

Financial Wellness (2020)

Mission: Return on life (ROL)



Otium Advisory Group, LLC

Important Disclaimer

- The seminar presented is for educational purposes only. The content neither is, nor should be construed as an offer, or a solicitation of an offer to buy, or sell, or hold any securities. The presenter is not here to offer or provide any opinion regarding the nature, potential value, suitability or profitability of any particular investment or investment strategy and you are fully responsible for any investment decisions you make. Such decisions should be based solely on the evaluation of your financial circumstances, investment objectives, risk tolerance and liquidity needs.
- Past performance is not indicative of future results. Diversification and asset allocation do not ensure profit or protect against loss in a declining market.
- It is highly recommended that you speak to a proficient financial professional before making any decisions regarding your investments.

Agenda for today

- Defining financial wellness
- A three-step plan: Mastering Cashflow, Growing your money, and Protecting your money
- Making smart decisions
- Executing the plan
- It's never too early to think about your financial future
- Mission: Optimize your ROL

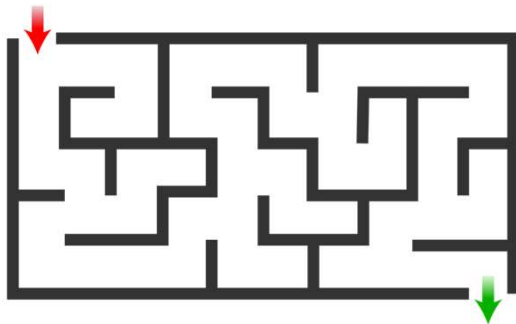
What is financial wellness?

- A state of financial preparedness that mitigates stress and poor financial decisions
- Being mindful about what your goals are and how to achieve them using money as your vehicle/tool
- Result: You make informed decisions that optimizes your financial life

A state of mind!



Where do we start?



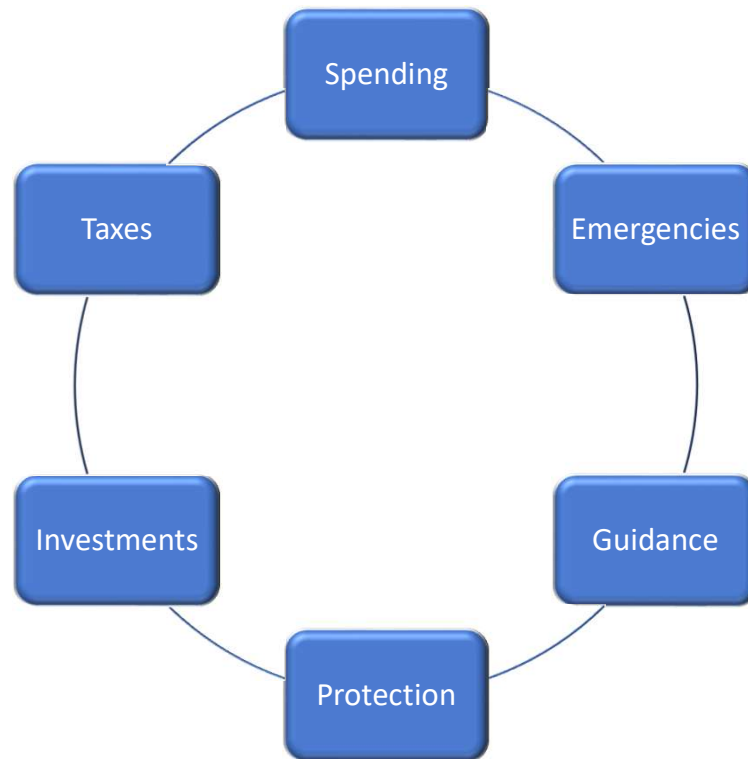
It starts with self-awareness and the willingness to improve:

- Precontemplation (Not Ready)
- Contemplation (Getting Ready)
- Preparation (Ready)
- Action (Make the changes)
- Maintenance (Sustain the changes)
- Termination (Drop your old habits)



Think: Road Trip

The six elements of financial wellness



Three areas worth mastering today!



CASHFLOW



GROW

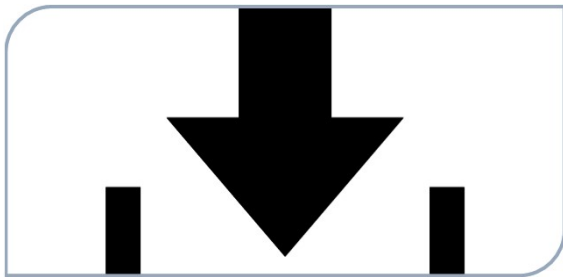


PROTECT

Step 1: Cashflow management

Create your income statement + balance sheet

Income Statement



INCOMING CASHFLOW

Paycheck

Bonus

Awards



OUTGOING CASHFLOW

Fixed expenses

Variable expenses

Taxes



NET INCOME

Discretionary income

Direct towards savings

Fund short term and long term goals

Income Statement

Income

Salary
Side Hustle
Net Sales

5000	
	5000

Expenses

Rent/mortgage
Utilities
Cell Phone
Groceries
Car Payment
Dining Out
Credit Cards
Auto Insurance
Entertainment
Misc.
Travel
Total Expenses

2000	
35	
100	
350	
300	
500	
250	
50	
100	
50	
65	
	3800

Net Income

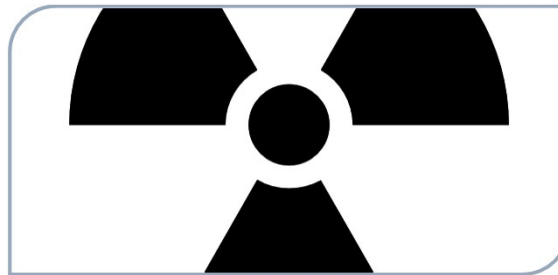
1200

Balance Sheet



ASSETS

Home
Retirement Portfolio
Bank Accounts



LIABILITIES

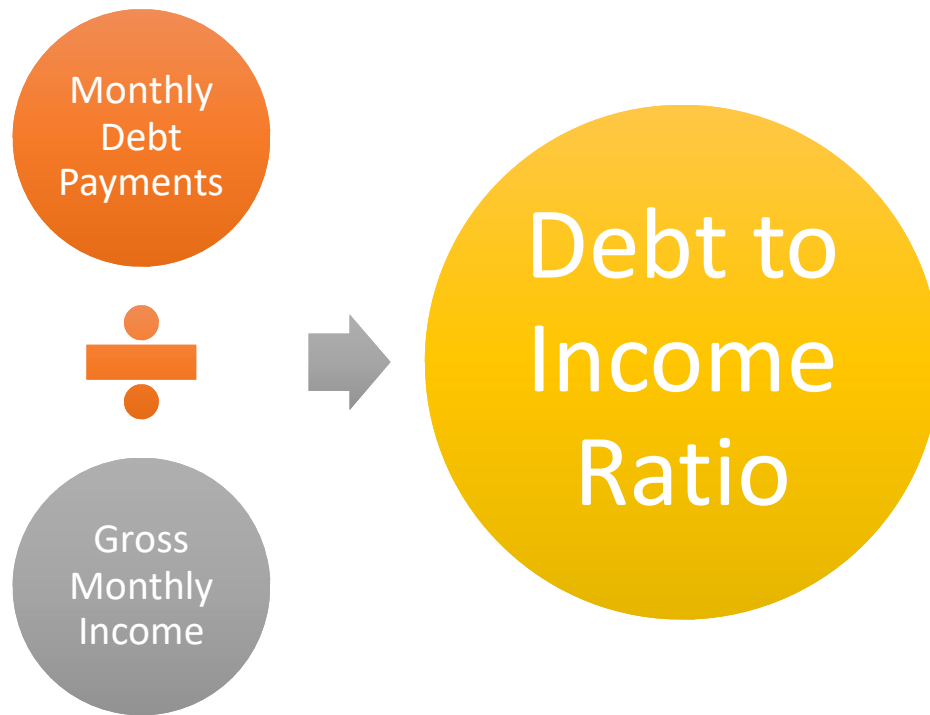
Mortgage Debt
Auto Loan
Credit Cards



NETWORTH

Balance Sheet

	FY-2018	FY-2019
Asset Type	Prior Year	Current Year
Current Assets	600	700
Fixed Assets		
Other Assets	0	0
Current Liabilities	500	350
Short-term Liabilities	0	0
Long-term Liabilities		
Total Assets	600	700
Total Liabilities	500	350
Balance	100	350



Debt to Income Ratio

***35% can be applied to Total Debt**



*Plus or Minus 5%

*25% can
be
applied
towards
Saving +
Investing



*Shoot for 20% - includes savings account + retirement plan

***20% can
be
applied
towards
Food**



*Includes grocery shopping + dining out

10% can
be
applied
towards
other
expenses



*Includes mobile, gas, internet, utilities

***10%
should
be
applied
towards
You!**



*What is the pointing of living without a YOU fund!

\$5000 After Tax Income



Debt Fund
40%



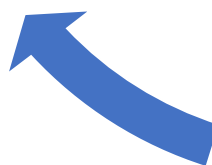
Savings Fund
10-20%



Food Fund
10-20%



Other Expense Fund
10%



You Fund
10%





Always have an emergency account worth 3-6 months of your monthly fixed expenses



Understand the difference between needs and wants