SLAVIC401K

Financial Wellness Series

Unleashing Your Financial Potential

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Slavic401k

A Behavior Struggle

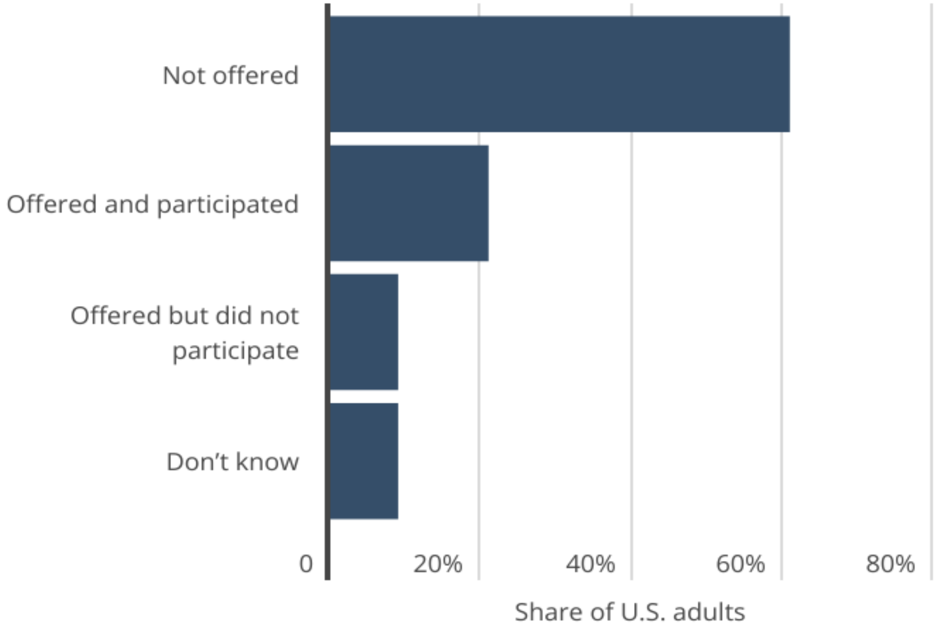
- Two-fifths of Americans (40%) spend less than their income, 38% spend about equal to their income and 18% spend more than their income. Those figures have remained virtually the same since 2009.
- One in five Americans (21%) have unpaid past-due medical bills and 28% skipped medical service because of cost concerns.
- Among young Americans (18-34 age group), 22% reported taking a loan from their retirement account, 26% overdrew on their checking account and 29% were late with mortgage payments.
- 72% of households do not have a financial plan.

Credit Card vs. Savings

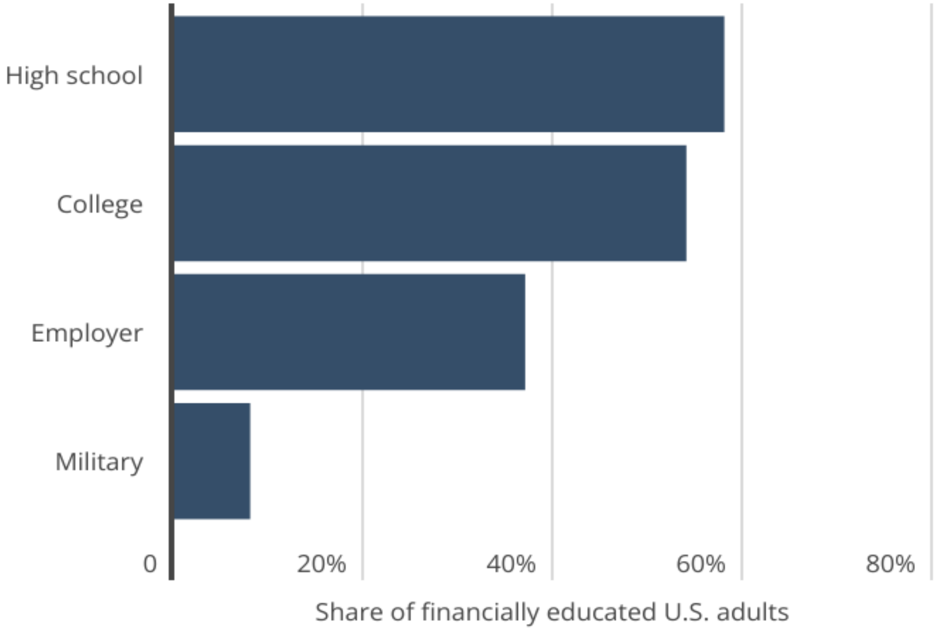
- $8,398 average credit card debt per household in the US in 2022 and increasing
- Average interest rate 16.45 in 2022
- 44% of Americans carry credit card debt month-to-month
- Personal savings rate in the US is 3.1% rate typically 2-10% over the past 60 years
- Average American has 5 times more credit card debt than emergency savings

Over 60% of U.S. adults were never offered financial education

Financial education availability



Financial education source*



**Multiple selections possible; Source: FINRA Foundation's National Financial Capability Study*

What Is
Financial Literacy ?

Financial literacy is the knowledge of budgeting, saving and investing, enabling individuals to make **informed decisions** about their personal finances.

Annuity.org

Key Components of Financial Literacy

1. Basic money management
2. Financial planning
3. Investing
4. Use of financial products
5. Creating financial security

Creating the Right Mindset Around Your Financial Picture

- Goal-oriented
- Positive attitude toward your finances
- Growth mindset
- Continuous learning and adapting
- Persistence and resilience

Use Financial Literacy to Enhance Your Financial Plan

1. Financial plan development
2. Disciplined and detailed budget
3. Intentional savings
4. Creating the right mindset "pay yourself first"
5. Utilizing the right investment vehicles
6. Building strong credit

First and Foremost: Implementing a Financial Plan

Achieving what you want to do

- Gain clarity on your goals and use them as a disciplinary reminder
- Increase financial confidence
- Remain accountable
- Jumpstart your savings
- Stay in tune with your financial reality
- Worry less about money
- Organize your finances

"Anytime is a good time for a financial plan."

A Financial Plan: What Are Your Goals?

1. Emergency savings
2. Pay off debt
3. Save for retirement
4. College savings
5. Purchase a home
6. Lifestyle goals
7. Protecting wealth
8. Charitable giving
9. Tax mitigation

Goal-Based Planning: Time Horizon

- Short term 0-3 years
    - Paying off debt/buying car
- Medium term 3-10 Years
    - Down payment on home
- Long term 10 years +
    - College, retirement

A Disciplined Budget

- Track your spending
- Understand expenses
- Income assessment
- Create a realistic monthly budget
- Build up your savings
- Allocate and start an investment strategy
- Monitor and adjust

Balancing Your Savings Priorities

- Prepare for the expected
- Prepare for the unexpected
- Prioritize short-term goals
- Prioritize long-term goals
- Identify your family's five-year goals

Utilizing Credit

- Good debt vs. bad debt
- Paying down high-interest first
- Creating a payment plan
- Using to your advantage
- Building a strong credit score

Debt-to-Income Ratio

- Monthly debt obligation divided by gross monthly income = debt-to-income ratio
- Lender utilization
- What is a good ratio?
- How do you lower your debt-to-income ratio?

Balancing Debt and Saving

- Making all your minimum payments
- Building a cash buffer
- Capturing a full employer match
- Pay off any credit card debt
- Fully fund emergency savings
- Weigh investing vs paying down debt
- Turn to your other savings goals

Retirement Tax Advantages

- Pre and post-tax employer plans
- Maximize your contributions
- Individual Retirement Accounts (IRAs)
- Non-working spouses filing jointly
- Tax bracket relevance
- Changing jobs and consolidation

Developing a Retirement Date and Social Security Strategy

- Part of your financial plan
- The impact of delayed/early retirement
- Social Security age ramifications
- Working in retirement
- Supplementing income

The Importance of Diversification

The optimal mix/balance of risk and return

- Mitigate risk
- Preserve capital
- Reduce volatility
- Enhance liquidity
- Supplementing income
- Rebalancing opportunities

Continuous Monitoring of Your Portfolio

Periodic adjustments aligned with your goals

- Monitoring asset allocation
- Alignment with shifting life events
- Adapt to changing economic and global landscape
- Ongoing support and guidance

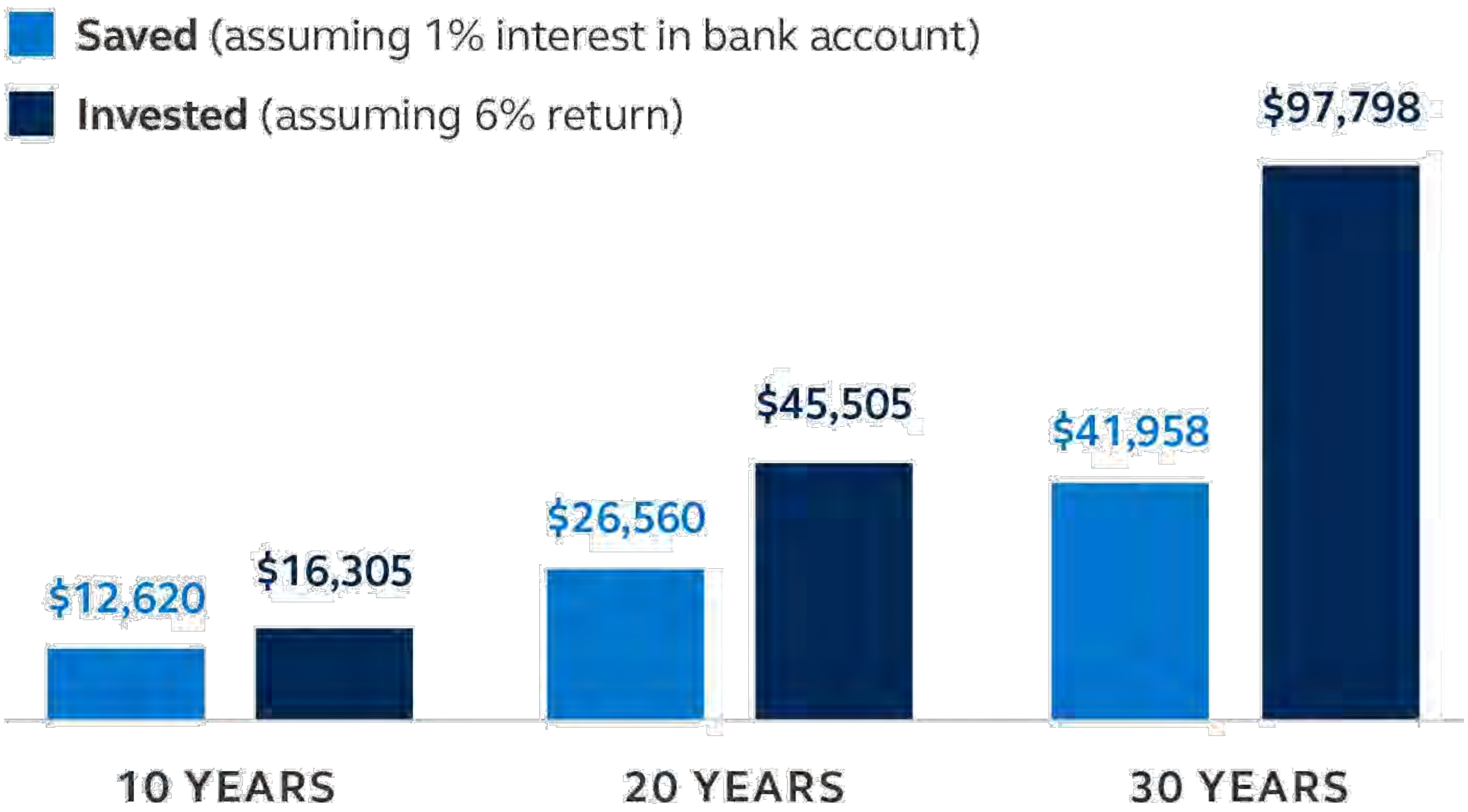
Complete Your Financial Picture with Taxable Investments

The right investment given the time and nature of the goal

- Appropriate investment vehicle
- Savings and investment frequency
- Investment strategy as it relates to your overall portfolio
- Keeping pace with inflation
- Savings vs investing

Saving vs. Investing

$100 per month saved vs. invested



Don’t Delay

Even bad timing is better than not investing

This chart shows four different hypothetical outcomes of investing $2,000 each year over 20 years.

Source: Charles Schwab

Questions?

Scan to visit
SlavicWealth.com

Thank you!

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