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How to Protect and Grow our Financial Houses And Construct Your Financial Freedom

Erin Hoffman, Financial Advisor



INDEPENDENT ELECTRICAL CONTRACTORS





How to Protect and Grow our Financial Houses And Construct Your Financial Freedom

ERIN HOFFMAN, FINANCIAL ADVISOR

INDEPENDENT ELECTRICAL CONTRACTORS



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Find Real Balance...

...to protect against the unexpected
while helping to grow your wealth.

An Uncommon View...

...to challenge traditional thinking
and offer a refreshingly new approach
to financial decision making.

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Sharpening Tools in Your Toolbox



What is Our Most Important Financial Resource?



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What Events Can Cause Active Cash Flow to Go To Zero?

INVOLUTARY

- Job loss
- Sickness
- Death

VOLUNTARY

- Retirement

Your Money Personality



1. CARPE DIEM

- Spending more than you have
- Spending money on wants rather than needs
- Using credit to attain wants

2. MONEY GURU

- Spending based on what you have
- Spending to cover basic needs and maybe some wants
- Some savings
- Using credit occasionally

3. PENNY PINCHER

- Spending less than what you have
- Striking a balance between spending on needs and wants
- Usually has a surplus to save

Advocate For Ourselves



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Threats to Your Money:



Financial Disorganization:

Multiple financial institutions, constant change, bias, hype, inefficiencies, money locked up, confusion, costs, and penalties



Real Cost of Living™:

Inflation, PLUS taxes, new inventions, things wearing out, support for children, improved lifestyle, and unexpected life events



Failed Products and Strategies:

Taxable compound interest, credit card debt, subprime, low savings, high risk asset allocation, term and invest difference, and overreliance on qualified plans

A Few Areas to Evaluate

- 1. How much does life cost on a monthly basis?**
 - Fluctuates and evolves but know the breakdown between your ESSENTIALS and DISCRETIONARY SPENDING
- 2. How much do you have set aside for your Emergency / Opportunity Fund?**
 - What might have been the right amount last year might not be the same today
- 3. How are your dollars invested?**
 - Think about how risk and allocations align with the purpose of those dollars
- 4. How are your Employer Benefits supporting you?**
 - Get clear on protection options you have through work and how that coverage fits with your planning, expenses, and obligations



PROTECTION			
If you are sued <input type="text"/>	If you get sick <input type="text"/>	In your will <input type="text"/>	If you die <input type="text"/>

ASSETS	
Personal Property	<input type="text"/> \$0
Savings	<input type="text"/> \$0
Investments	<input type="text"/> \$0
Retirement	<input type="text"/> \$0
Real Estate	<input type="text"/> \$0
Business	<input type="text"/> \$0
Total	\$0

LIABILITIES	
Short Term	<input type="text"/> \$0
Taxes	<input type="text"/> \$0
Mortgages	<input type="text"/> \$0
Business Debt	<input type="text"/> \$0
Total	\$0

NET WORTH
<input type="text"/> \$0

CASH FLOW				
What you earn <input type="text"/>	Your insurance costs <input type="text"/> \$0	Your annual savings <input type="text"/> \$0	Your debts and tax costs <input type="text"/> \$0	What's left for lifestyle <input type="text"/> \$0



The chart below breaks down your current protection decisions into several categories, and makes a subjective assessment of the relative level of each. The protection classifications of all of the categories are **dependent upon periodic reviews with your appropriately licensed insurance agent, financial representatives, and tax and legal advisors**. Ideally, all relevant categories would be assessed as **Optimal Protection**.

Category	No Protection	Under Protected	Optimal Protection
Auto Insurance <input type="text" value="Under Protected"/>		<div style="width: 20%; background-color: #f1c40f;"></div>	
Homeowner's Insurance <input type="text" value="Under Protected"/>		<div style="width: 20%; background-color: #f1c40f;"></div>	
Umbrella Insurance <input type="text" value="No Protection"/>	<div style="width: 20%; background-color: #a64d49;"></div>		
Disability Insurance <input type="text" value="No Protection"/>	<div style="width: 20%; background-color: #a64d49;"></div>		
Medical Insurance <input type="text" value="Optimal"/>			<div style="width: 20%; background-color: #27ae60;"></div>
Long Term Care Insurance <input type="text" value="No Protection"/>	<div style="width: 20%; background-color: #a64d49;"></div>		
Wills <input type="text" value="No Protection"/>	<div style="width: 20%; background-color: #a64d49;"></div>		
Trusts <input type="text" value="No Protection"/>	<div style="width: 20%; background-color: #a64d49;"></div>		
Power of Attorney <input type="text" value="Optimal"/>			<div style="width: 20%; background-color: #27ae60;"></div>
Living Wills <input type="text" value="Optimal"/>			<div style="width: 20%; background-color: #27ae60;"></div>
Buy & Sell Agreement <input type="text" value="Not Applicable"/>	N/A	N/A	N/A
Life Insurance <input type="text" value="Under Protected"/>		<div style="width: 20%; background-color: #f1c40f;"></div>	

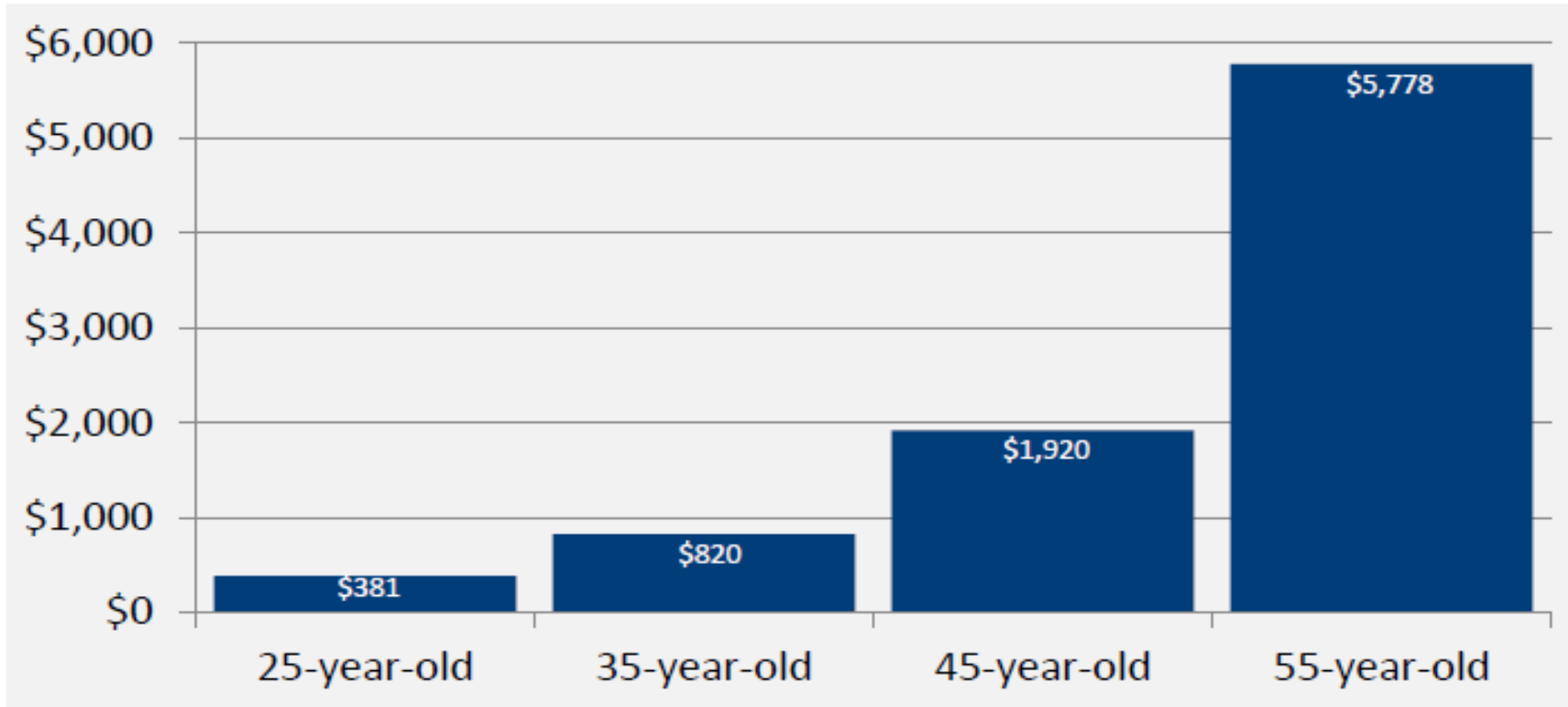
Your Trusted
Financial Professional

Average Investor Behavior

Working with PAS

Why Invest

The Earlier You Start Investing, the Easier it is to Reach Your Goals
Monthly savings needed to accumulate \$1 million by age 65.



The image represents monthly savings necessary using a 7% hypothetical rate of return (compounded). This is for illustrative purposes only and not indicative of any investment. © Morningstar 2021. All Rights Reserved.

Budgeting

Rate of Savings:

20%

DATE DUE	PAID	BILL NAME/DESCRIPTION	PROJECTED AMOUNT	ACTUAL AMOUNT
	<input type="checkbox"/>	Mortgage/Rent	\$	\$
	<input type="checkbox"/>	Electricity/Gas	\$	\$
	<input type="checkbox"/>	Water/Garbage	\$	\$
	<input type="checkbox"/>	Vehicle Payment	\$	\$
	<input type="checkbox"/>	Vehicle Insurance	\$	\$
	<input type="checkbox"/>	Gas/Transportation	\$	\$
	<input type="checkbox"/>	Groceries	\$	\$
	<input type="checkbox"/>	Entertainment	\$	\$
	<input type="checkbox"/>	Telephone	\$	\$
	<input type="checkbox"/>	Cable/Internet	\$	\$
	<input type="checkbox"/>	Credit Card	\$	\$
	<input type="checkbox"/>	Loan Payment	\$	\$
	<input type="checkbox"/>	Pet	\$	\$
	<input type="checkbox"/>	Personal	\$	\$
	<input type="checkbox"/>	Medical	\$	\$
	<input type="checkbox"/>		\$	\$
	<input type="checkbox"/>		\$	\$
	<input type="checkbox"/>		\$	\$
		TOTAL	\$	\$



SAVINGS GOALS

GOAL DATE	GOAL NAME/DESCRIPTION	GOAL TO SAVE MONTHLY	GOAL TOTAL

ACTUAL SAVED THIS MONTH: \$ GOAL BALANCE: \$

GOAL DATE	GOAL NAME/DESCRIPTION	GOAL TO SAVE MONTHLY	GOAL TOTAL

ACTUAL SAVED THIS MONTH: \$ GOAL BALANCE: \$

GOAL DATE	GOAL NAME/DESCRIPTION	GOAL TO SAVE MONTHLY	GOAL TOTAL

ACTUAL SAVED THIS MONTH: \$ GOAL BALANCE: \$

INCOME \$ _____

+ CHECKING DEPOSITS \$ _____

- ACTUAL BILLS \$ _____

-ACTUAL SAVINGS DEPOSITS \$ _____

ENDING BALANCE _____



Dollar-Cost Averaging

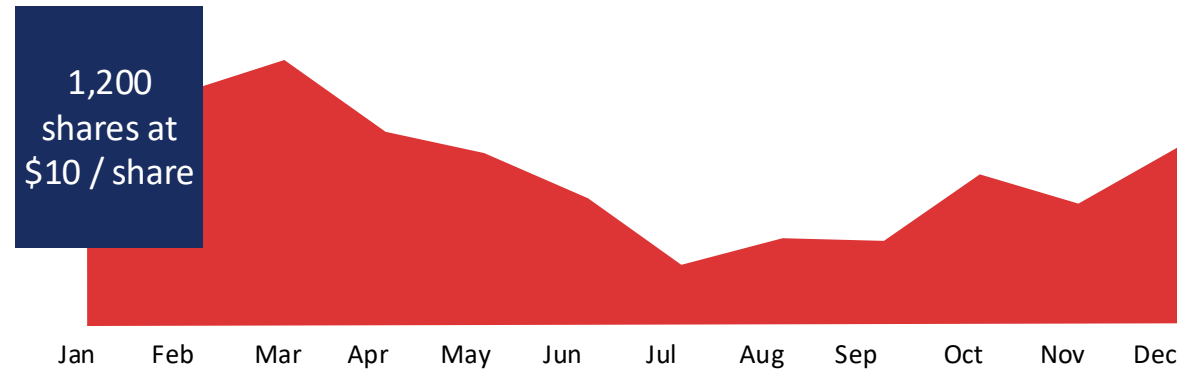
Lump-Sum vs. Dollar-Cost Averaging

Lou the Lump-Sum Investor

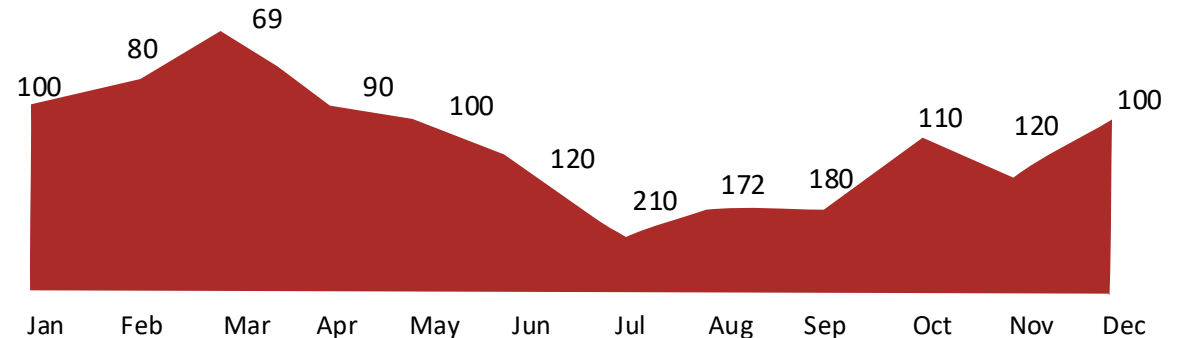
Money invested:	\$12,000
Total shares purchased:	1,200
Average price paid per share	\$10.00
Ending value @ \$10 per share (1,200 shares x \$10)	\$12,000

Sue the Systematic Investor

Money invested:	\$12,000
Total shares purchased:	1,451
Average price paid per share	\$8.27
Ending value @ \$10 per share (1,451 shares x \$10)	\$14,510



Shares purchased each month:



Source: Guardian Investor Services LLC. Past performance does not guarantee future results. This chart is shown for illustrative purposes only and is not intended to represent the performance of any RS Fund. Systematic investing does not assure a profit and does not protect against loss in declining markets. Before investing, investors should evaluate their long-term financial ability to participate in such a plan.

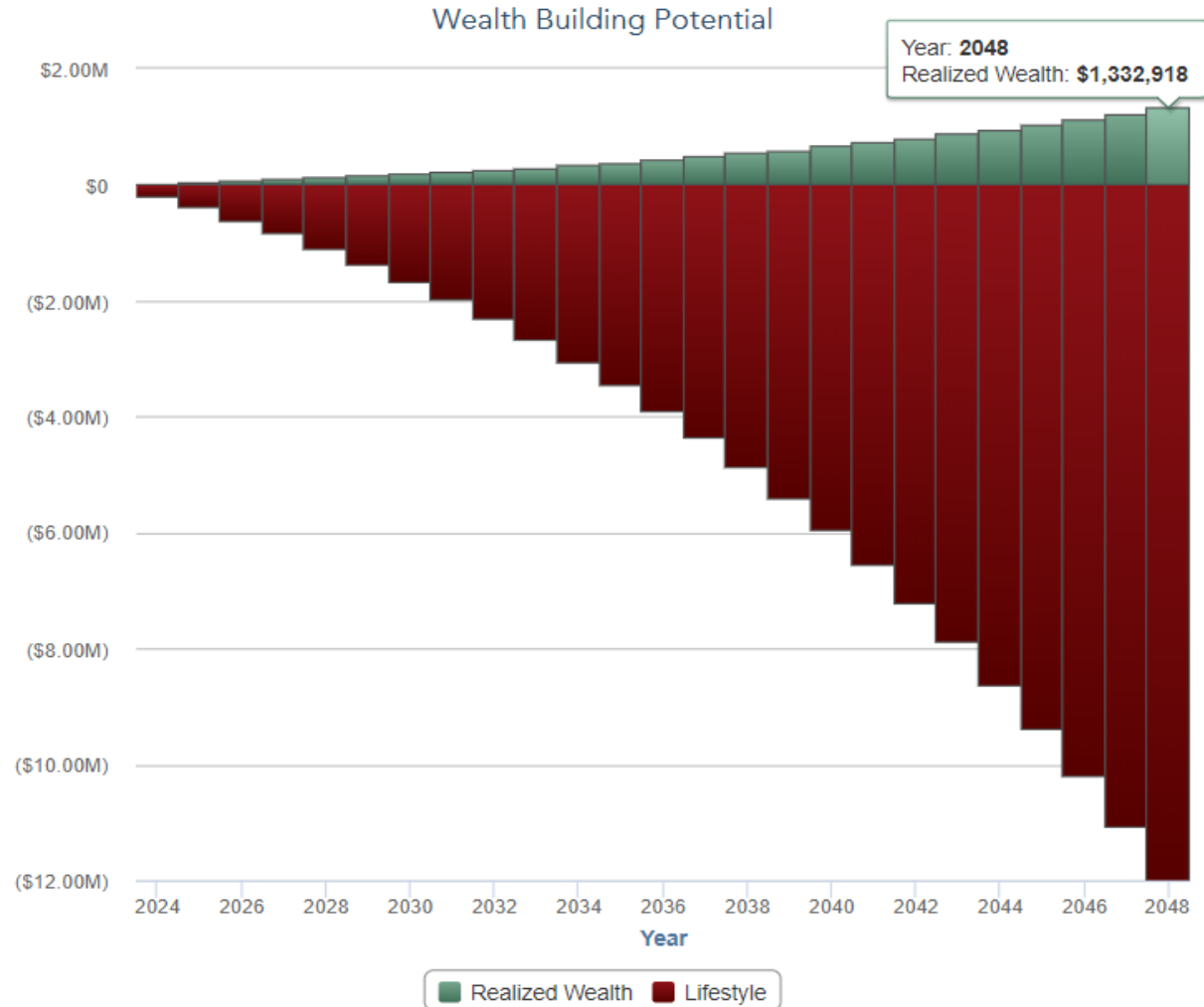
RATE OF SAVINGS VS. RATE OF RETURNS



Wealth Building Potential

This analysis shows the combined impact of annual savings, taxes, debt, budgeting and rate of return on hypothetical wealth building results.

Assumptions	
Income	
Study Period (in years):	<input type="text" value="25"/>
Year 1 Income:	<input type="text" value="\$200,000"/>
Annual Income Rate Increase:	<input type="text" value="4%"/>
After-Tax Rate of Return:	<input type="text" value="4%"/>
Expenses	
Taxes %:	<input type="text"/>
Debt %:	<input type="text"/>
Lifestyle %:	<input type="text" value="90%"/>
Annual Savings %:	<input type="text" value="10%"/>
<input type="button" value="Recalculate"/> <input type="button" value="Reset"/>	



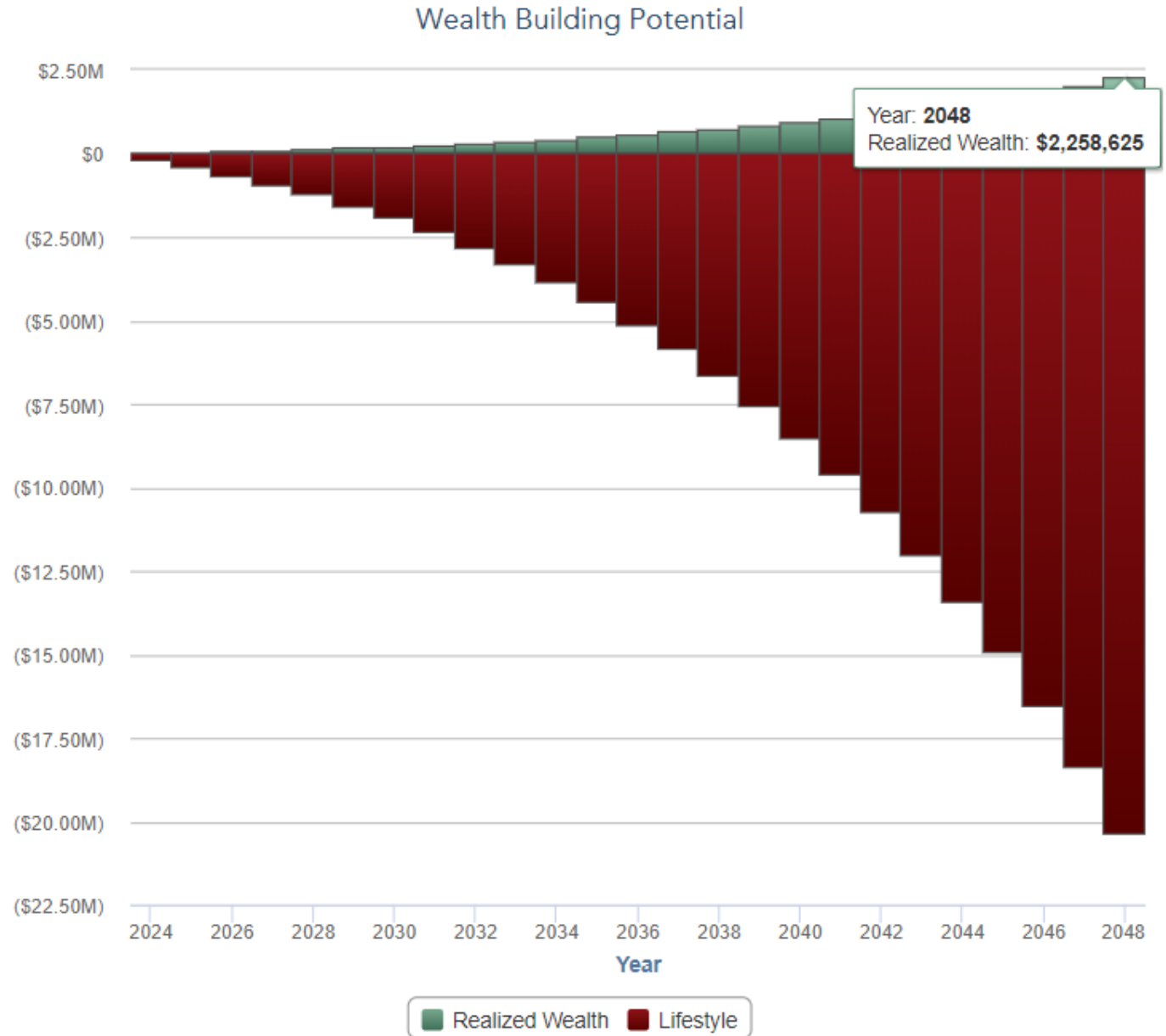


Wealth Building Potential

This analysis shows the combined impact of annual savings, taxes, debt, budgeting and rate of return on hypothetical wealth building results.



Assumptions	
Income	
Study Period (in years):	<input type="text" value="25"/>
Year 1 Income:	<input type="text" value="\$200,000"/>
Annual Income Rate Increase:	<input type="text" value="4%"/> ▼
After-Tax Rate of Return:	<input type="text" value="8%"/> ▼
Expenses	
Taxes %:	<input type="text"/>
Debt %:	<input type="text"/>
Lifestyle %:	<input type="text" value="90%"/>
Annual Savings %:	<input type="text" value="10%"/>
<input type="button" value="Recalculate"/> <input type="button" value="Reset"/>	



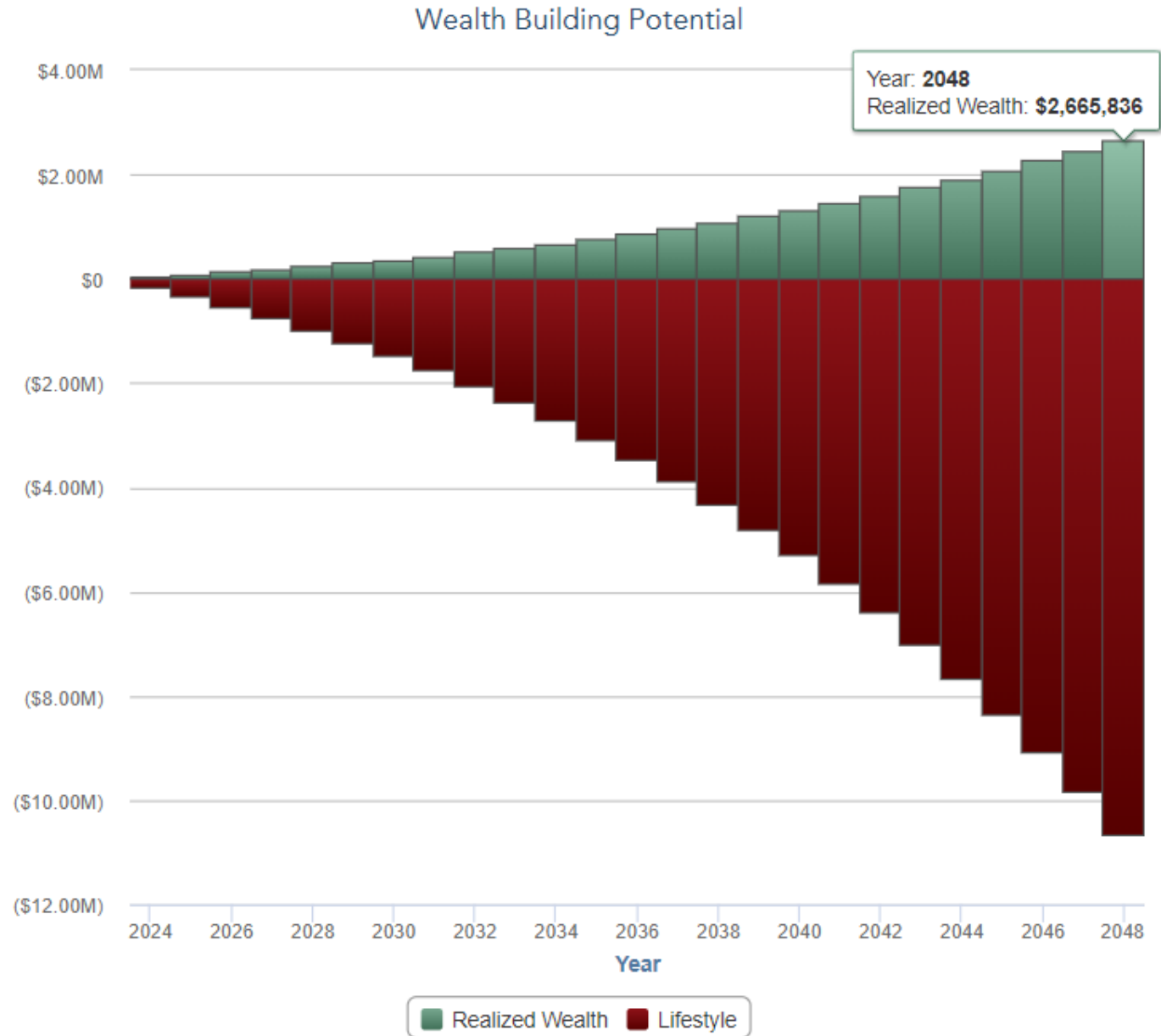


Wealth Building Potential

This analysis shows the combined impact of annual savings, taxes, debt, budgeting and rate of return on hypothetical wealth building results.



Assumptions	
Income	
Study Period (in years):	<input type="text" value="25"/>
Year 1 Income:	<input type="text" value="\$200,000"/>
Annual Income Rate Increase:	<input type="text" value="4%"/>
After-Tax Rate of Return:	<input type="text" value="4%"/>
Expenses	
Taxes %:	<input type="text"/>
Debt %:	<input type="text"/>
Lifestyle %:	<input type="text" value="80%"/>
Annual Savings %:	<input type="text" value="20%"/>
<input type="button" value="Recalculate"/> <input type="button" value="Reset"/>	

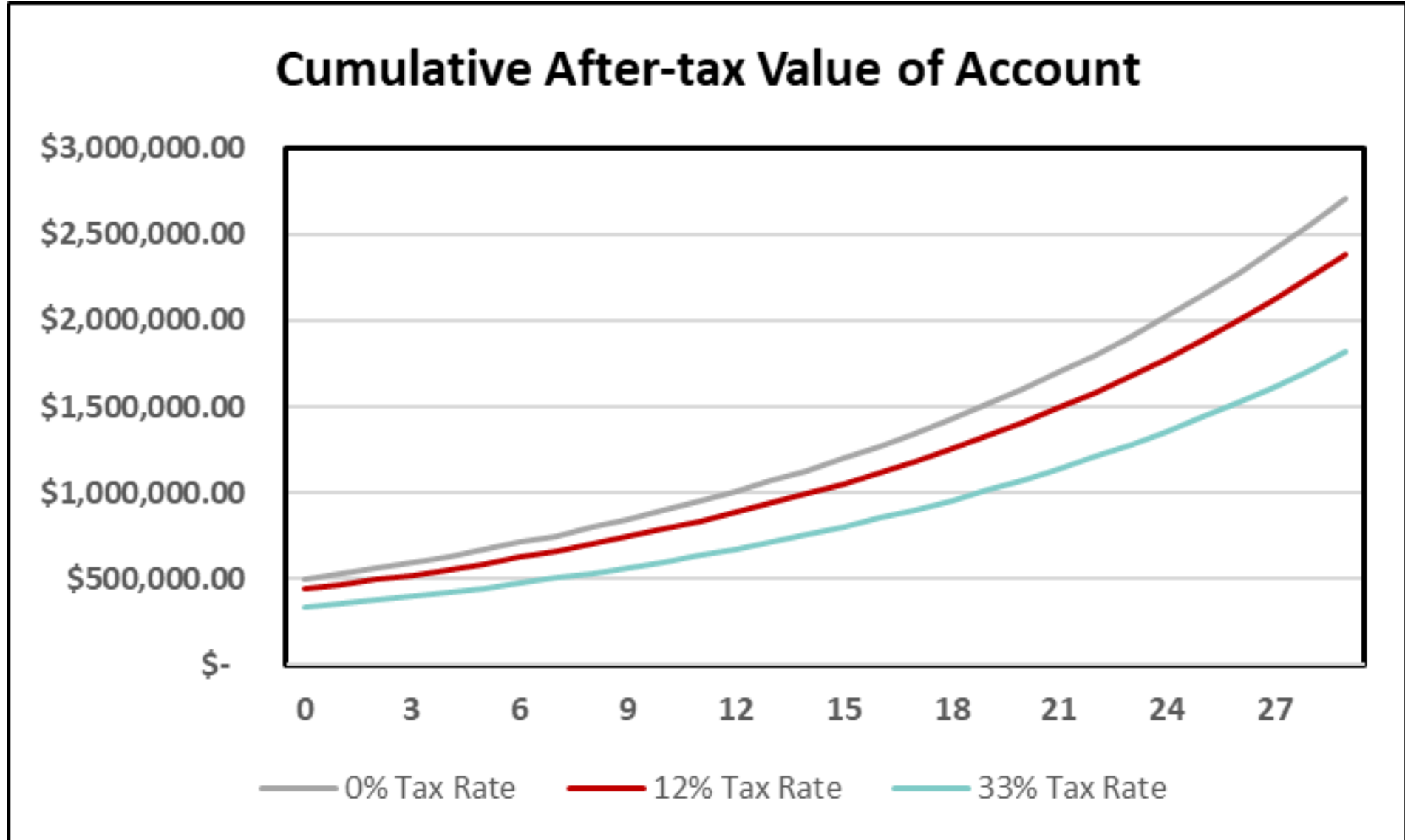


Buckets of Diversification

BUCKETS OF DIVERSIFICATION	RISK	LIQUIDITY	TAXES	Examples	Annual Contributions	50+
QUALIFIED - TRADITIONAL	Highest	Low (locked up until 59.5)	Tax-Deferred / Trad	401k, 403b, SEP IRA	\$24,500	\$ 32,500
ROTH 401k / IRA	Highest	Low (locked up until 59.5)	Tax-Free Basis	ROTH IRA	\$7,500	\$ 8,500
TRADITIONAL INV. ACCTS- Brokerage Acct	Mod/high	High	Capital Gains Tax	Brokerage Acct		
BANK ACCT / CASH VALUE	Lowest	Patient Capital	Income Taxable/ Tax-Free Basis	High Yield Savings; Cash Value		
		Rate of Savings %: 25%				
			Capital Gains Tax 15%-20%			
			Income Tax 28-38%			



We must plan how and when you will use taxable, tax-deferred, and tax-free assets to manage our incomes and tax brackets efficiently.



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How to Protect My Business



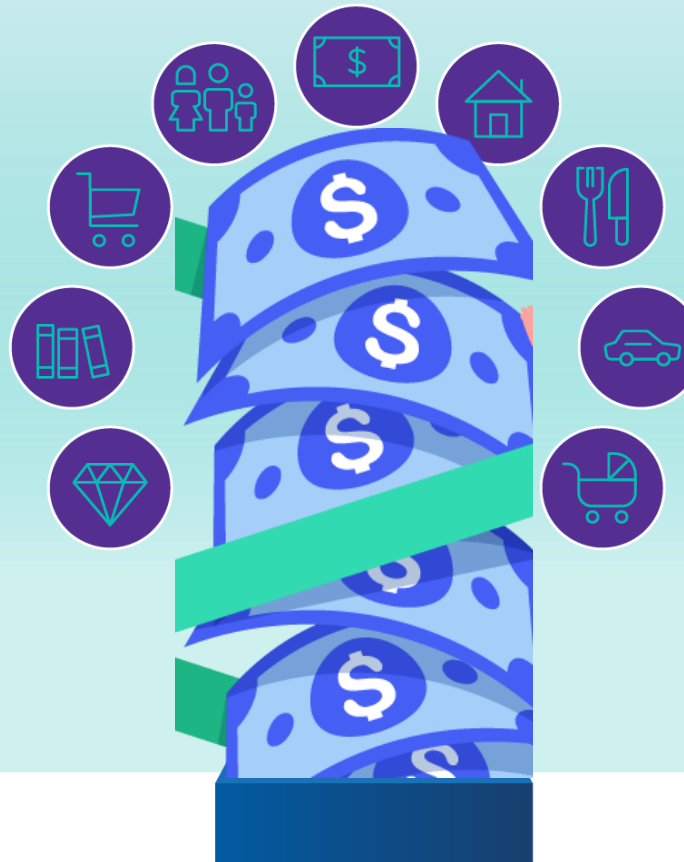
Individual & Group Disability
Insurance Covers

Business Overhead
Insurance Covers

PERSONAL EXPENSES

BUSINESS EXPENSES

1. **Business Overhead Expense Policy**
2. **Key Person Life Insurance**
3. **Legal Agreements**
Buy Sell Agreement
NDAs
4. **Disability Policies**
5. **Contingency Fund**



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RETIREMENT OPTIONS FOR BUSINESS OWNERS

- 1. SEP IRA** – 2026 contribution limit: 25% of an employee's total compensation, up to \$72,000.(Trad. Or ROTH) No catch Up
- 2. SOLO 401K** with Profit Sharing Plan- \$72,000. Roth or Trad. \$83,250 50+
- 3. IRA 2025** -\$7,500/ yr (\$8,500 / yr if 50 & over)
- 4. Defined Contribution Plan** (401k)
- 5. Defined Benefit Plans 2026:** \$290,000



What Can You Do Today?



Develop a plan that balances your competing financial goals



Understand what the numbers really mean



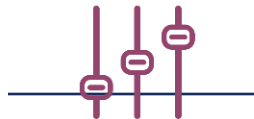
Tell you what's realistic or unattainable



Find ways to increase your retirement savings



Is your Business Protected?



Monitor and make adjustments over time- Budgeting

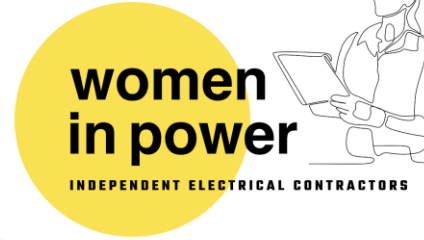


Thank You!

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Women's Need for Long-Term Care

Purpose: Protect both health and wealth- preserves retirement savings, safeguards independence, reduces emotional & financial burden on loved ones

Longevity: Women tend to live longer than men—on average, about 5 years longer. Raises likelihood chronic illnesses, disabilities, cognitive decline in later years




Higher likelihood of care needs: 70% people over 65 will need some form of long-term care, women make up majority

Later-life caregiving gaps: Women are often caregivers themselves during midlife, but in older age, may not have family support available to provide care



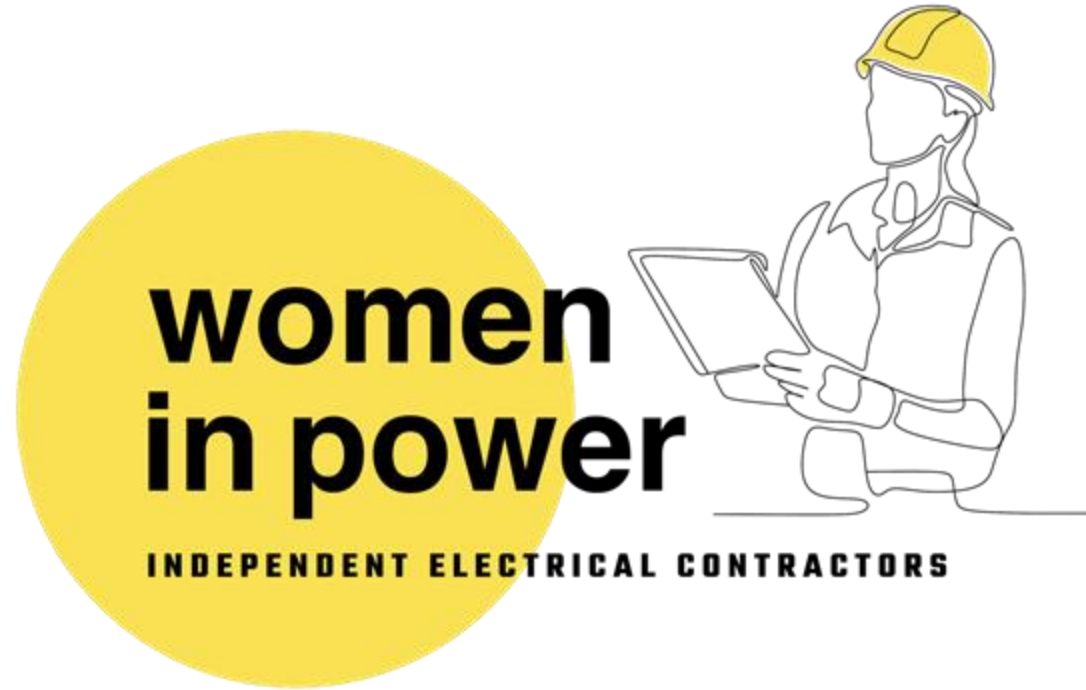


Protecting Retirement Assets

- 
- 
- 
- Without LTC insurance, paying for long-term care can deplete retirement savings, home equity, other assets. Consider:
 - **Cost of care:** Average cost of private room in nursing home \$100,000+ annually
Assisted living and in-home care av. \$50,000–\$80,000 annually
 - **Asset preservation:** LTC insurance protects savings, investments, retirement assets to maintain financial independence and leave legacy
 - **Peace of mind:** plan for care without jeopardizing lifestyle or forcing family members to provide costly or full-time care
 - **Early purchase advantage:** Premiums are generally lower when purchased earlier in life (late 40s–early 60s).
 - **Inflation protection:** Many LTC policies offer inflation protection to ensure coverage keeps pace with rising costs of care.
 - **Flexible benefit structures:** Policies can be tailored to cover different types of care, duration, and payout amounts.



WIP Opt-In Form



Sign up for updates, announcements, and share topics of interest for future meetings

<https://ieci.org/workforce/women-in-power/>