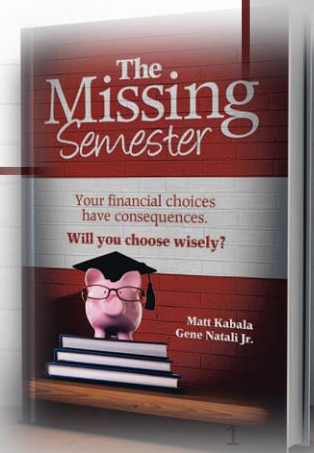


**Your Financial Choices have
consequences.**

$$A^2 + B^2 = C^2$$

Will you choose wisely?



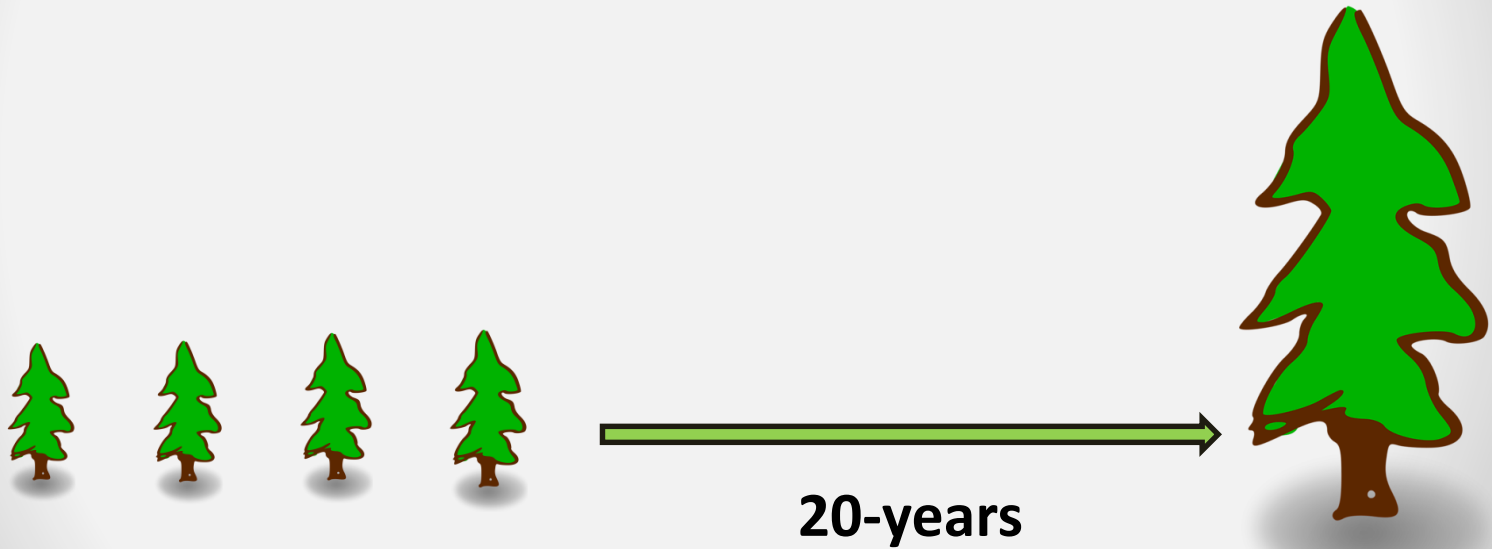
The Cardinal Rule

Let your **savings dictate your spending.**

Not the opposite.

The Watching Trees Grow Club

**The best time to plant a tree was 20 years ago.
- Chinese Proverb**



Practice What you Preach



Why this conversation matters...

- 76% of Americans live paycheck to paycheck
- Almost 40 million households have no retirement savings.
- Median retirement savings is just \$5,000 for ALL working age families.
- In total American consumers owe \$19.8 trillion in debt
 - \$15 trillion mortgage debt
 - \$1.5 trillion student loan debt
 - \$1.03 trillion credit card debt
- 29% of Americans 55 and older have \$0 in retirement savings.
- Financial issues are the #1 source of stress in America.

“Parents are saving for college at record levels – and they’re still coming up short” - <http://finance.yahoo.com/news/parents-saving-college-record-levels-125200869.html>

(Please ask parents to put their retirement first!)

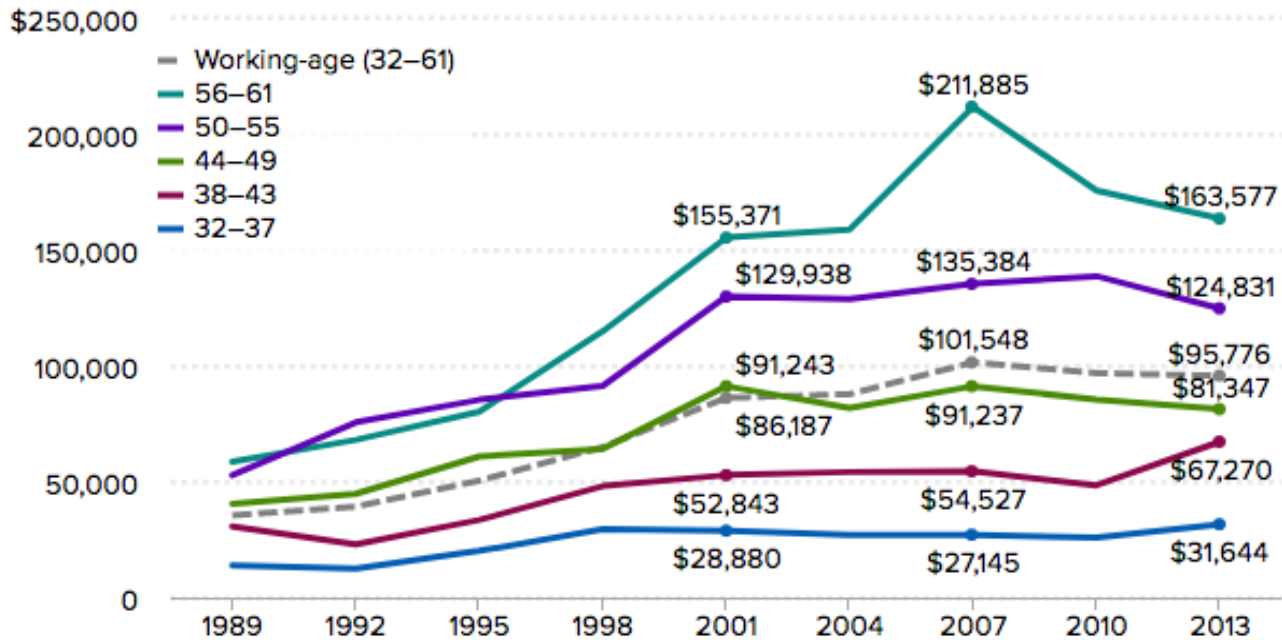
Two Money Crisis

A screenshot of a Google search interface. The Google logo is on the left. The search bar contains the text "student debt crisis". Below the search bar are navigation tabs: "All", "News", "Images", "Videos", and "Maps". The "All" tab is selected, indicated by a blue underline. Below the tabs, the text reads "About 46,100,000 results (0.64 seconds)".

A screenshot of a Google search interface. The Google logo is on the left. The search bar contains the text "retirement crisis". Below the search bar are navigation tabs: "All", "News", "Videos", "Images", "Shopping", and "More". The "All" tab is selected, indicated by a blue underline. Below the tabs, the text reads "About 125,000,000 results (0.58 seconds)".

Mean Retirement Savings

Retirement savings have stagnated in the new millennium
Mean retirement account savings of families by age, 1989–2013 (2013 dollars)



Note: Retirement account savings include 401(k)s, IRAs, and Keogh plans.

Source: EPI analysis of Survey of Consumer Finance data, 2013.



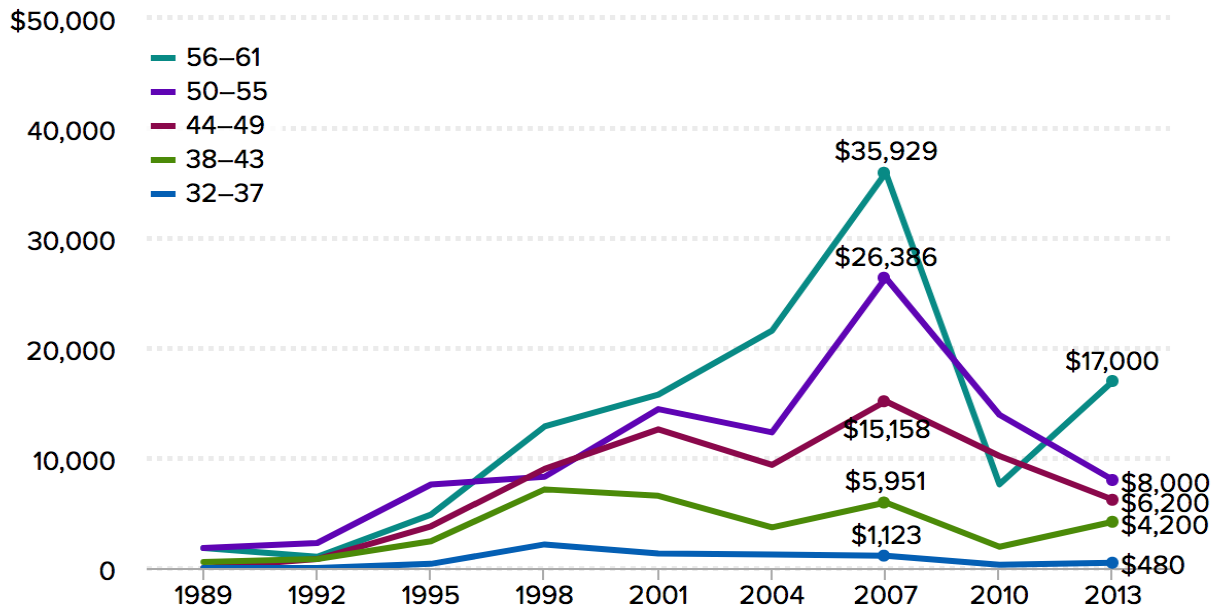
Economic Policy Institute

Note: Numbers do not include Defined Benefit Plans

Median Retirement Savings

Most families—even those approaching retirement—have little or no retirement savings

Median retirement account savings of families by age, 1989–2013 (2013 dollars)



Note: Scale changed for visibility. Retirement account savings include 401(k)s, IRAs, and Keogh plans.

Source: EPI analysis of Survey of Consumer Finance data, 2013.

Economic Policy Institute

Note: Numbers do not include Defined Benefit Plans

First observation

46% of Americans don't invest

1. This is a problem
2. Together we can solve it

Your 1st Day of Work



A Fairly Common Math Question

**How much more
does a car for sale
for \$15,000, cost
than a car for sale
for \$12,000?**

Cars For Sale: New and Used Car Classifieds

761 Cars [View](#) [Reset](#)

Matches within: 25 miles of 15237

New
 Used
 Certified Pre-Owned

Make:
 Model: e.g. Accord

Body Style

Sedan
 Wagon
 SUV/Crossover
 Coupe
 Hatchback

Convertible
 Truck
 Van/Minivan

Price: to

Year: to

An Important Lesson

The best money choices you make,
come *long before* you buy your first
stock, bond or mutual fund.

A car is being sold for \$15,000? **What will you pay?**

5-year \$15,000 Auto Loan

Interest Rate	Monthly Payment	Total Payment	Difference
0%	\$250.00	\$15,000.00	-
3%	\$270.00	\$16,170.00	\$1,170.00
5%	\$283.00	\$16,985.00	\$1,985.00
7%	\$297.00	\$17,821.00	\$2,821.00
10%	\$319.00	\$19,122.00	\$4,122.00



A good credit score is as good as a raise!

What if we ALL make \$15/hour?

Or,

\$30,000/year?

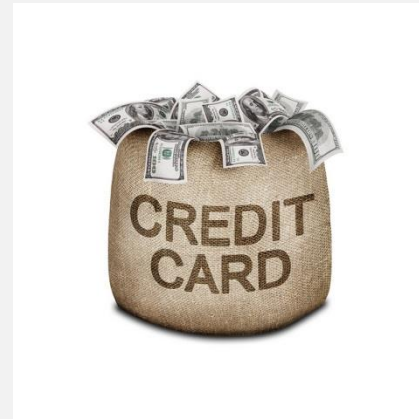
Proposed Minimum Wage



You need money to save money...



Homes



Credit Cards

Traps to Avoid



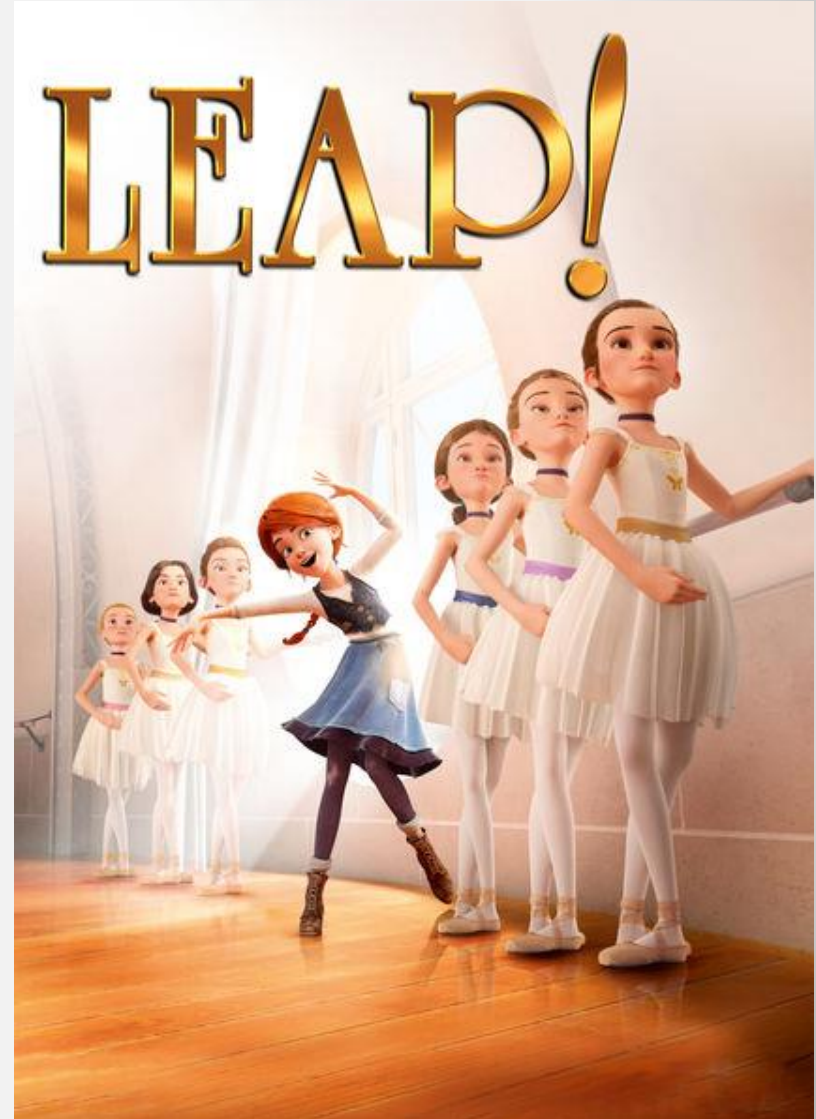
Two Types of people:

1. Those that *understand* interest rates.
2. Those that DO NOT...

Why this conversation matters!



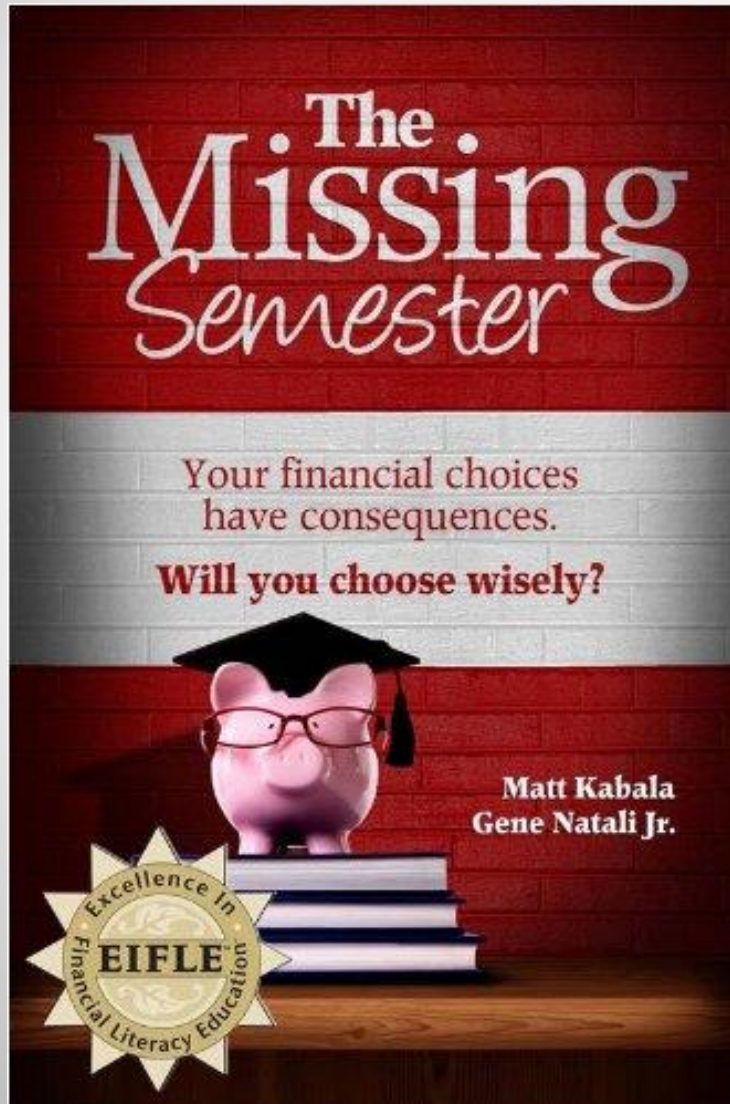
<https://www.netflix.com/title/80166318>



Age is an OPPORTUNITY



Thank You



Questions?

The Importance of Investing

“The Dow just hit 20,000, but half of America missed out”

- January 25, 2017 Headline

Percentage of U.S. Adults Invested in the Stock Market

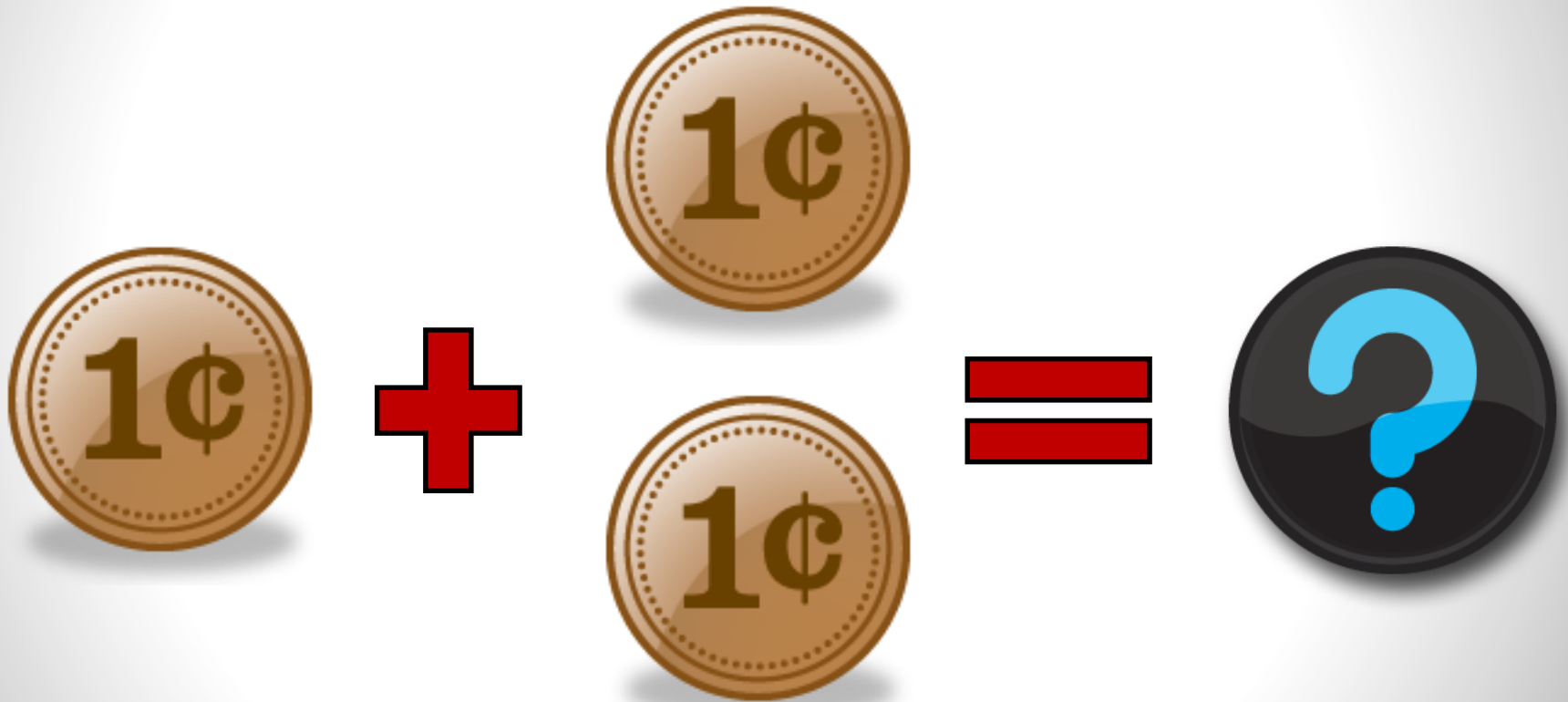
Do you, personally, or jointly with a spouse, have any money invested in the stock market right now -- either in an individual stock, a stock mutual fund or in a self-directed 401(k) or IRA?



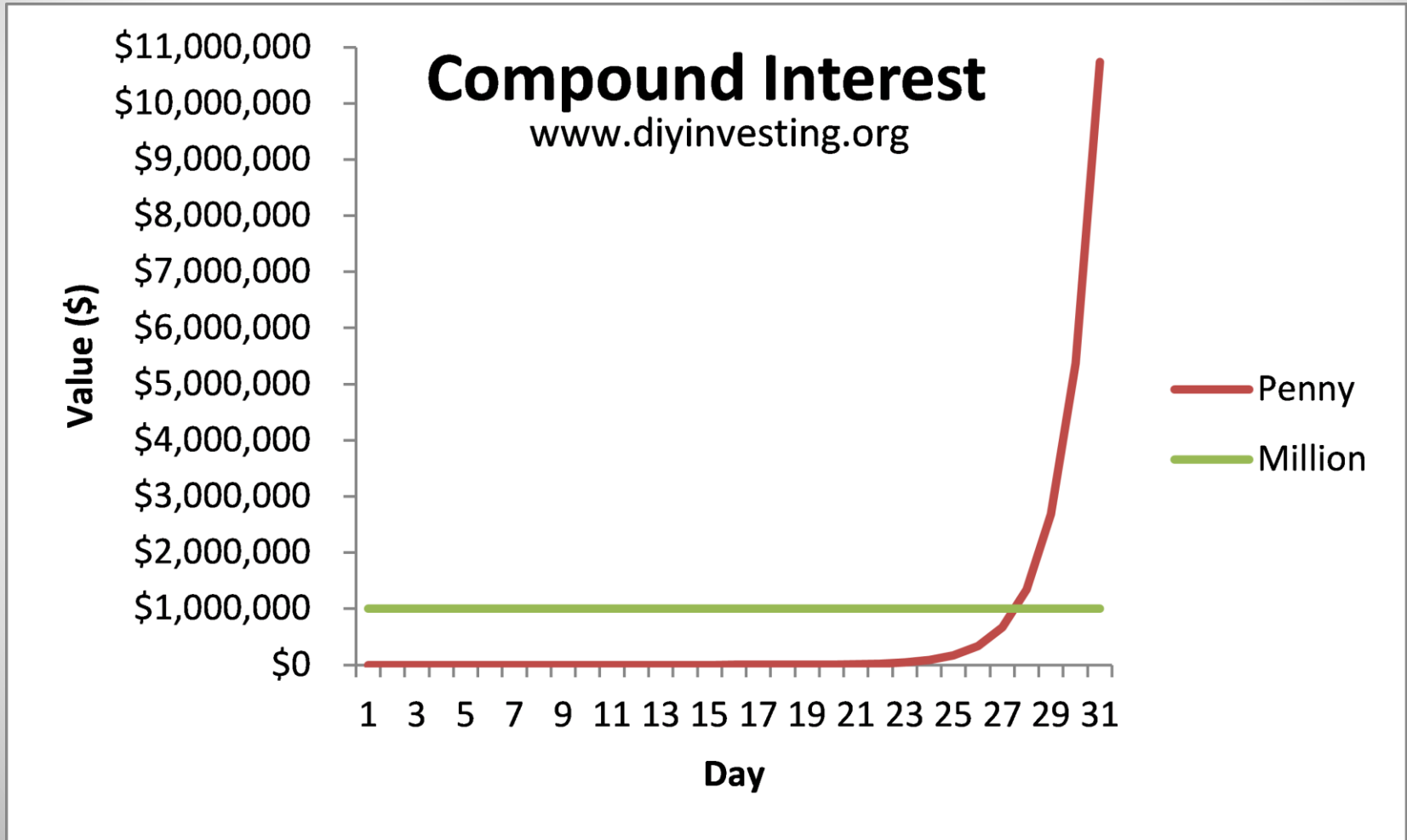
Selected trends closest to April for each year, from Gallup's annual Economy and Personal Finance survey

GALLUP

THIS IS IMPORTANT!



THIS IS IMPORTANT!



What if you fold a
piece of paper 42
times?



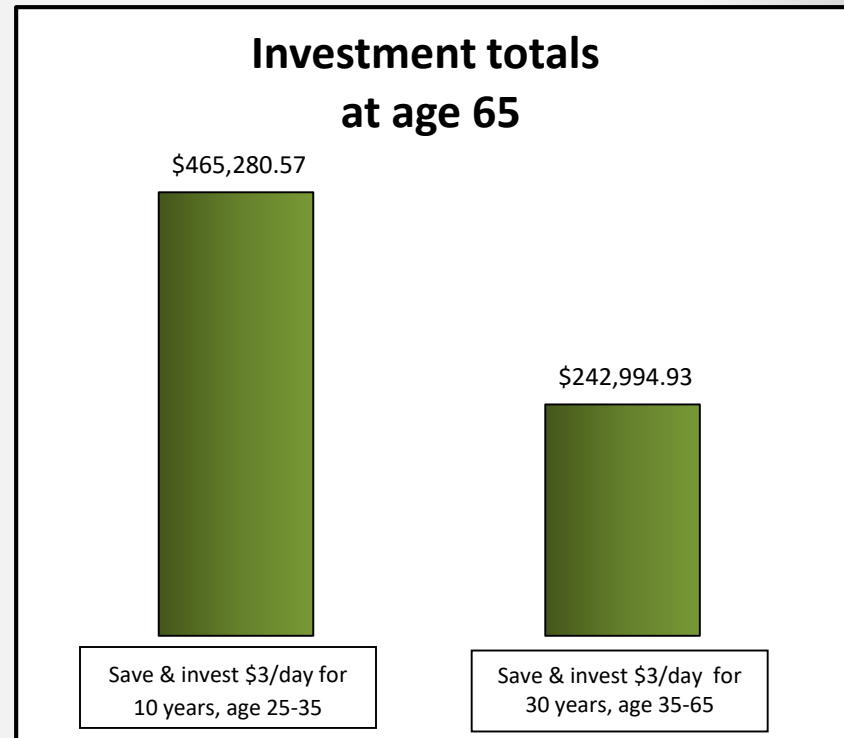
The Importance of Investing

*“By time I get to 20 foldings, my **folded paper** is more than 10 kilometers high, which surpasses Mt. Everest. 41 foldings will get me slightly more than halfway to the Moon, so that means that **42 foldings** is all it takes! (Of course, good luck **folding** a real **piece of paper** more than 7 or 8 **times...**)”*

[Paper Folding to the Moon – Starts With A Bang - ScienceBlogs](http://scienceblogs.com/startswithabang/2009/08/31/paper-folding-to-the-moon/)
scienceblogs.com/startswithabang/2009/08/31/paper-folding-to-the-moon/

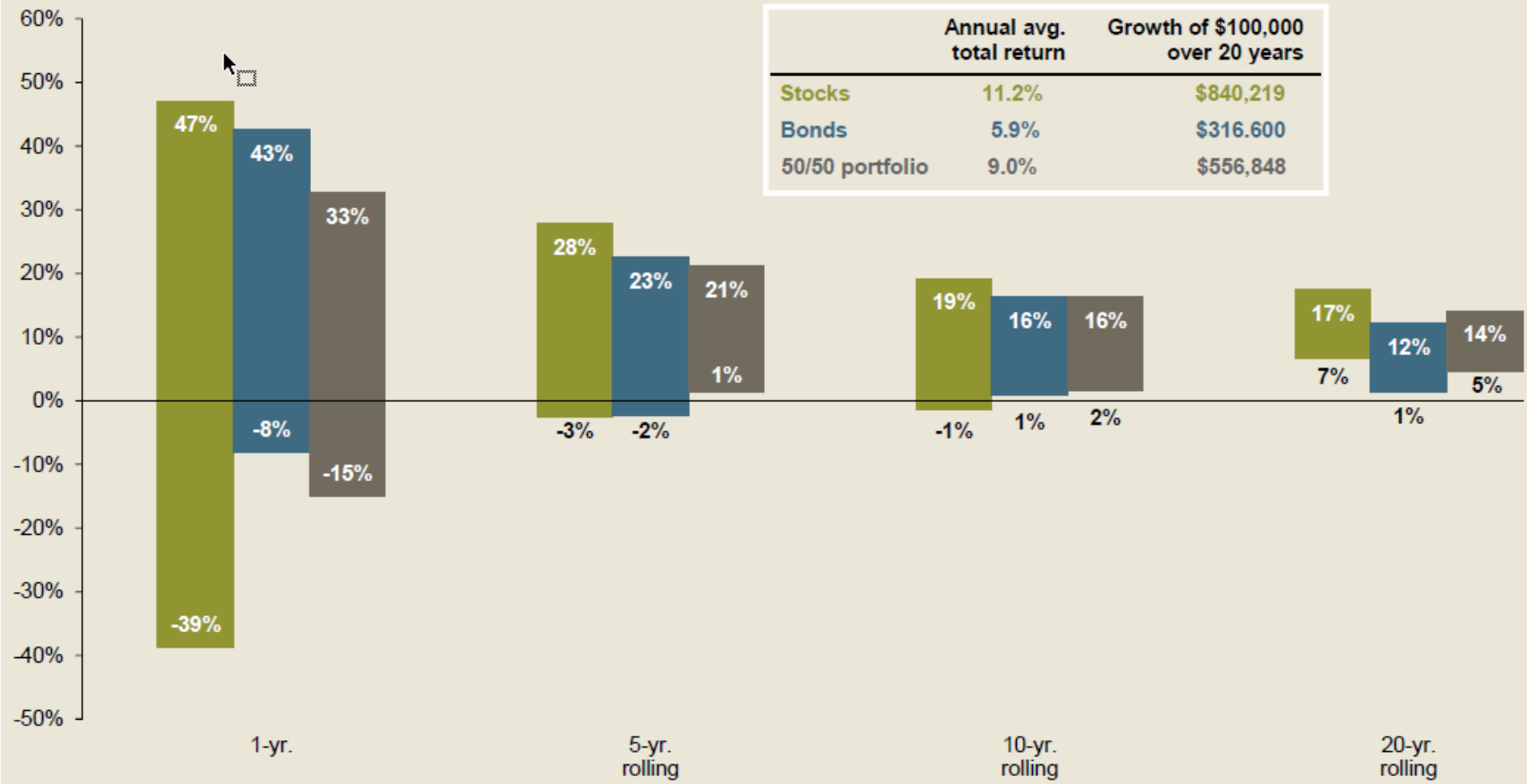
Age is an Opportunity!

You're in Control!



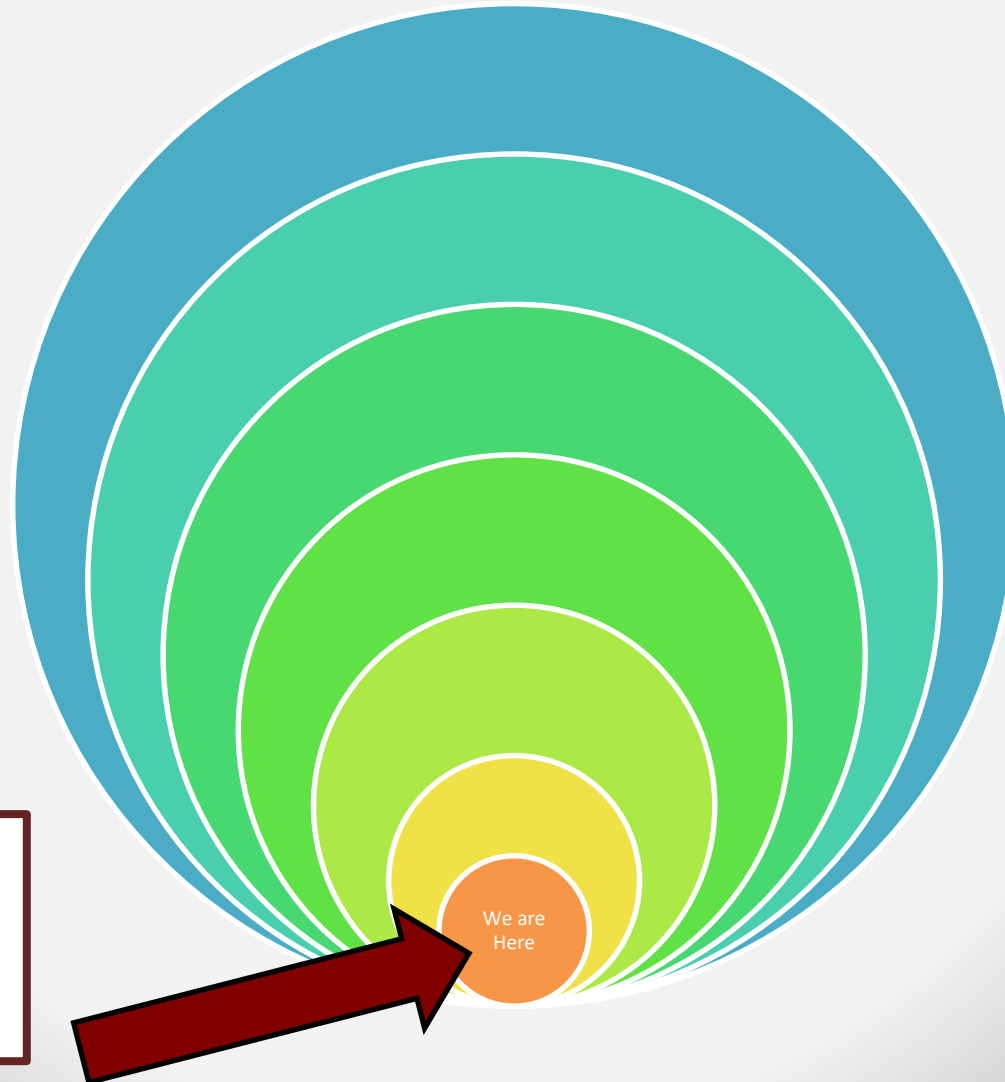
Range of stock, bond and blended total returns

Annual total returns, 1950-2017



Source: Barclays, FactSet, Federal Reserve, Robert Shiller, Strategas/Ibbotson, J.P. Morgan Asset Management. Returns shown are based on calendar year returns from 1950 to 2017. Stocks represent the S&P 500 Shiller Composite and Bonds represent Strategas/Ibbotson for periods from 1950 to 2010 and Barclays Aggregate thereafter. Growth of \$100,000 is based on annual average total returns from 1950 to 2017. Guide to the Markets – U.S. Data are as of December 31, 2017.

Investing principles



**Here we
are**

Norman E. Johnson
United States Navy
Radarman 3/c



Born Feb. 19, 1924 Le Grand, Iowa

Enlisted December 15, 1942

Discharged January 18, 1946

PLANKOWNER OF USS OAKLAND (CL-95)

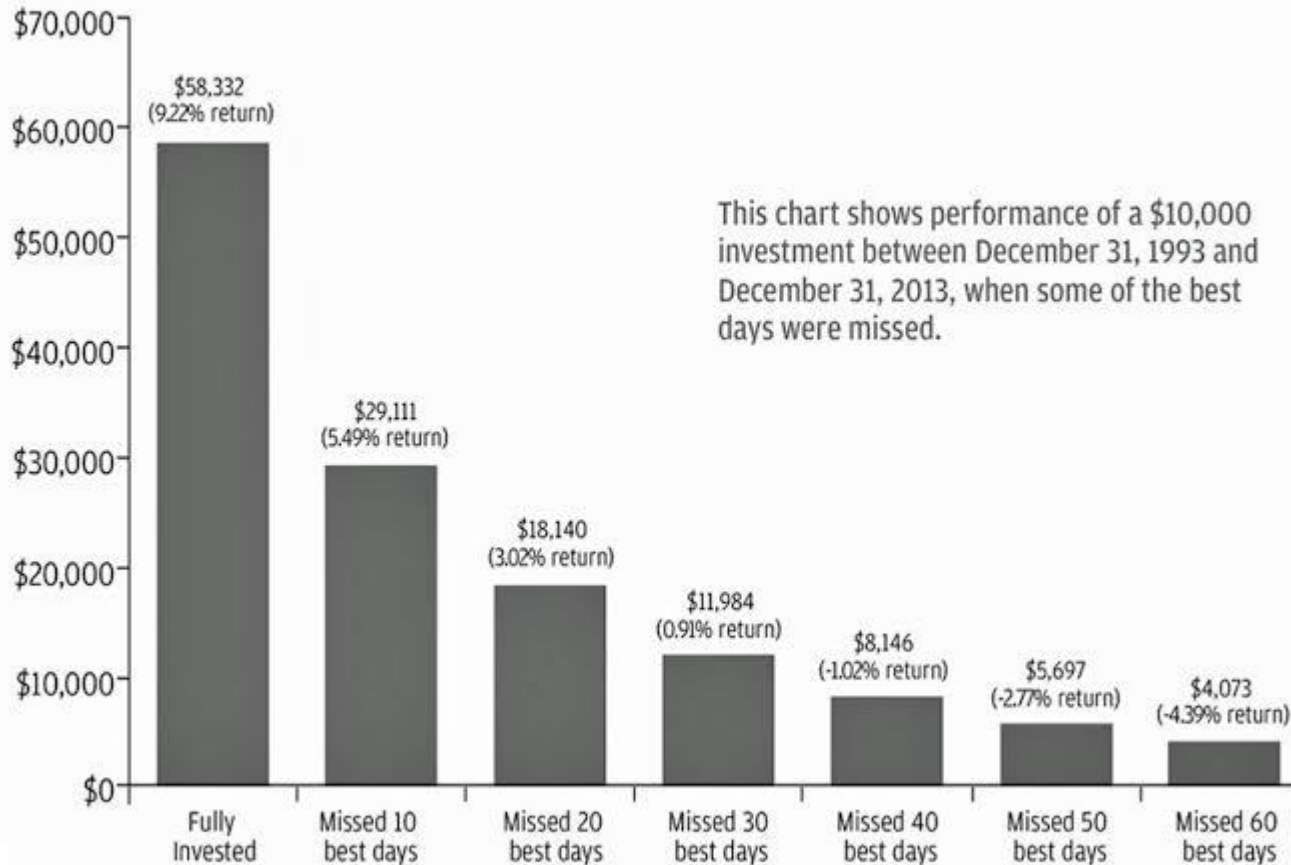
Awarded 12 Battle Stars

"The Flying O"

**In Appreciation Of All The Men And Officers
Of The USS OAKLAND By Clarence Tjossem**

Markets  **Chart of the Day**

Returns of S&P 500



This chart shows performance of a \$10,000 investment between December 31, 1993 and December 31, 2013, when some of the best days were missed.

This chart is for illustrative purposes only and does not represent the performance of any investment or group of investments.

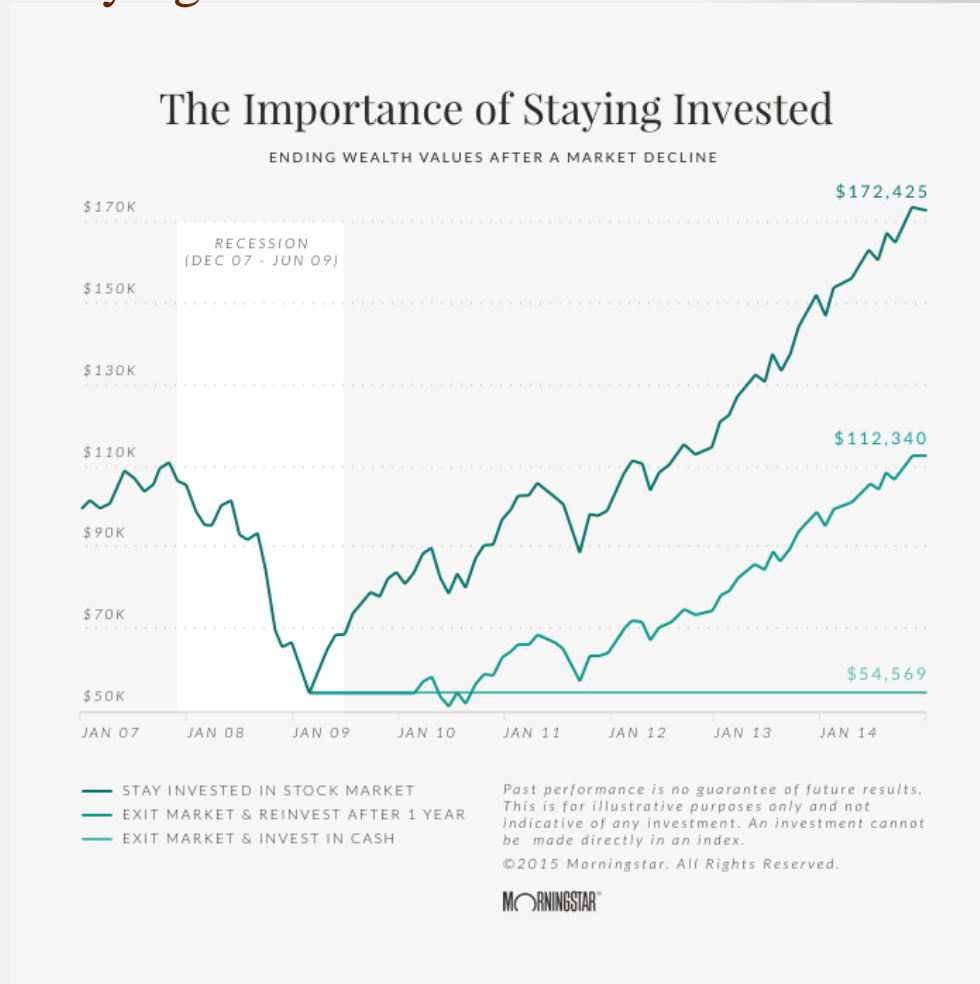
Source: Prepared by J.P. Morgan Asset Management using data from Lipper. 20-year annualized returns are based on the S&P 500 Total Return Index, an unmanaged, capitalization-weighted index that measures the performance of 500 large capitalization domestic stocks representing all major industries. Past performance is not indicative of future returns. An individual cannot invest directly in an index. Data as of December 31, 2013.

Effects of increased regular payments

\$10,000 loan, 8% interest, \$100/month

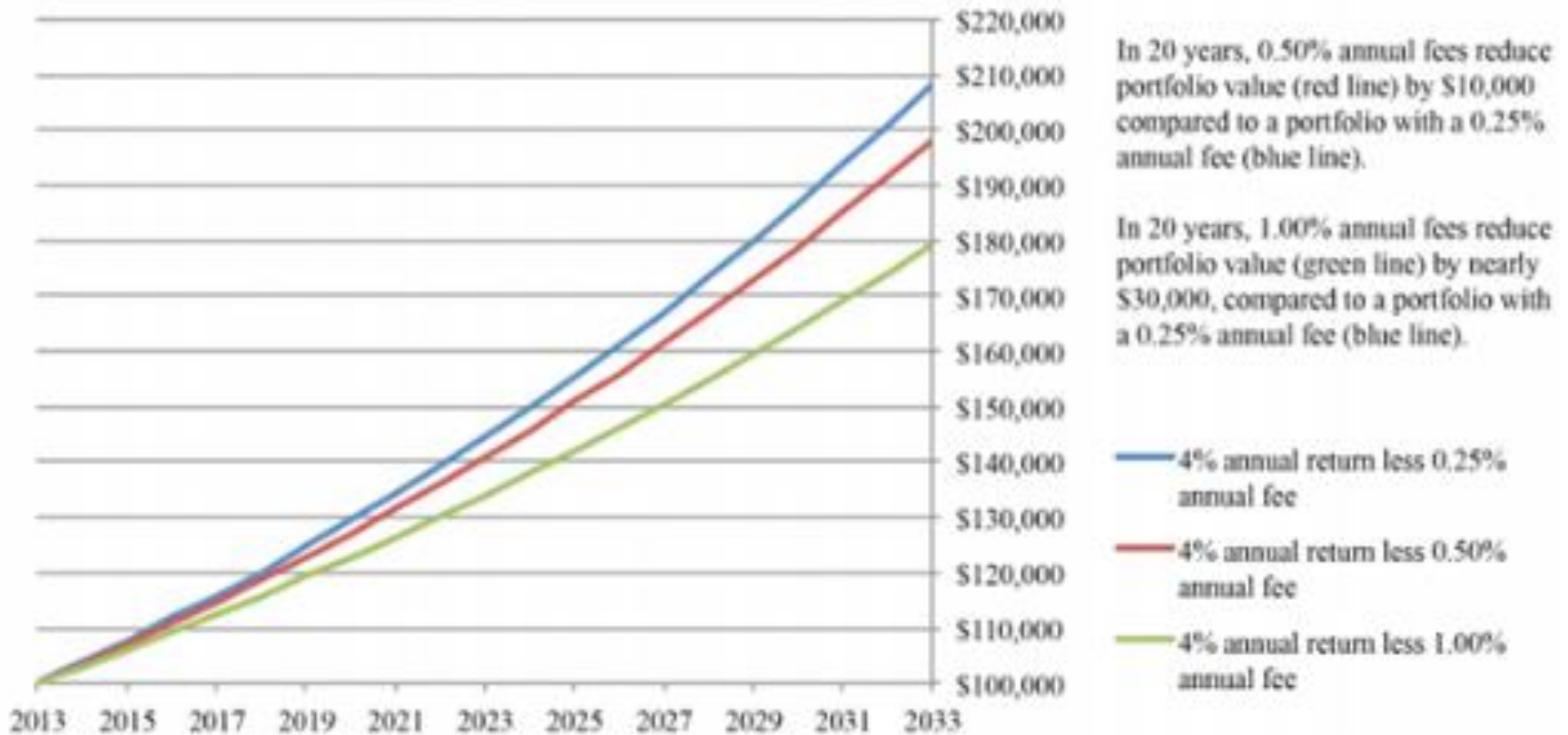
<i>Payment</i>	<i>Amount</i>	<i>Total number of monthly payments</i>	<i>Total interest paid over the life of loan</i>
minimum	\$100	166	\$6,534
twice the minimum	\$200	62	\$2,204
three times the minimum	\$300	38	\$1,347
five times the minimum	\$500	22	\$769

The importance of staying invested: Part 1



MARCH 25: How much are you losing in 401(k) fees?

Portfolio Value From Investing \$100,000 Over 20 Years



Disclosure:

C.S. McKee is proud to be a sponsor of The Missing Semester Financial Literacy Education Seminar. Any opinions addressed during these seminars are those of the presenter.