





## Seminar Overview

- Your current situation
- Your vision for retirement
- Defining your goals
- Working toward your goals
- Taxes
- Preparing for the unexpected
- Staying on track

## Your Current Situation



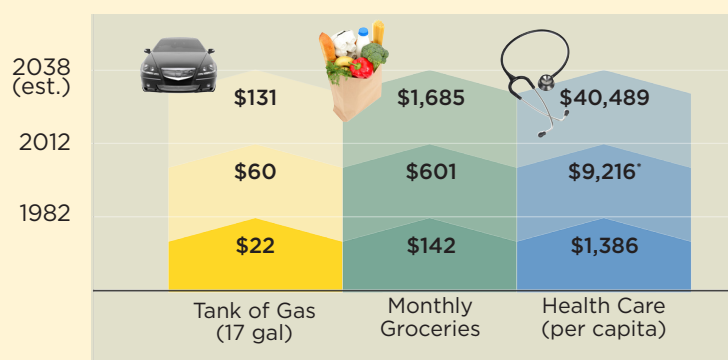
## Defining Your Goals



### Expenses



## Effects of Inflation



Through 2013, inflation has averaged 4.2% (50 years), 4.2% (40 years), 2.8% (30 years), 2.4% (20 years) and 2.4% (10 years). The inflation rate used to calculate 2038 prices is based on historical inflation rates from 1982 to 2013: Car = 2.7%; Gas = 3.2%; Groceries = 4.6%; Health care = 6.1%. Car: MSRP for manual transmission Toyota Camry; Gas: National average for unleaded or regular gasoline; Groceries: Family of two with moderate cost plan.

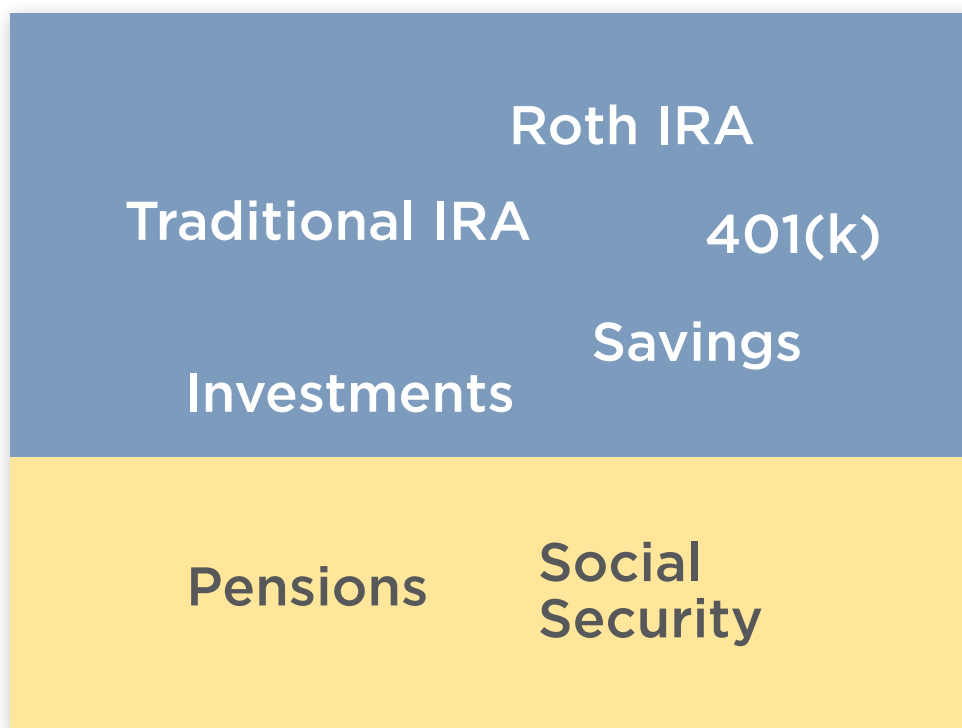
Sources: Bureau of Labor Statistics; U.S. Department of Agriculture; Centers for Medicare & Medicaid Services; *The Wall Street Journal*.

\*Estimate used for 2013 health care per capita.

Through 2013, inflation has averaged 4.2% (50 years), 4.2% (40 years), 2.8% (30 years), 2.4% (20 years) and 2.4% (10 years). The inflation rate used to calculate 2038 prices is based on historical inflation rates from 1982 to 2013: Car = 2.7%; Gas = 3.2%; Groceries = 4.6%; Health care = 6.1%. Car: MSRP for manual transmission Toyota Camry; Gas: National average for unleaded or regular gasoline; Groceries: Family of two with moderate cost plan.

Sources: Bureau of Labor Statistics; U.S. Department of Agriculture; Centers for Medicare & Medicaid Services; *The Wall Street Journal*.

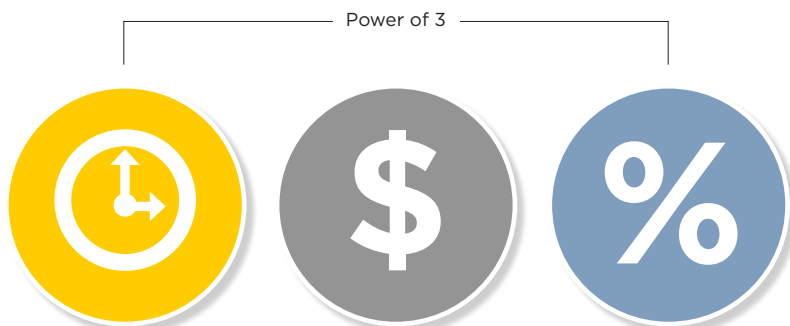
\*Estimate used for 2013 health care per capita.

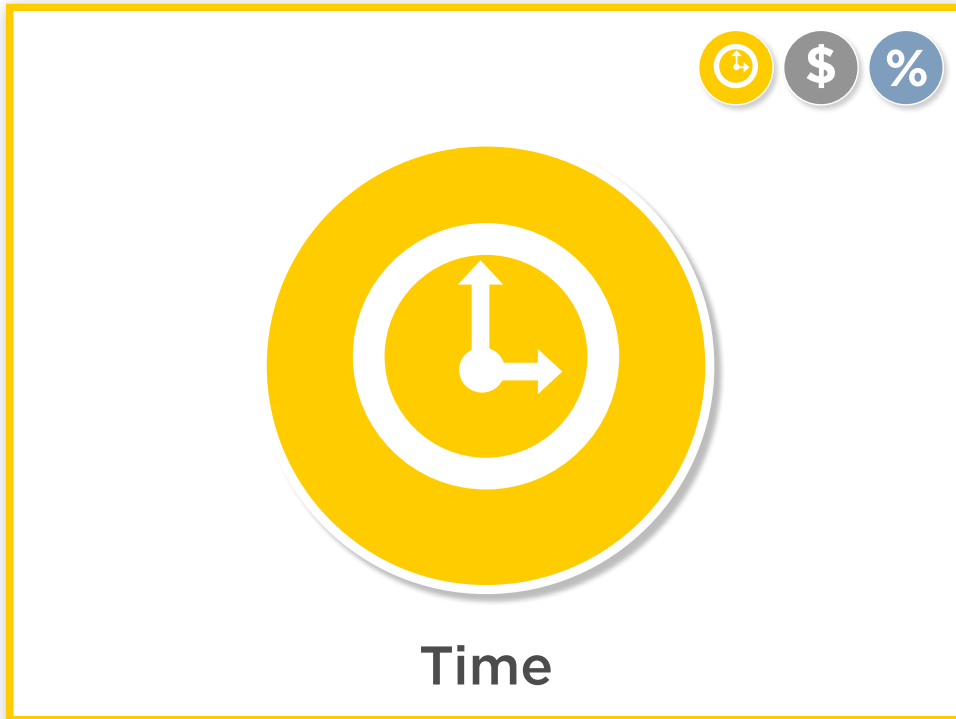


## Rule of 25

$$\begin{array}{r} \$40,000 \\ \times \quad 25 \\ \hline \$1 \text{ million} \end{array}$$

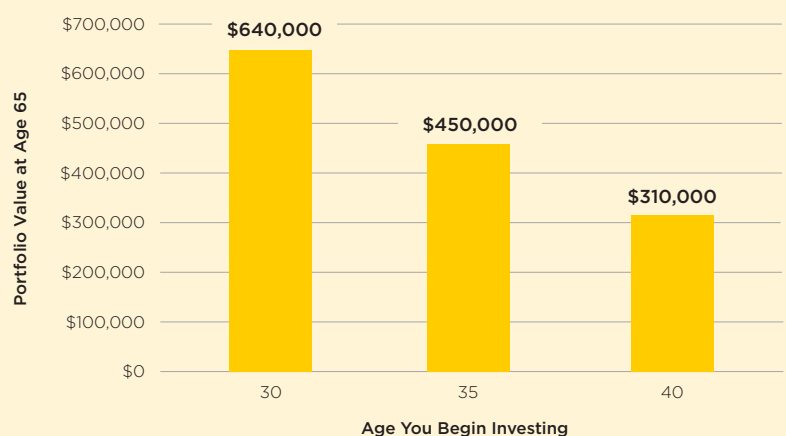
## Working toward Your Goals







## Cost of Waiting



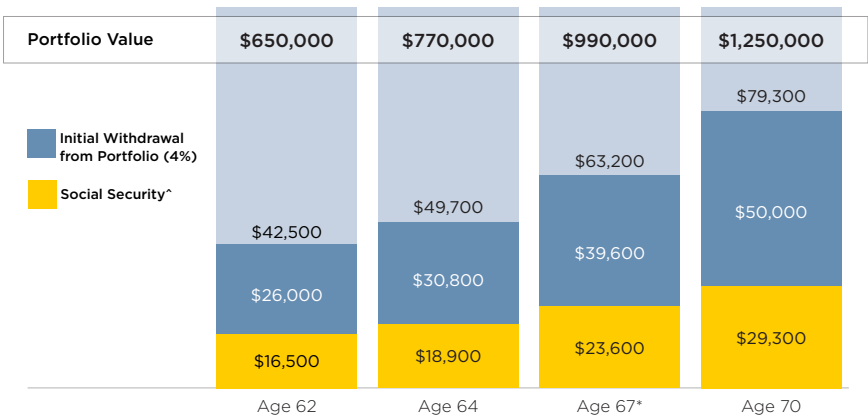
Source: Edward Jones. Assumes investing \$450 per month and a 6% average hypothetical annual return. This example doesn't include taxes, fees and commissions, which would reduce the return. Figures rounded to the nearest \$5,000.

Source: Edward Jones. Assumes investing \$450 per month and a 6% average hypothetical annual return. This example doesn't include taxes, fees and commissions, which would reduce the return. Figures rounded to the nearest \$5,000.





## The Potential Benefits of Waiting



Source: Edward Jones.

\*Assumes Full Retirement Age (FRA) is 67 (for individuals born after 1959). Assumes a \$1,250 contribution to 401(k)/IRA at end of every month until retirement, plus a 6.5% average annual return; income rounded to the nearest \$100; portfolio values to the nearest \$5,000.

^Based on a formula from www.ssa.gov. Assumes \$60,000 salary. Example does not include any cost-of-living adjustment (COLA).

Source: Edward Jones.

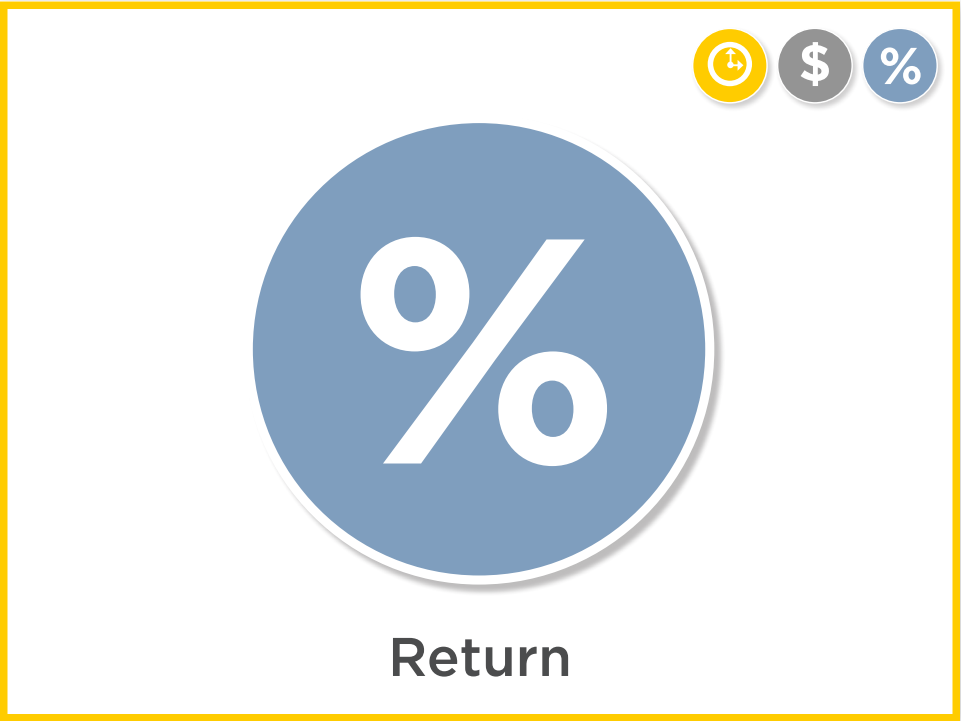
\*Assumes Full Retirement Age (FRA) is 67 (for individuals born after 1959). Assumes a \$1,250 contribution to 401(k)/IRA at end of every month until retirement, plus a 6.5% average annual return; income rounded to the nearest \$100; portfolio values to the nearest \$5,000.

^Based on a formula from www.ssa.gov. Assumes \$60,000 salary. Example does not include any cost-of-living adjustment (COLA).

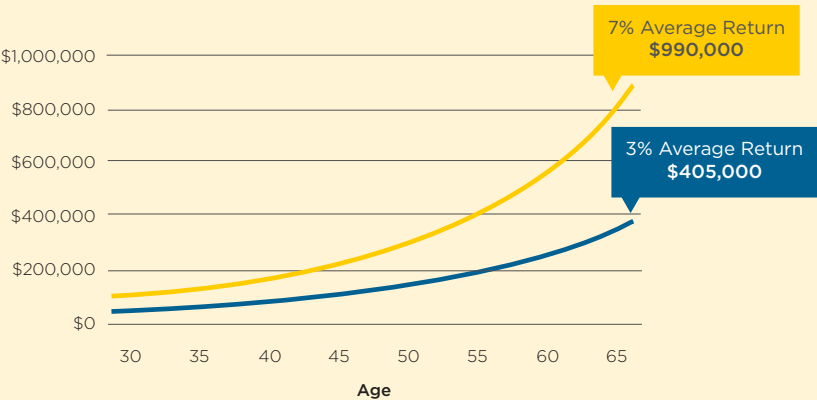


Money





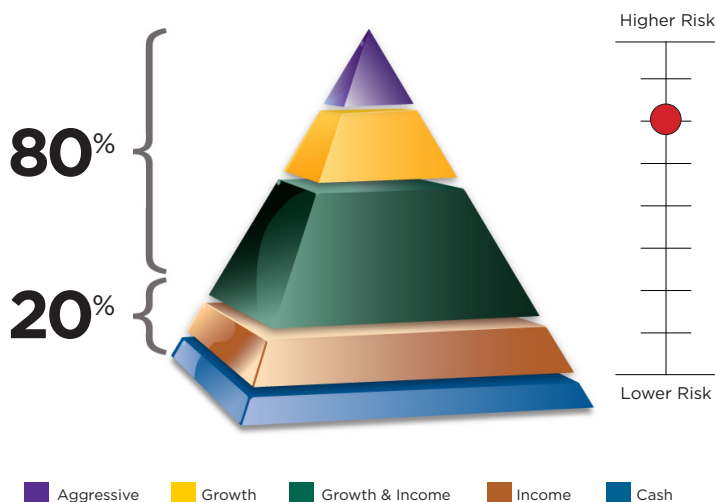
## Same Contributions, Different Returns, Different Results



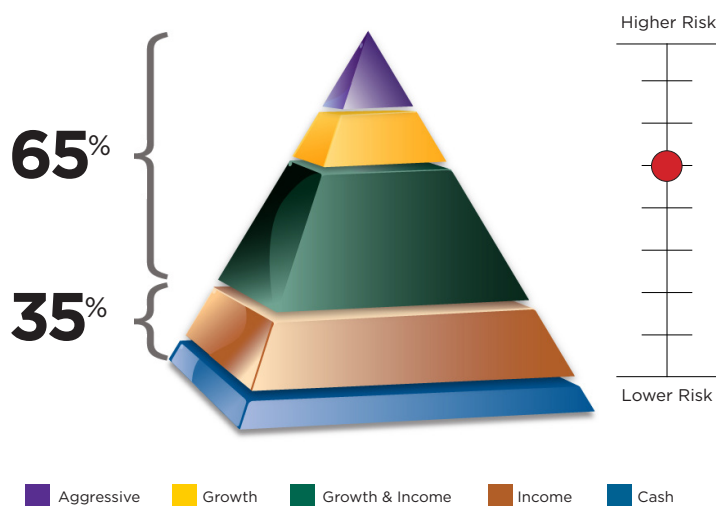
Source: Edward Jones. Assumes saving \$450 per month, rounded to the nearest \$5,000.

Source: Edward Jones. Assumes saving \$450 per month, rounded to the nearest \$5,000.

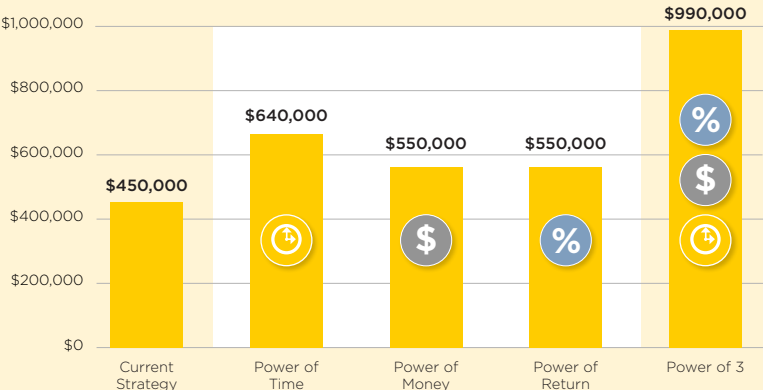
## Growth Focus



## Balanced toward Growth



## The Power of 3



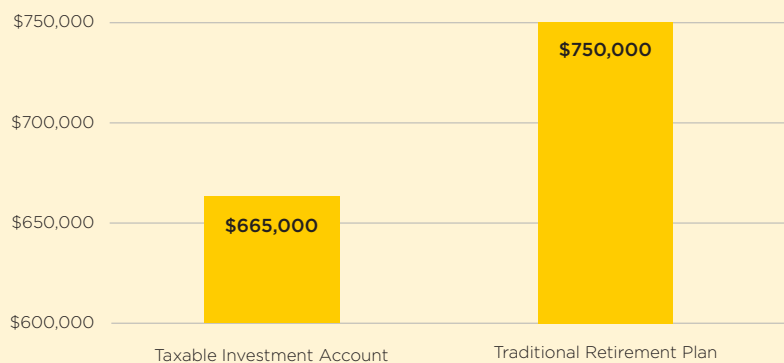
Source: Edward Jones.  
This hypothetical example is for illustrative purposes only and does not reflect the performance of a specific investment. Income based on a 4% initial withdrawal rate. Portfolio values rounded to the nearest \$5,000.

Source: Edward Jones.

This hypothetical example is for illustrative purposes only and does not reflect the performance of a specific investment. Income based on a 4% initial withdrawal rate. Portfolio values rounded to the nearest \$5,000.

# Taxes

## Power of Tax Deferral



Source: Edward Jones. Assumes \$550 in monthly contributions from age 30 to age 65 and a 7% annual return. Growth in taxable account is taxed at 25% each year. Traditional IRA assumes tax-deductible contributions and is taxed at 25% at end of time horizon. Rounded to the nearest \$5,000.

Source: Edward Jones. Assumes \$550 in monthly contributions from age 30 to age 65 and a 7% annual return. Growth in taxable account is taxed at 25% each year. Traditional IRA assumes tax-deductible contributions and is taxed at 25% at end of time horizon. Rounded to the nearest \$5,000.

## Which Retirement Account Is Right for You?

- Traditional IRA
- Roth IRA
- Employer-sponsored Retirement Plan



## Preparing for the Unexpected

- Cash reserve
- Access to line of credit
- Insurance



