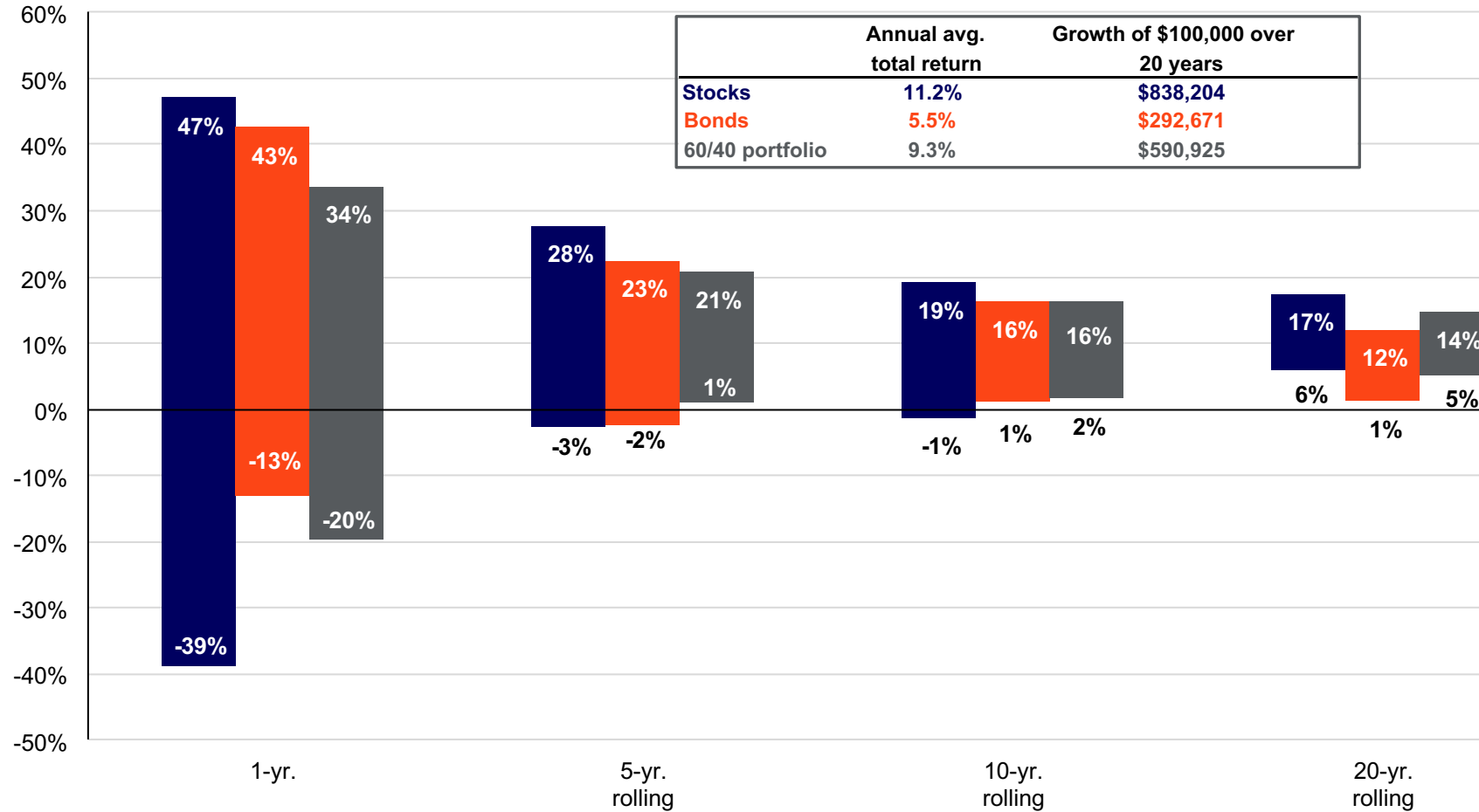
Portfolios shown consist of a blended allocation between stocks and bonds, depending on the risk posture. Within the stock allocation, 60% is allocated to the MSCI USA IMI Index, a US stock index, and 40% is allocated to the MSCI World ex-USA Index, an international stock index. Within the bond allocation, 100% is allocated to the Bloomberg Barclays US Aggregate Bond Index. The portfolios are rebalanced quarterly to target weights. Portfolio returns shown are net of Truepoint's wealth management fee.

# Time, Diversification and the Volatility of Returns



## Range of stock, bond and blended total returns

Annual total returns, 1950-2023



Source: Bloomberg, FactSet, Federal Reserve, Robert Shiller, Strategas/Ibbotson, J.P. Morgan Asset Management.

Returns shown are based on calendar year returns from 1950 to 2023. Stocks represent the S&P 500 Shiller Composite and Bonds represent Strategas/Ibbotson for periods from 1950 to 2010 and Bloomberg Aggregate thereafter. Growth of \$100,000 is based on annual average total returns from 1950 to 2023.

*Guide to the Markets – U.S.* Data are as of December 31, 2023.



# Insurance Basics

# Types of Insurance



## 1. Disability Insurance

- Replaces a portion of your gross income during an illness, injury or accident
  - typically, between 45%-65%
- Short-term and long-term policies
- Recommend a policy that covers your own-occupation

## 2. Life Insurance

- Temporary (Term) or Permanent (Whole Life, Universal Life, Variable Universal, etc.)
- Factors to consider when determining how much to purchase
  - Who is the policy protecting?
  - What expenses would you need to cover? Education, mortgage, etc
  - How would the loss of your income impact your family?

## 3. Long-Term Care Insurance

- Helps to cover a portion of the cost of long-term health care needs



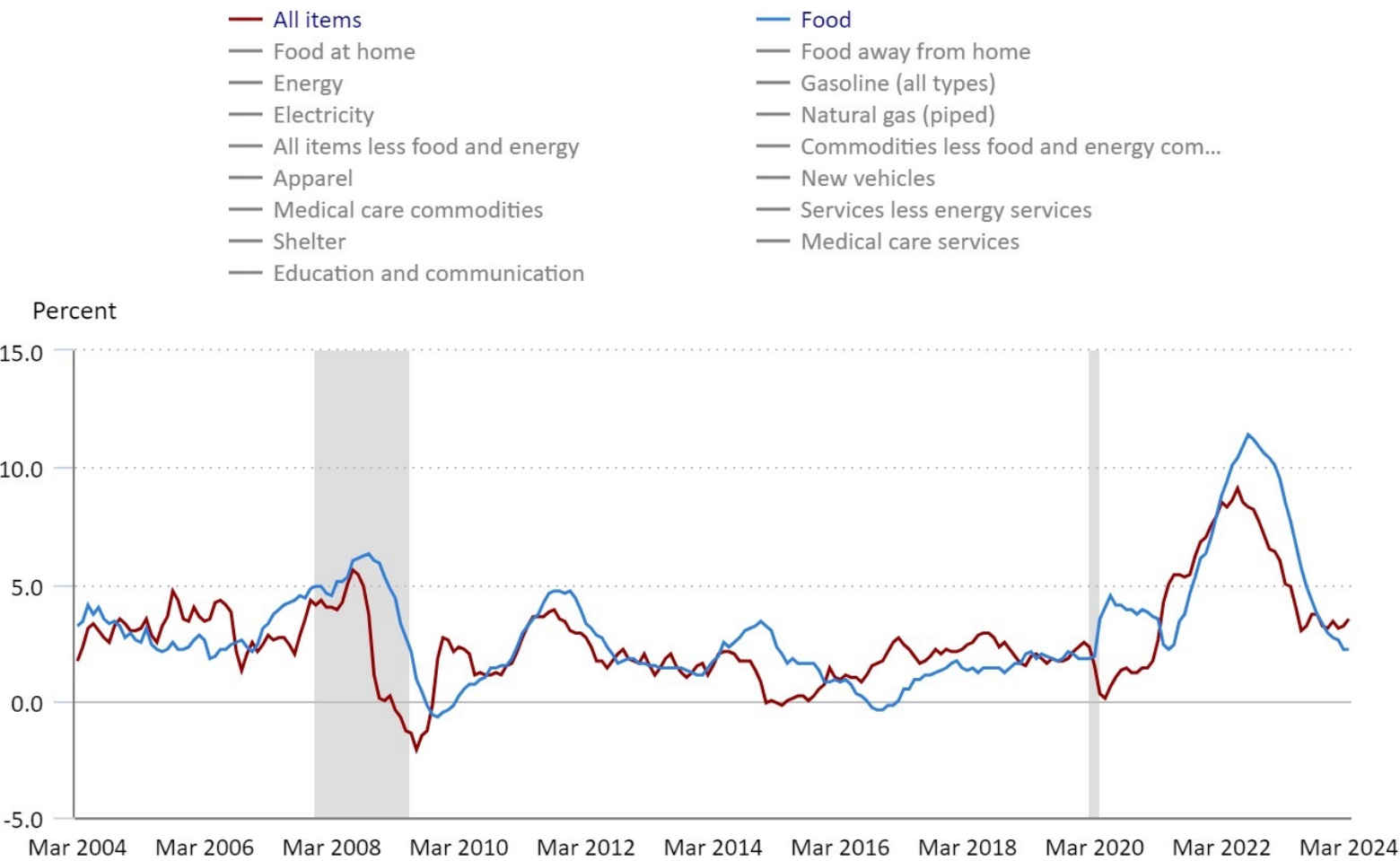


Current Climate

# Consumer Price Index - Food Prices

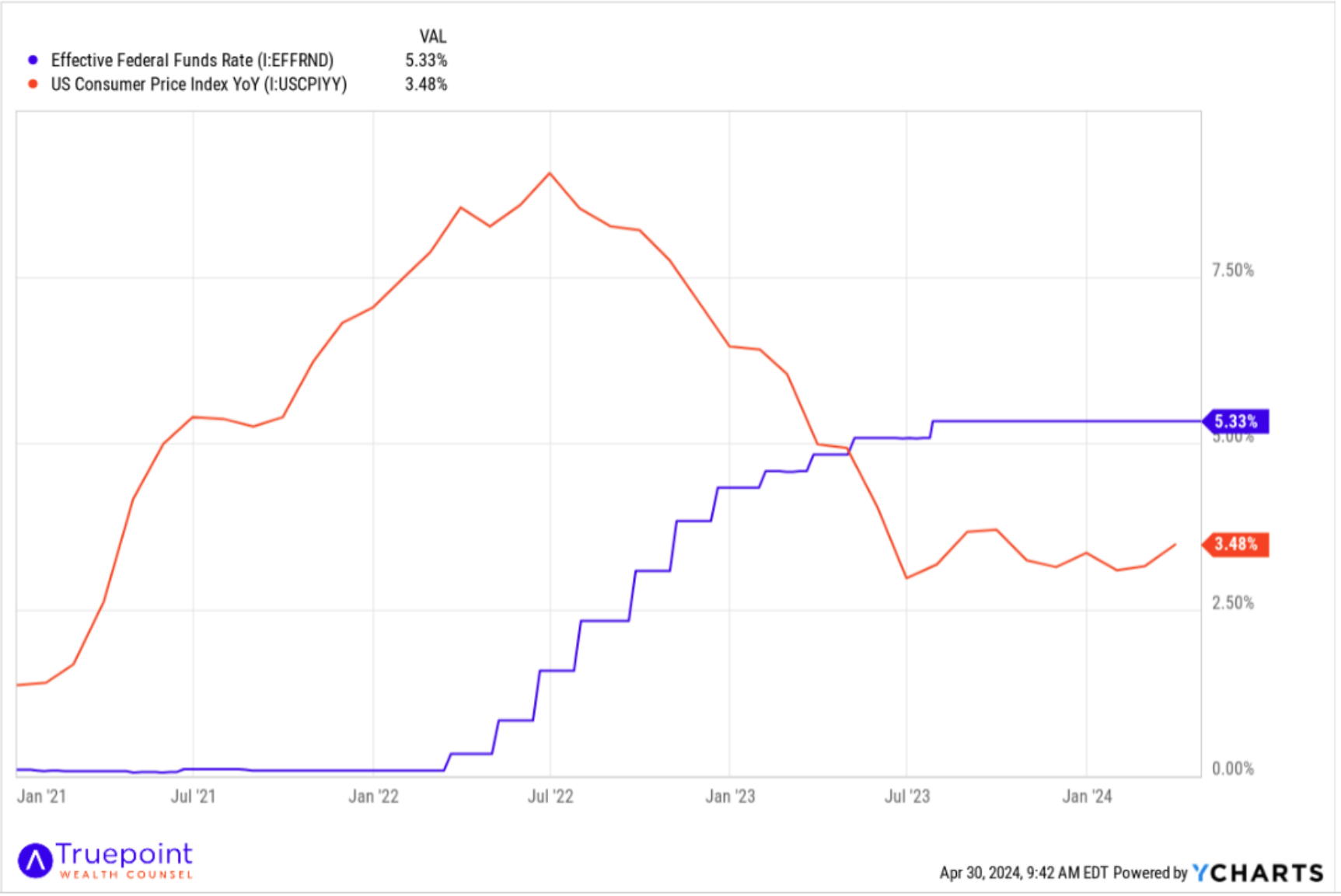


12-month percentage change, Consumer Price Index, selected categories, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

# Fed + Inflation (11 Rate Hikes)



# Strategies to Combat Inflation & Increasing Rates



## 1. Invest Cash in High-Yield Savings Account

- Current rate for money market = ~4% - 5%
- Take advantage of high interest rates and earn more on cash (low risk)

## 2. Increase Emergency Fund

- With the cost-of-living increasing, increase your savings to offset uncertainty
- Manage and prioritize spending goals - what is important to you?

## 3. Pay Off Debt

- Pay off debt with the highest interest rate first
- Compare debt interest rates with average investment returns



# Questions?



