

■ ***Our Campaign***

*With the success of empowering 1 million families, we continue forward with a goal of educating 30 million people by 2030.*

■ ***Our Mission***

*To build and protect wealth for families. We want to help people move from financial insecurity to financial independence.*

■ ***Our Vision***

*To build a new industry with 1 million business associates worldwide and revolutionize the financial services industry to help solve the consumer's dilemma: lack of understanding, planning and support.*

■ ***Do it right. Do it with pride.***

# WSB FINANCIAL EDUCATION WORKBOOK

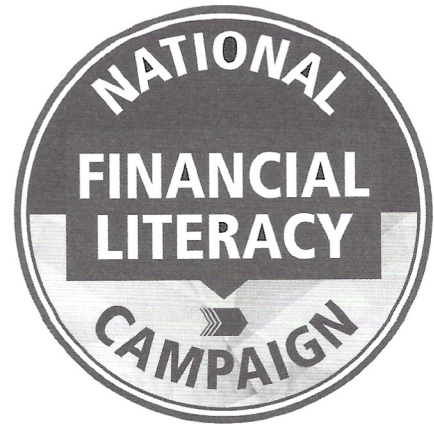
Name / Financial Education Center:

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Trainer: \_\_\_\_\_

Phone: \_\_\_\_\_



## Workshop Schedule

	<i>Date</i>	<i>Trainer Signature</i>
<b>Introduction:</b> WSB & THE FINANCIAL LITERACY CAMPAIGN	_____	_____
<b>Workshop 1:</b> BUILDING SAVINGS & WEALTH	_____	_____
<b>Workshop 2:</b> INCREASE CASH FLOW & MANAGE DEBT	_____	_____
<b>Workshop 3:</b> PREPARING WITH PROPER PROTECTION	_____	_____
<b>Workshop 4:</b> YOUR HEALTH & WEALTH	_____	_____
<b>Workshop 5:</b> UNDERSTANDING ASSET ACCUMULATION STRATEGIES	_____	_____
<b>Workshop 6:</b> FULFILLING LONG-TERM GOALS	_____	_____



 SCAN ME

For the latest workshop schedule.

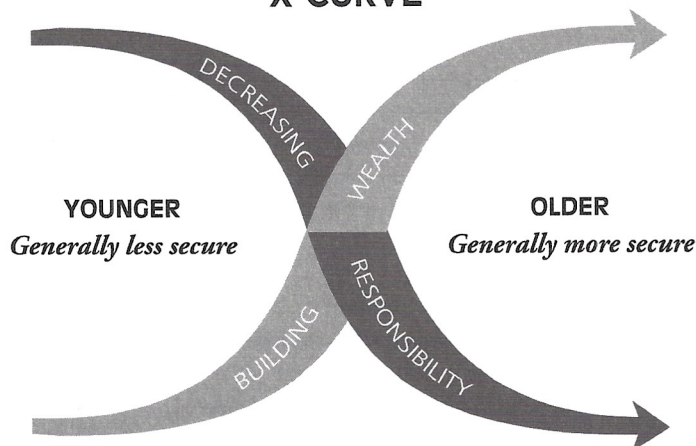
***Master the basics in 30 days!***



## FINANCIAL FOUNDATION



## X-CURVE



## D.I.M.E. METHOD

	CLIENT	SPOUSE
Debt	_____	_____
Income (x10)	_____	_____
Mortgage	_____	_____
Education	_____	_____
INSURABLE NEED	_____	_____

## MANAGED GROWTH

GROWTH	SAFETY
TAX ADVANTAGE	PROTECTION

## NOTES

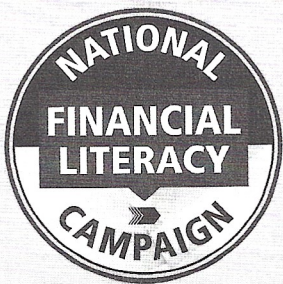


## FINANCIAL EDUCATION FOR ALL

Our mission is to help build and protect wealth for families. We want to help people move from financial insecurity to financial independence. The goal of our National Financial Literacy Campaign is to educate 30 million families by 2030.

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Building Savings & Wealth



# BUILDING SAVINGS & WEALTH

*What you will learn:*

- Identifying your goals.
- The Financial Foundation mindset.
- What is the Wealth Formula, and how can it help?
- Understanding the effects of time and inflation on your assets.

## GOAL SETTING WORKSHEET

Financial goals are generally based on the amount and time needed to achieve them. People of various ages will have different goals and time frames.

LESS THAN 1 YEAR	1 – 5 YEARS	5+ YEARS

## *What are your goals?*

- Retirement
- Education / College
- Medical expense
- Elective surgeries
- New car
- Pay off credit cards
- Pay off debt
- Wedding
- Engagement ring
- New home
- New appliances
- Home repairs or improvements
- Vacation
- Birthday party
- New phone
- Investment property
- Moving out
- Hobbies
- Recreation
- Baby / family planning
- Personal gifts
- Anniversary get away
- Road trip
- Tickets to a concert, big game, outing or show

## *What other goals do you wish to achieve?*

## **HOW MUCH DO I NEED?**

*To help determine how much you need to save, you can use:*

- Formula 10/20
- Financial Needs Analysis
- Personal Financial Strategy (PFS)
- Financial Calculators

*No matter which strategy you use,  
procrastination is not part of the strategy.*

# CALCULATE YOUR GOALS

How much do you need to save per month for a house? How about for retirement?

Need \$1 million at age 65? At age 35, here's what you'll need to save per month based on an 8% rate of return\*:

Age 25 \_\_\_\_\_

Age 35 \_\_\_\_\_

Age 45 \_\_\_\_\_

*Work with someone on your goals to: assess your current situation, develop a strategy to reach them, and know what you'll do after you've achieved those goals.*

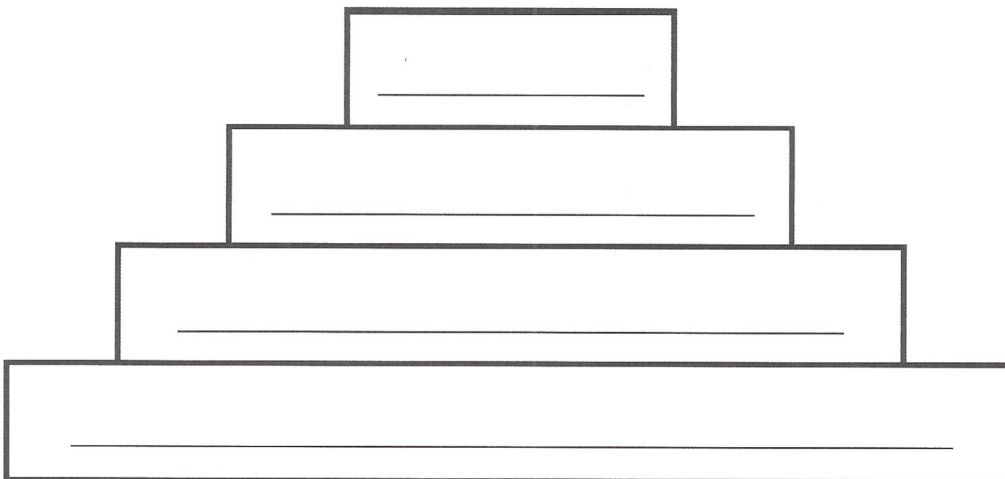


SCAN ME

Evaluate how much you'll need to save for one of your long-term goals by using the compound calculator (accessible by scanning the QR code with your phone). Assume an 8% rate of return like the example above.

# FINANCIAL FOUNDATION

Like building a house, you must build it from the ground up.



# THE WEALTH FORMULA\*

	_____
+	_____
+/-	_____
-	_____
-	_____
	_____
=	_____

*\*This is a concept/goal developed by World Financial Group (WFG) for illustrative purposes only. In no way does this statement offer, guarantee, or otherwise imply any financial gain or reward as a result of joining WFG. The term "wealth" is subjective and must be defined on an individual basis.*

# COST OF WAITING

## INVESTING EARLY vs WAITING LONGER

- Mr. Start Early invests \$3,600 per year for 7 years in a 8% tax-deferred account.
- Mr. Wait Longer starts investing \$3,600 per year for 17 years in a 8% tax-deferred account, 7 years later than Mr. Start Early.

*\*For illustration purposes only.*

MR. START EARLY			MR. WAIT LONGER		
Age	Yearly Contribution	Total Accumulation	Age	Yearly Contribution	Total Accumulation
25	\$3,600	\$3,888	25	\$ -	0
26	\$3,600	\$8,087	26	\$ -	0
27	\$3,600	\$12,622	27	\$ -	0
28	\$3,600	\$17,520	28	\$ -	0
29	\$3,600	\$22,809	29	\$ -	0
30	\$3,600	\$28,522	30	\$ -	0
31	\$3,600	\$34,692	31	\$ -	0
32	\$ -	\$37,467	32	\$3,600	\$3,888
33	\$ -	\$40,465	33	\$3,600	\$8,087
34	\$ -	\$43,702	34	\$3,600	\$12,622
35	\$ -	\$47,198	35	\$3,600	\$17,520
36	\$ -	\$50,974	36	\$3,600	\$22,809
37	\$ -	\$55,052	37	\$3,600	\$28,522
38	\$ -	\$59,456	38	\$3,600	\$34,692
39	\$ -	\$64,212	39	\$3,600	\$41,355
40	\$ -	\$69,349	40	\$3,600	\$48,552
41	\$ -	\$74,897	41	\$3,600	\$56,324
42	\$ -	\$80,889	42	\$3,600	\$64,718
43	\$ -	\$87,360	43	\$3,600	\$73,783
44	\$ -	\$94,349	44	\$3,600	\$83,574
45	\$ -	\$101,897	45	\$3,600	\$94,148
46	\$ -	\$110,048	46	\$3,600	\$105,567
47	\$ -	\$118,852	47	\$3,600	\$117,901
48	\$ -	\$128,361	48	\$3,600	\$131,221
<b>Total Contribution</b>			<b>Total Contribution</b>		
<input type="text"/>			<input type="text"/>		

# THE RULE OF 72

## Practice Example:

72 / 6% = _____		72 / 8% = _____		72 / 10% = _____	
At 6%, money nearly doubles every _____ years		At 8%, money nearly doubles every _____ years		At 10%, money nearly doubles every _____ years	
Years	Amount	Years	Amount	Years	Amount
Initial Amount	\$10,000	Initial Amount	\$10,000	Initial Amount	\$10,000
12	\$20,122	9	\$19,990	7	\$19,487
24	\$40,489	18	\$39,960	15	\$41,772
36	_____	27	\$79,881	22	\$81,403
		36	_____	29	\$158,631
				36	_____

### Answer the questions based on your understanding:

If \$100,000 is put into an account, and in 9 years it doubles to \$200,000, what is the rate of return?

- a) 4%      b) 50%      c) 2%      d) 8%

If paying the balance on a credit card is ignored, and the APR is 18%, in how many years will the debt balance double?

- a) 2 years      b) 3 years      c) 4 years      d) 5 years

Using the table above, at a 10% rate of return, approximately how much money would there be after 43 years?

- a) \$100,000      b) \$300,000      c) \$319,126      d) over \$600,000

*The Rule of 72 is a mathematical concept that approximates the number of years it will take to double the principal at a constant rate of return compounded over time. All figures are for illustrative purposes only, and do not reflect the risks, expenses or charges associated with an actual investment. The rate of return of investments fluctuates over time and, as a result, the actual time it will take an investment to double in value cannot be predicted with any certainty. It is unlikely that any one rate of return will be sustained over time.*

# AVERAGE COST OF LIVING (U.S. DOLLARS)\*

	1970s	1990s	2020
New Home*	\$23,450	\$123,000	\$391,900
Gas**	\$0.53	\$1.15	\$2.17
Loaf of Bread***	25 cents	70 cents	\$1.54
Wages****	\$9,400	\$28,960	\$56,310

How much would any of these cost (or increase to) 20 years from now?

## TODAY'S \$100

Assuming an inflation rate of 3%, what will your \$100 do over the next 20 years?

Years From Now	Purchasing Power Decrease	Increased Inflation Amount to Equal \$100
5	\$86	_____
10	\$74	_____
15	\$64	_____
20	\$55	_____

### Answer the questions based on your understanding:

What is the purchasing power of your \$100 doing?

- a) increasing      b) decreasing      c) staying the same

If you started with \$100,000, how much would the increased inflation amount be in 20 years?

- a) \$88,000      b) \$120,000      c) \$181,000

\*[https://www.census.gov/construction/nrs/historical\\_data/index.html](https://www.census.gov/construction/nrs/historical_data/index.html)

\*\*<https://www.eia.gov/todayinenergy/detail.php?id=46356>

\*\*\*<https://www.bls.gov/charts/consumer-price-index/consumer-price-index-average-price-data.htm>

\*\*\*\*[https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm)

# TAXES

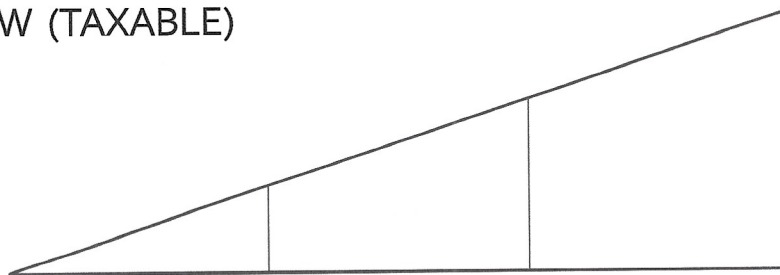
*Circle the typical tax treatment of the listed accounts.*

Savings Account	Tax Now	Tax Later	Tax Advantaged
401(k)	Tax Now	Tax Later	Tax Advantaged
Mutual Fund	Tax Now	Tax Later	Tax Advantaged
Roth IRA	Tax Now	Tax Later	Tax Advantaged

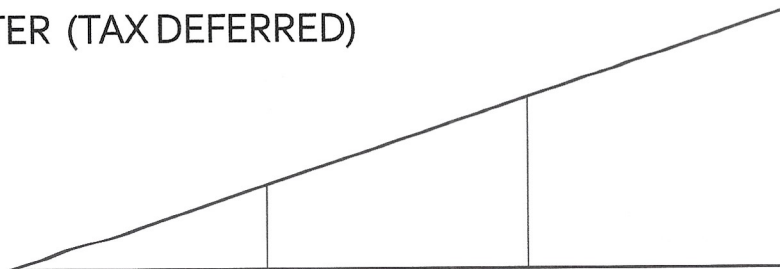
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*Shade the triangle according to the tax effects.*

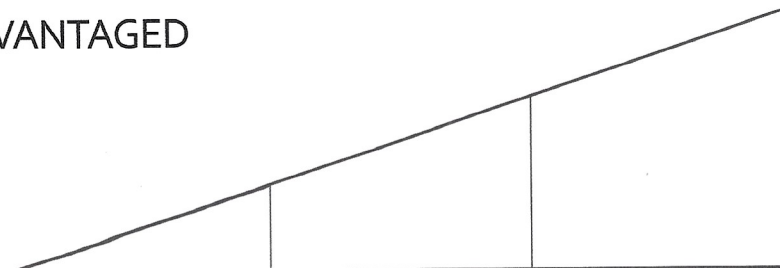
TAX NOW (TAXABLE)



TAX LATER (TAX DEFERRED)



TAX ADVANTAGED



# THE WEALTH FORMULA

Apply what you learned in class.

## Exercise:

■ If you save	\$100
■ Gain 4% interest	+ _____
■ You pay tax at 25% (combined Federal & State tax)	- _____
<hr/>	
■ Net after tax	_____
■ Less 3% inflation	- _____
<hr/>	
■ What's left?	_____

# BELIEVE IN YOUR FUTURE

You can become financially independent. *Have a plan of action:*

## INCREASE YOUR CASH FLOW

Make more money when you can, while you can.  
Have multiple sources of income.

## SPEND LESS, SAVE MORE

Rebalance your budget.  
Increase your savings.

## REDUCE YOUR DEBT AND LIABILITIES

You can be debt free.

## UNDERSTAND HOW MONEY WORKS

Become your own money manager.

## HAVE A CLEAR FINANCIAL GOAL

Build a solid financial foundation.

## HAVE A LIFE OF PURPOSE

Build a legacy.

## EMBRACE CHANGE & EXPECT TO SUCCEED

Change your habits.  
Expect to win.

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# HOMEWORK:

## ***Connect with the person who invited you!***

- Be part of the 30M financially educated.
- Join the campaign and bring someone to the next workshop:
  - ***Increase Cash Flow & Manage Debt***
  - ***Preparing with Proper Protection***
  - ***Your Health & Wealth***
  - ***Understanding Asset Accumulation Strategies***
  - ***Fulfilling Long-Term Goals***
- Complete worksheets and work with a financial professional to help you improve your financial strategy.



