A Common
Sense Guide
to Financial
Success

# MONEY WORKS







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### Do you have a Coach?



- ✓ You have a Doctor for your health
- ✓ A Fitness Coach for exercise
- ✓ A Realtor to find you a home
- ✓ and even a Coach for soccer and basketball

# Do you have a Financial Coach for your finances?

### You Can...



You Can get out of debt.

You Can build savings.

You Can get on the path to financial independence!

# Pay Yourself

First





# A good credit score can determine a lot of things today



- Whether you will be approved for credit
- What interest rate you will get on loans
- The cost of your homeowner's and car insurance
- Whether you are approved to rent a house or apartment
- In some cases, whether you get a job offer/type of job or license

## Do you understand the importance of your credit score?



A credit score of 620 vs. a credit score of 7201				
Types of Accounts	Annual Savings			
Mortgage Loan: \$200,000	\$1,956			
Auto Loan: \$20,000	\$792			
Home Equity Loan: \$20,000	\$576			
Credit Card: \$15,000	\$1,185			
Auto & Home Insurance Premiums:	\$554			

26.5% of U.S. consumers — 43.3 million people — have credit scores of 599 or lower.

Investment News, July 19, 2010

Potential Annual Savings of

\$5,063

Invest the annual savings monthly until age 67 — the total, given a 9% rate of return, is \$935,300<sup>2</sup>

## **Debt Stacking**



Retail Card 1	\$220	+ \$220		As each debt is paid off, you apply the amount you were paying to that debt to the		
Credit Card 2	\$353	\$573	+ \$573	payment that you were making on the next target account.		
Car Loan	\$551	\$551	\$1,124	+ \$1,124		
Credit Card 1	\$303	\$303	\$303	\$1,427	+ \$1,427	
Mortgage	\$1,293	\$1,293	\$1,293	\$1,293	\$2,720	
Total	\$2,720	\$2,720	\$2,720	\$2,720	\$2,720	

Target Account

Extra Debt Payment

## Have you considered how it would feel to be debt free?



	Without Debt Stacking	With Debt Stacking
Payoff	23 years	9 years 14 Years Sooner
Interest Saved	\$0	\$130,643
Interest Paid	\$214,442	\$83,799
Monthly Payments	\$2,720	\$2,720

Once debts are paid off, invest \$2,720 each month until age 67 - the total, given a 9% return, is \$2.4 million4.

### Are you protected from identity theft?



- 500,000 700,000 victims per year (FBI Statistics)
- In 2012 IRS was hacked resulting in:
  - > 3.6 million Social Security numbers compromised
  - > Exposed 387,000 credit and debit card numbers
  - Names and addresses
  - > Businesses' taxpayer identification numbers







Most Americans don't have wills. If you're among this majority, it may not concern you that the state could wind up distributing your possessions and financial assets.

### Without a will:

- If you and your partner are not married, your partner may not get anything.
- If you are separated, your ex-spouse may be entitled to claim part or even all of your estate.
- If you haven't appointed guardians to care for your children in the event of your death, it will be up to the court to do so. Their choice may be very different from yours.

Buy the Right Kind of

# Insurance

# The Right Kind of Life Insurance



How much is your car worth?



### Do you insure it?

How much is your house worth?



### Do you insure it?

How much is your life worth?

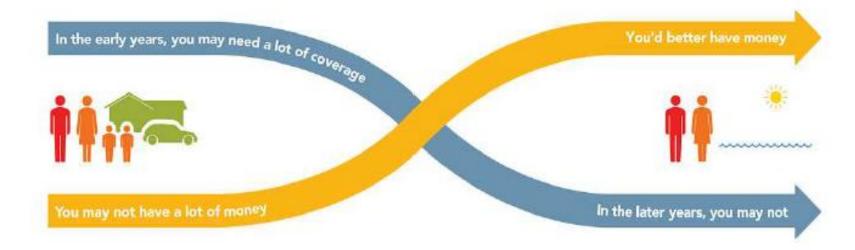


Probably a lot more than your car or your house!

You can't afford not to insure your life.

### The Theory of Decreasing Responsibility





### Today

- Young children
- 2. High debt
- 3. House mortgage

Loss of income would be devastating

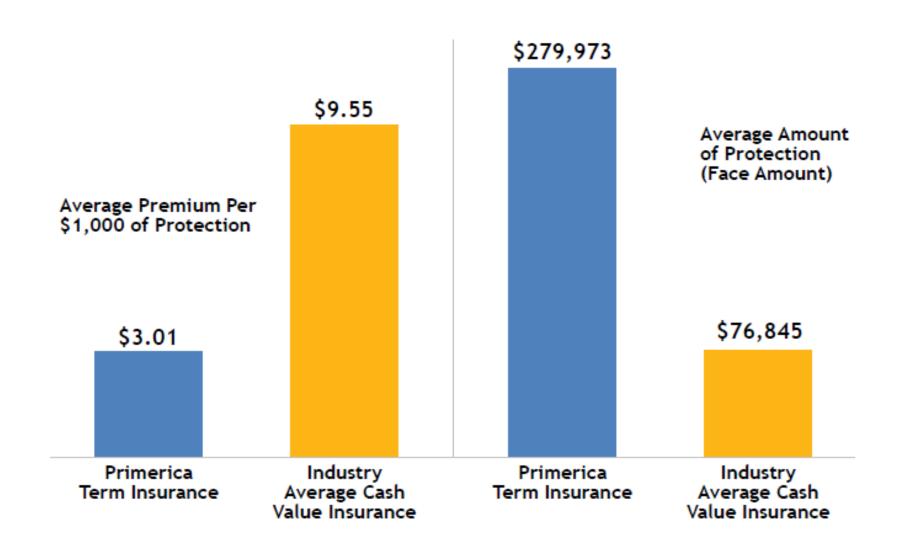
#### At Retirement

- Grown children
- 2. Lower debt
- Mortgage paid

Retirement income needed

## Most Families Are Over-Premiumed and Under-Insured





# Invest with Professiona Management

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### Do You Know the Rule of 72?

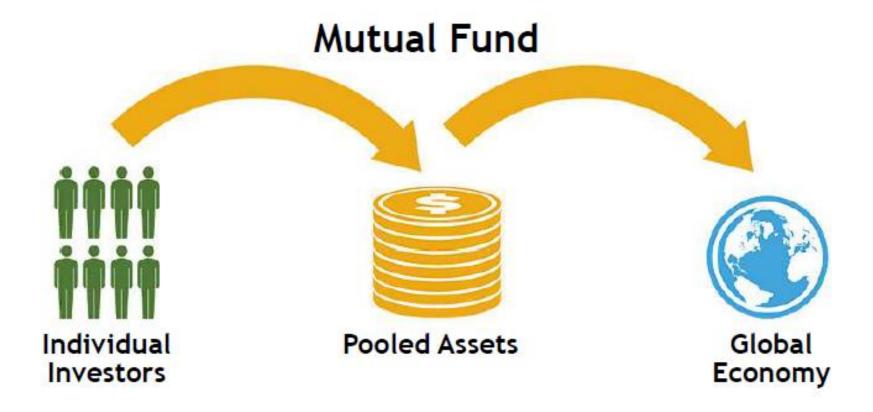


	Years	3%	6%	12%
equals the number of years it takes your money to double.	0	\$10,000	\$10,000	\$10,000
	6			\$20,000
	12		\$20,000	\$40,000
	18			\$80,000
	24	\$20,000	\$40,000	\$160,000
	30			\$320,000
	36		\$80,000	\$640,000
	42			\$1,280,000
	48	\$40,000	\$160,000	\$2,560,000

### What Is a Mutual Fund?



A mutual fund is an opportunity for you, together with many other investors, to pool your money.



Investing entails risk including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

### The Three "Ds" of Investing



A good way to keep your focus on your goals is to remember the **three "Ds"** of investing:

- Dollar-Cost Averaging
- Discipline
- Diversification

If you don't make any changes now, will the next 5 years look any different than the last?



## Questionnaires



Please fill out!

We appreciate your feedback!