NOTE: The following are scripts for the client-ready educational videos, the script below does not WILL NOT appear in text copy to the client.

Animated Vignette: The Four Questions

If you are serious about your financial future, you need to know the answers to these four questions:

1. What rate of return do you have to earn on your savings and investment dollars to be able to retire at your current standard of living adjusted for inflation and have your money last through your life expectancy?
2. How much do you need to save on a monthly or annual basis to be able to retire at your current standard of living and your money last till life expectancy?
3. Doing what you are currently doing, how long will you have to work to be able to retire and live your current lifestyle till life expectancy?
4. If you don't do anything different than you are doing today, how much will you have to reduce your stand of living at retirement for your money to last to your life expectancy?

In about 10 minutes, we can give you a good idea of where you are financially and what you have to do to get to where you want to be.

Give us a call today to learn the answers to your four toughest financial questions.

Whiteboard Vignette: The Four Questions

If you are serious about your financial future, then you need to know the answers to the four toughest financial questions.

You see people who are serious about their finances want to make sure they can live in the future like they are living today, adjusted for inflation, and in order to do so they need to know:

1. What rate of return do I need to earn on my savings
2. How much do I need to save
3. How long will I have to work
4. How much less will I have to spend in retirement

Give us a call today to learn the answers to your four toughest financial questions

Animated Vignette: Average Cost of College planning:

30 years ago, the average total annual cost of college - including tuition, room and board, books and fees - was about $5,000 per year. It was not an event that called for years of savings and planning; rather it was one that many students took on themselves with little to no reliance on outside funding. Or if they called on their parents for help, they could afford to do so by adding the cost to their monthly budget.

Unlike today as the total annual cost of college has risen across our nation to more than $25,000 per year at most public state schools, with some private schools costing over $70,000 per year. And these costs continue to increase.

Although many parents wish to fund all or part of their children's education, the economic realities of today have made that desire feel like an unrealistic goal, and it has caused many to give up on having any plan at all.

Additionally, the financial aid process is complex and there are wild variations in the types and amounts of aid available to students.

Without proper planning, one is almost certain to make mistakes. You could spend far more than you have, miss out on financial aid opportunities, choose the wrong college, or worse, your children could miss out on a college education all together.

Give us a call and let us help you plan ahead.

Animated Vignette: Introducing the Personal Economic Model

Let me introduce you to the Personal Economic Model, this is a picture designed to help you visualize the flow and storage of your money. Let me explain.

First you have money coming through your Earned Income tube, into this big tank on the left called Lifetime Capital Potential. This tank is big because it represents the fact that you are going to have a lot of money flow through your hands during your working years.

Now, money does not sit in this tank, it continues to move out this Inflow tube, most likely weekly or monthly depending on how you manage your finances.

As it flows out the Inflow tube it must then pass through the Tax Filter, the government must take their share of your earnings before it passes on to your Current Lifestyle tube where it is consumed and gone forever.
Now you see this Lifestyle Regulator, it sits right behind the Tax Filter and it allows you to regulate the flow of money into your Current Lifestyle and Future Lifestyle tubes.

You get to decide how much you are going to pump up into your Savings and Investment tanks for your future and how much you are going to allow to flow out your current lifestyle.

As you can see, you must pump money up into these two tanks during your working years to have the financial resources you are going to need in the future.

Should you decide to work with me, my job is to provide you with the information you need to see where you are today, help you visualize where you want to be in the future, and help you achieve the balance necessary between your Savings and Investment dollars to solidify your financial future.

Let’s get together so we can look at your Personal Economic Model.

Animated Vignette: Opportunity Cost

When planning your financial future, it’s easy to track the results of what you are doing right; but, much harder to track the cost of the things you're doing wrong.

We call this opportunity costs, and over your lifetime, it can add up to a large amount of money.

One example is paying too much in interest on loans or credit cards. If you're not in a position to borrow money at the lowest rates, you will end up paying more interest. That extra interest you pay is the opportunity cost of not having the collateral to secure a better rate.

Here’s another example, if you are growing your savings in a taxable account and could be doing so in a tax-free account instead, the extra taxes you pay are the opportunity cost of using the wrong type of savings account.

For many families, they never see the opportunity costs of their actions because they don’t work with an advisor who calculates and shares this information.

The reason this is so important is because small opportunity costs today can add up to big reductions in your retirement nest egg later in life.

A dollar lost today is worth that dollar plus all the interest it could have earned by the time you want to spend it.

So, learning where your opportunity costs are and correcting them can add a lot to your future savings.

Give us a call if you're interested in finding ways to avoid lost opportunity on your dollars.

Animated Vignette: Qualified Plans Do 2 Things

Qualified plans are taxed-deferred savings accounts sanctioned by the Federal government, which is what makes them qualified. You don't pay the tax until the time of the withdrawal. Some examples of qualified plans are 401k, IRA, SEP and SIMPLE retirement accounts.

Given the choice many people would prefer to avoid taxes today at almost any cost; hence, one of the most common recommendations of where to place your money to grow for the future is in a qualified retirement account.

While most Americans utilize these types of accounts for their retirement savings and investments, many lack a proper understanding of exactly what they do.

So, what do qualified plans do?

The number one response to this question is that they defer taxes.

And if that is what you said they do, you were half correct.

Qualified plans do two things:

1. They do defer taxes, which is the part most people are interested in at the time of contribution
2. They also defer the tax calculation; and your future tax bracket plays a very important role in this calculation

You see, many people focus solely on the tax bracket they are in at the time of contribution, not considering the tax bracket they will be in when they take the money out.

The truth is both are important. Yes, you should consider the value of the deduction today; however, don't overlook the fact that you will be taxed on the money when you withdraw it from this account.

Many people who are investing money in one of these accounts, assume they are saving taxes. The truth is that these accounts are not tax-savings accounts at all but tax-deferral accounts. That means you will eventually pay the tax, and if you believe taxes are going up, then you will be in a higher tax bracket in the future.

And the only way you will save taxes is to withdraw while in a lower tax bracket than when you contributed..

We are not suggesting that putting money in a qualified plan is bad, we are just saying that it is important that you know what they do.

They do two things: they defer the tax and the tax calculation.

Animated Vignette: Registered Plans Do 2 Things

Registered plans are taxed-deferred savings accounts sanctioned by the Federal government, which is what makes them qualify to be called registered. You don't pay the tax until the time of the withdrawal. Some examples of registered plans are RRSP, LIRA, LIF, and RIF accounts.

Given the choice many people would prefer to avoid taxes today at almost any cost; hence, a default recommendation of where to place your money to grow for the future is in a Registered retirement account.

While most Canadians utilize these types of accounts for their retirement savings and investments, many lack a proper understanding of exactly what they do.

So, what do registered plans do?

The number one response to this question is that they defer taxes.

And if that is what you said they do, you were half correct.

Registered plans do two things:

1. They do defer taxes, which is the part most people are interested in at the time of contribution.
2. They also defer the tax calculation; and your future tax bracket plays a very important role in this calculation.

You see, many people focus solely on the tax bracket they are in at the time of contribution, not considering the tax bracket they will be in when they take the money out.

The truth is both are important. Yes, you should consider the value of the deduction today; however, don't overlook the fact that you will be taxed on the money when you withdraw it from this account.

Many people who are investing money in one of these accounts, assume they are saving taxes. The truth is that these accounts are not tax-savings accounts at all but tax-deferral accounts. That means you will eventually pay the tax, and if you believe taxes are going up, then you will be in a higher tax bracket in the future.

And the only way you will save taxes is to withdraw while in a lower tax bracket than when you contributed.

We are not suggesting that putting money in a registered plan is bad, we are just saying that it is important that you know what they do.

They do two things: they defer the tax and the tax calculation.

Animated Vignette: Qualified Plans: the Questions You Should Ask

Qualified retirement plans are often misunderstood. If something you thought to be true wasn't true when would you want to know about it.

For the sake of your financial future, an honest discussion is needed about qualified plans and how they will impact your future.

Are qualified plans meant for everybody? Not necessarily.

If you participate in a qualified plan, you need to know the answers to these questions?

1. Is a qualified plan a tax savings event?
2. Are taxes going to be higher or lower in the future?
3. What two elements will impact your qualified plan?
4. When do you want to take the money out of a qualified plan?
5. What are the positive aspects that the government receives from your qualified plan?
6. Are you penalized and taxed for early withdrawals?

You may be surprised by some of the answers to these questions.

Would you rather know the answer now or later?

Animated Vignette: Registered Plans: the Questions You Should Ask

Registered retirement plans are often misunderstood. If something you thought to be true wasn't true when would you want to know about it.

For the sake of your financial future, an honest discussion is needed about qualified Registered plans and how they will impact your future.

Are Registered plans meant for everybody? Not necessarily.

If you participate in a Registered plan, you need to know the answers to these questions?

1. Is a Registered plan a tax savings event?
2. Are taxes going to be higher or lower in the future?
3. What two elements will impact your Registered plan?
4. When do you want to take the money out of a Registered plan?
5. What are the positive aspects that the government receives from your Registered plan?
6. Are you penalized and taxed for early withdrawals?
7. Are there alternatives to the common Registered plan?

You may be surprised by some of the answers to these questions.

Would you rather know the answer now or later?

Animated Vignette: Spender, Saver, Wealth Creator

Spender, Saver, Wealth Creator, which one are you?

The Spender spends first then saves what's left over. Their thoughts are usually centered around the next thing on the list they need. If you can imagine this line to represent zero financially, the spender never gets above the line. They're often heard saying, “I would love to save, but there's just not enough left after I pay my bills”. They finance a car, maybe two, which pushes them below the line. Then there's housing, which moves them even further below the line. And then kids come along and well, you know the rest of the story, the spender often spends a lifetime trying to pay for the things they bought at interest, which steepens the hill they must climb to become debt free. Unfortunately, if the spenders do not find a way to overcome this cycle, they could be doomed for financial failure.

The Saver understands the term, “opportunity cost” and they put away money today, so they will not be forced to pay interest to anyone in the future. The Saver feels safe when they have money in the bank; the more they save, the safer they feel. The Saver refuses to pay interest on their purchases; so, when something comes along they cannot pay with their monthly cash-flow they have to dip into their savings. Unfortunately, this moves them closer to that zero line and the fear of having to borrow and pay interest. Take buying a car for example, they save enough money to pay cash for the car, but after they buy the car, their account is reduced. Now they have to start the saving process all over again to get ready for their next expense or possibly an unforeseen emergency.

The Wealth Creator is one who saves as a matter of course. They know the amount of income they will need to live the lifestyle they want during retirement and how much money they must save to achieve that goal. They too are savers, but what makes them unique is that they borrow money from a lender using their retirement savings as collateral. They then pay back the loan at interest to the lender while continuing to save for their retirement; and they never get close to that zero line. This strategy ensures they will have money available for their retirement as well as access to money for any future purchases or investment opportunities.

Let us know if you’d like to learn how you can become a Wealth Creator.

Animated Vignette: The Income Game

Let's play a little game together, it's called the Income Game.

Many people consider their income to be common and therefore take common advice about managing their money.

You may be surprised by how much income is required to be considered in the top 50% or even the top 25% of all households in the United States.

So, let's play. Guess how much combined household income it takes to be considered in the following income groups:

- Top 50%?
- Top 25%?
- Top 10%?
- Top 5%?
- What about the top 1% of all taxpayers?

Let's check your answers, according to data derived from IRS documents in 2019:

- To be considered in the top 50%, you must make $41,740
- To be considered in the top 25%, you must make $83,682
- To be considered in the top 10%, you must make $145,135
- To be considered in the top 5%, you must make $208,053
- And top 1% you must make $515,371

How did you do? What about your own income level, did you guess correctly?

Let's play a little more. This time guess what percentage of the taxes are paid by each group:

- How much tax do you think the top 1% pays?
    - They pay 38.5% of all the taxes collected
- What about the top 5%?
    - They pay 60% of all the taxes collected, this includes the top 1%.
- The top 10% pays 70%, this includes top 1 and 5%.
- The top 25% pays 86%.
- And the top 50% pays 96.89%; so, if you make $41,740 or more, your group pays more than 96% of all the income tax collected

Are you surprised by these numbers?

Now, we all must pay our required tax amount but not a penny more. And if you pay an additional dollar in tax that you did not have to pay, you not only lost that dollar but what that dollar could have earned had you not paid it. This economic principle is known as Opportunity Cost.

It is easy to see that almost all the income taxes are paid by one half the country and the bulk of that tax is paid by those in the top 50%.

If you are in the top 50%, you need to make sure you are not paying a dollar more than required.

Animated Vignette: The LUCK Factor

When it comes to our money, there is no such thing as luck. However, this little play on words may provide a good piece of information for your thinking.

The L stands for liquidity. A very important part of your thinking with regards to where you put your money should be is some of it liquid. Certainly not all of our money needs to be an illiquid position, but if all of our resources are tied up with no access, we can find ourselves in a tough situation down the road. Without liquidity one can find themselves in need of money and be forced to borrow on credit cards or bank loans requiring interest.

The U stands for use of your money. We all have times in our life that we have a need come up and we have a need for money. Do you have access to money that you can use when the situation arises?

The C stands for control. Who is in control of your money. The government is in control of our qualified plan dollars. The mortgage company is in control of our home equity. The finance company is in charge of our cars. Do you have money in places where you are in control?

The K stands for knowledge. If you're going to have the L, U, C we just talked about, you will need the knowledge necessary to manage your resources.

Let us help you get some luck.

Animated Vignette: Transfer of Your Wealth

Did you ever spend money you didn't want to?

Did you ever spend money you didn't have to?

Traditional thinking will have you believe that the only way to increase your wealth is to get higher rates of returns on your investments.

When someone tells you that they can get you a higher rate of return, who is the one at risk, you, or the person making the recommendations.

It's possible that many of the answers for a successful financial life may be lying right in front of you and you simply cannot see them.

Many people give away much of their wealth unknowingly and unnecessarily. These are called transfers of your wealth.

It's very important to discover the transfers of wealth in your life.

Once you recognize your transfers, you will have an opportunity to recapture the money that you are giving away.

Learning this process will eliminate some of the unintended consequences of traditional financial thinking.

Applying the knowledge of the transfers of wealth in your everyday life will become the center point of your financial future.

Animated Vignette: Retirement Ready or Not: Will You Have Enough?

Do you wonder if you will have enough to retire comfortably?

Perhaps this question has crossed your mind more than once as you consider your financial future. There are many issues surrounding this question and one of the first steps to finding the answer is to evaluate where you are today and paint a picture of where you want to be when you get to retirement. You may be surprised how much it will take in the future to live your retirement years at the same standard of living you are enjoying today.

Now is the time to find out what you need to do to make sure your financial future is on solid ground. Many people worry that the assets they have currently will not be enough for them to retire at the age they were hoping.

In just a few minutes we can help you get a glimpse of your financial situation and answer questions like:

1. What rate of return do I have to earn on my savings to make it last through retirement?
2. How much money should I be saving each year?
3. How long will I have to work or when can I retire?
4. If I don't do anything different than I'm doing today, how much will I be able to spend during my retirement and have my money last through life expectancy?

If you would like the answers to these questions, call or send us an email, and let us know a convenient time when we could spend about 15 minutes together.

Animated Vignette: You Finance Everything You Buy

Did you know you finance everything you buy?

When you read this you may have said to yourself, I don't finance anything, I pay cash.

Paying cash is financing, it's self financing if the dollars you are spending were set aside for your future retirement lifestyle needs.

Let me explain, assuming you have money in your future savings or investment accounts, you put money in those accounts so that you will have money available for your future, when you need it.

Now you need it, so what do you have to do to make your purchase?

You have to drain your tank. You have to withdraw the money from your tank which could have been earning compound interest for you and give away not only the interest you would have earned but control of the principal as well.

In order for you to get back to the same financial position you were in before you "drained the tank" to make the purchase, you must earn additional income, pay taxes on the money you earn, and put an equal amount of money back into the tank from which you took it from originally.

You financed your purchase, you self-financed.

The issue is not "do you finance" because you do if you are using dollars that have been set aside for your future lifestyle to make your purchase.

The question we should be asking is, "What is the most efficient way to finance without having to give up control of my money?"

How you choose to finance, especially your major capital purchases, can have a huge impact on your financial future by maximizing your future earnings potential and minimizing the losses along the way.

If you are interested in learning more about how to improve your financial efficiency when financing and would like to maintain control of your money, we have some ideas to share with you.