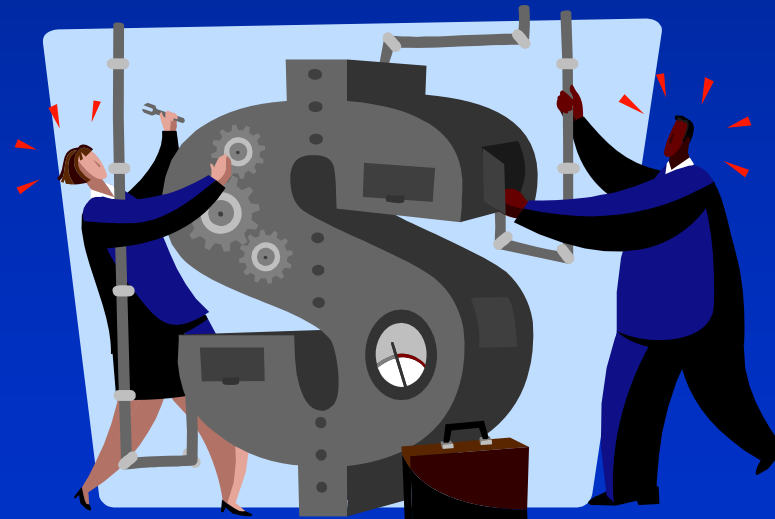


Two Couples In Debt



Two Couples in Debt Assumptions

- Annual Income \$68,500
- Home Mortgage Balance \$200,000
- Interest Rate on Debt 10%
- Investment Return 10%
- Marginal Tax Bracket

Two Couples in Debt

First couple paying interest only and saving the other \$48,500 in retirement plan:

Year	Amount of Debt	Taxes	Interest Paid	Amount Accumulated
1	\$200,000	\$0	\$20,000	\$53,400
6	200,000	\$0	20,000	411,600
12	200,000	\$0	20,000	1,141,000
18	200,000	\$0	20,000	2,435,000

Two Couples in Debt

Second couple paying off debt: annual cash flow \$68,500.

Year	Cash Principal	Taxes	Interest	Amount of Debt Owed	Amount Accumulated
1	\$30,000	\$20,000	18,500	\$170,000	\$0
2	31,800	21,200	15,500	138,000	0
3	33,800	22,500	12,200	104,000	0
4	35,900	23,900	8,700	68,500	0
5	38,100	25,400	4,900	30,400	0
6	39,600	26,400	2,500	0	9,200
12	0	0	0	0	581,000
18	0	0	0	0	1,611,000

Compare the Two Scenarios:

- Who reached one:one first?
- Who was more secure and safer the entire way?
- Who had the most choices?
- Who paid the most interest expense?
- Who wrote a check for \$68,500 each year and had over \$800,000 more to show for it? (Less \$200,000 mortgage = \$600,000)

Four States of Financial Condition

Four Possibilities	Cash	Debt
Desired (1)	Yes	No
Best Path (2)	Yes	Yes
Broke (3)	No	No
Where most people begin (4)	No	Yes

Financial Planning Process

- Determine goals - visions and dreams
- Determine where you are - complete financial inventory
- Strategy development
 - balance between present life style and retirement needs
 - financial road map
 - conflict resolution
- Implementation and monitoring



Why People Fail to Achieve Their Goals

- Failure to establish goals and philosophy
- Fear
- Lack of trust
- Failure to take responsibility
- Want and needs exceed available cash flow
- Lack of a burning desire
- Previous defeats



Get committed or fail!

Do it yourself or get help

Just do it!



- Fee for service financial consultants specializing in long-term wealth accumulation planning
- Guide people to :
 - gain financial independence
 - properly diversify their portfolio
 - maximize portfolio efficiency
 - avoid taxes on income, death, and inflation