

Touching lives. Securing futures.®

Planning for Life }





Want to *save more money?*

It doesn't happen by accident.

YOU NEED:

A PLAN • DISCIPLINE • SYSTEMATIC SAVINGS • COMMITMENT

MANY PEOPLE SAVE FOR:

- EMERGENCIES
- OPPORTUNITIES
- RETIREMENT
- COLLEGE

What are you saving for?

THE KEY TO SUCCESS:

Pay yourself first!



OF YOUR INCOME SHOULD BE SAVED

There's a savings strategy that's *right* for you.

Consider your needs and goals.

- What are you saving for?
- How long will it take to save?
- When will you need the money?
- How aggressively or safely do you need/want to save?

How much risk can you take?



Walker
Insurance products
 • Life insurance cash value
 • Fixed annuities



Jogger
Low risk/return
Capital preservation
 • Money market funds
 • Certificates of deposit
 • Checking and savings



Hiker
Limited risk/return
 • Investment-grade bonds
 • Bond funds/subaccounts



Climber
Moderate risk/return
 • Blue-chip stocks
 • Growth funds/subaccounts



Mountaineer
High risk/return
 • Growth stocks
 • High-yield bonds
 • Aggressive growth funds/subaccounts



- Protection
- Savings
- Retirement Planning
- Retirement Distribution
- Estate Planning
- Business Planning
- Employee Benefits

Are you happy with your savings?



Saving obstacles

- Monthly bills, obligations and spending habits exceed your income.
- You're unsure where to begin.
- You believe you have sufficient time.
- You fear losing money in the market.
- Savings options seem too complicated.



Dealing with debt

- Know how much you owe.
- Pay bills regularly and on time.
- Always make at least the minimum payment.
- Pay higher interest debt first.
- Pay off one debt, then target that payment toward the next (or start saving).

Did you know these average debts?

- Household - **\$137,879**
- Credit card - **\$7,104**
- Mortgage - **\$192,618**
- Student loan - **\$46,619**
- Auto loan - **\$27,934**

Source: Federal Reserve 2019



Get control

- Live within your means. Create a spending plan.
- Save then spend, not spend then save. Make saving automatic.
- Start now. It's always better than starting later.
- Outpace inflation. The longer you live, the more you need to do so.
- Take advantage of tax deferral and other strategies. We can help.





Risk vs. return

What's your risk tolerance? Are you a walker, hiker or mountaineer?

- » Depends on where you are in relation to your savings goal.
- » Higher potential for gain generally means higher risk for loss.

- ◆ Can't control your results — can control how much you save.
- ◆ Don't put all your eggs in one basket — diversify your savings.
- ◆ Time in the market — not "timing" the market.

Paving the way to meet your financial goals

- » Can you handle an emergency?
 - Layoff | Medical bills | Furnace replacement | Expensive car repair
- » Can you take advantage of an opportunity?
 - House down payment | New business | Vacation of a lifetime



Cost of waiting

[Good intentions aren't always enough]



Waiting **5 years** to start saving can cost you a lot!

Brad and Ashley are both age 25:

- Brad currently saves \$200 per month.
- Ashley waits 5 years to save \$200 per month.

Brad and Ashley at age 65:

- Brad's savings equals \$306,475.*
- Ashley's savings equals \$228,165.*

} Brad has **\$78,310** more.

Waiting means:

- » More money is required to reach same savings goal.
- » Compound effect of money over time is lost.
- » Less time to ride out fluctuations in equity markets.
- » Savings goals possibly not met.

*Example is hypothetical, is for illustrative purposes only, and does not represent any savings or investment vehicle. Assumes a 5 percent rate of return.



Peace of mind

with a perk

Make life insurance work for you.

Permanent life insurance:

- » Provides lifelong, income tax-free insurance protection with built-in cash value, as long as premiums are paid.
- » Replaces your income if you die too soon. Keeps your family in your home. Pays off debts. Sends your kids to college. *(Life insurance pays your family what you meant to save.)*
- » Grows cash value over time, conservatively and systematically and tax-advantaged. Use the cash value to cover an emergency expense, take advantage of an opportunity, help pay college costs or for any reason.

Whole life:

- » Guaranteed cash value for emergencies and opportunities.
- » Fixed premium with choice of payment period.

Universal life:

- » Flexibility without locked-in payment schedule.
- » Tailored to your specific needs.



Worried about *saving for college?*

- » College costs continue to outpace inflation.
- » Sticker price isn't the final price.
- » Scholarships, grants and loans can keep college costs manageable.

Start a plan early:

Save some now.
Ages 0-17

Pay some from your income.
Ages 18-21

Pay off student debt.
Ages 21-31

Consider the savings options available to you:

- » Section 529 plan
- » Coverdell education savings account (ESA)
- » Education tax credits
- » Roth IRA
- » Life insurance cash value

Savings is a habit

Get started now. Save regularly. Stay committed.



Future Goals



Time Horizon



Risk Tolerance



Allocation



Pay Yourself



Life insurance
and annuities

ASK YOURSELF:

» *Am I saving for the future?*

» *Am I happy with my current savings?*

» *Am I paying myself first?*

» *Am I saving wisely?*

No? }

Let's work together to help you create a
saving plan that's right for you.

About us

Modern Woodmen of America is a member-owned fraternal financial services organization. We secure futures with financial guidance and products. We touch lives with fraternalism. Since 1883, Modern Woodmen has brought people together, supported families and strengthened communities nationwide. Modern Woodmen – touching lives, securing futures.

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Product availability varies by state. Individual agents may not be licensed to sell all products.

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Modern Woodmen of America
1701 1st Avenue, Rock Island, IL 61201
Phone 309-558-3077 or 1-800-447-9811
www.modernwoodmen.org