

Money Matters

Make it Work for You



A Transamerica Company





No matter your goals, take control of your money now and **make it work for you now and in the future.**

Everyone has long-term goals and aspirations such as buying a home or retiring when and where they want, but often they require a financial strategy to be put in place. So, what's the best strategy for your unique circumstances? A World Financial Group Insurance Agency, LLC (WFGIA) agent can help you assess your current financial situation, including any concerns and specific needs you may have, to help you create a strategy to meet your short-term objectives and work toward your future goals.

Not only that, your agent will share important financial concepts to help you be a more informed consumer. At WFGIA, we believe it's essential to help individuals and families become more financially secure, and knowledge is a key component to get there.

Take control of your money now and make it work for you. **Money matters. Make it count.**

Our Product Providers

We don't limit you to one product or provider.

A WFGIA agent offers a broad array of products and services from many well-known companies to give you options when determining the best path forward.

We ask that you carefully consider all the information provided to you and to ask your agent any questions you may have before you make a decision. We want you to be comfortable with the choices you make and have a long-term, rewarding relationship with your agent.

Types of products available to you include:

- Indexed Universal Life Insurance
- Universal Life Insurance
- Term Life Insurance
- Whole Life Insurance/Final Expense
- Fixed Annuities
- Long Term Care Insurance
- Disability Insurance



All companies that have agreements with WFGIA must be rated A or higher by industry standards. Some of the quality providers our agents have access to include:



The city and state locations of these companies are: AMS Financial Solutions, Baton Rouge, Louisiana; Crump, Harrisburg, Pennsylvania; Nationwide Life Insurance Company, Columbus, Ohio; Pacific Life Insurance Company, Newport Beach, California; Transamerica Life Insurance Company, Cedar Rapids, Iowa.

Opportunity

Some people only see obstacles in the way of planning for their financial futures, we want to change that.

Your WFGIA agent can show you areas of opportunity and help you build a strategy based on your goals and that addresses your concerns. To help determine what you may want to focus on, consider some of these challenges that people face.

Credit Card Debt

Debt, particularly credit card debt, is a big concern for many families. The average U.S. household owed a total of \$21,367 of credit card debt as of December 2023 and almost half (48%) say they are stressed about it.¹ Are you concerned about the amount of debt you owe?

College Costs

Even if a student can obtain grants, scholarships or other type of aid, without proper planning the cost of college can put a strain on savings. The average cost for the 2023-2024 academic year has increased at both private and public colleges, with the average sticker price for an in-state student at a public college costing \$10,662 and \$23,630 for an out-of-state student.² Planning ahead is also imperative since costs can increase each year.

Retirement Confidence

According to the 2024 Retirement Confidence Survey, while confidence of having enough money to live comfortably in retirement has risen slightly, only two out of 10 workers are very confident this will be the case. Additionally, 83% of workers are concerned that the increasing cost of living will make it harder to save as much as they want.³

Social Security

Social Security may not be a reliable source of income in the future. The Old-Age, Survivors, and Disability Insurance Trust Fund reserves, which fund Social Security, will become depleted in 2033.⁴

Rising Cost of Living

Often people fail to consider the rising cost of living when creating their financial strategy, but it can have a big impact. For example, if you and your spouse are both 45 years old, earn \$100,000 per year and plan to retire in 20 years, and inflation averages just 4.5% during the next two decades, you will need more than \$241,000 a year to equal your current \$100,000 annual income.



Unexpected Loss

If you should die unexpectedly, without proper planning that includes life insurance and/or emergency savings, your family could face serious financial issues due to funeral costs, credit card bills, mortgage payments, and more.

Let your WFGIA agent help reduce any anxiety you may have about achieving your short- or long-term goals by putting a strategy in place that makes you excited for your future.



Our Solution: The WFG Financial Needs Analysis



Cash Flow

- Earn additional income
- Manage expenses



Debt Management

- Consolidate debt
- Strive to eliminate debt



Emergency Fund

- Save at least 3-6 months' income
- Prepare for unexpected expenses



Proper Protection

- Protect against loss of income
- Protect family assets



Build Wealth

- Strive to outpace inflation and reduce taxes



Preserve Wealth

- Reduce taxation
- Build a family legacy

The WFG Financial Needs Analysis is based on the accuracy and completeness of the data provided by the client. The analysis uses sources that are believed to be reliable and accurate, although they are not guaranteed. Discuss any legal, tax or financial matter with the appropriate professional. Neither the information presented nor any opinion expressed constitutes solicitation for the purchase or sale of any specific product or financial service.

Understanding Cash Flow

An essential part of a financial strategy is understanding how much money is available to you and, if possible, finding ways to increase that amount.

This money, sometimes called cash flow, can help reduce or eliminate debt and increase savings.

To increase your cash flow, managing and reducing expenses is key. Some ideas on how to do both include:

- Create a budget and stick to it by determining your income and expenses and prioritizing needs over wants
- Spend less than you earn
- Consider raising deductibles on auto, homeowners and other insurance policies to help lower premiums
- Look for ways to reposition money that is currently in low-interest savings accounts
- If your mortgage includes Private Mortgage Insurance (PMI), drop it as soon as the equity in your home reaches 20% of your home's value

If you need to increase your household income to improve your cash flow, consider:

- A second career or a part-time opportunity to earn additional income
- An adjustment to your W-2 allowances if you are expecting a tax refund, but consult with your tax professional before making this change

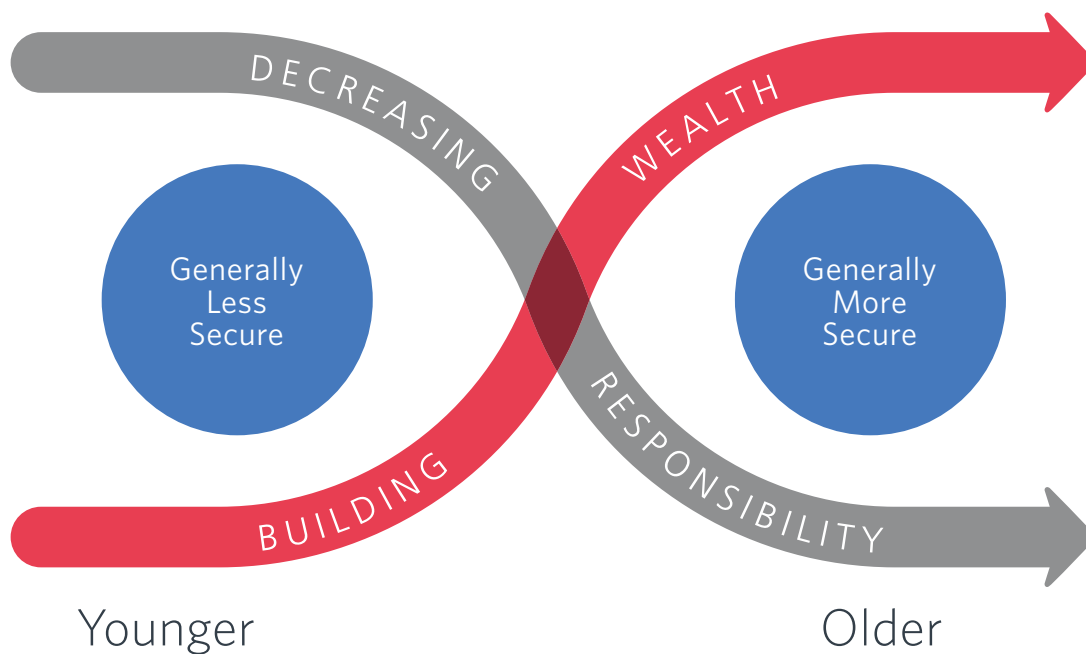
Proper Protection

Life insurance is a key component of a financial strategy as it helps protect your beneficiaries in the event of your death.

Whether you're young or old, single or married, or at some other stage in life, life insurance plays an important part of your financial foundation. The death benefit can, among other things, help pay for:

- Funeral costs
- Debts, including outstanding credit card debt
- Pay down or pay off a mortgage
- Education costs or childcare

The graphic below shows that, in general, when you're young, you have many responsibilities and are only in the beginning stages of building wealth. And conversely, as you grow older, you have fewer responsibilities and have probably accumulated more wealth.



How Much Life Insurance Do You Need?

The amount of life insurance coverage needed is different for everyone and is based on a variety of factors including your:

- Age
- Health
- Number of dependents
- Income/current financial situation

Based on these considerations, a basic rule of thumb is to have enough coverage to provide about 10 times your household's total annual income. For example, if your current household income is \$50,000, consider having \$500,000 in life insurance protection.

There are many variables that can affect your life insurance needs, so consider the following:

- How much long and/or short-term debt you have
- Your long-term goals
- How much of the insured's income will be needed and over how many years
- Could you require long term care in the future
- How much do you want set aside for funeral costs and/or an emergency fund
- What assets you have that may help cover these costs

Life insurance coverage through your employer can be helpful, but may not be sufficient to cover all of your needs and, should you change or lose your job, you may be left needing coverage. To ensure that you have the right type and amount of insurance, make sure your life insurance agent conducts a thorough evaluation of your needs.



Debt Management

A major obstacle to a sound financial future is consumer debt, which is why it's important to try to reduce and eliminate debt or at least consolidate it.

Pay Off Your Debt

Revolving high-interest credit card debt can quickly grow into an unhealthy financial situation. Here's an example of the true cost of using a credit card.

Beginning Balance	\$5,000
Credit Card Interest Rate	18%
Monthly Payment	\$200
Time to Pay Off Credit Card	32 months
Total Debt Paid	\$8,000

In the above scenario, you end up paying \$3,000 in interest. However, if you commit to paying slightly more each month, you can pay off the card's balance in much less time and pay less in interest.

Beginning Balance	\$5,000
Credit Card Interest Rate	18%
Monthly Payment	\$300
Time to Pay Off Credit Card	19 months
Total Debt Paid	\$6,666.67

This is why it's important to pay off credit card and high-interest loan debt sooner rather than later. To do so you can:

- 1 Itemize all your outstanding credit card debt or loans from the highest to the lowest interest rate, and list the monthly payments for each
- 2 Pay more than the minimum - as much as possible within your budget - on the credit card/loan with the highest interest rate then, once you pay it off, begin paying off the next highest interest rate card/loan
- 3 Quit charging: Put your credit cards away so you don't charge on them while paying down your debt or after it's paid off

If you are a homeowner, you can also consider taking out a low-interest home equity loan to pay off your debt. Although a home equity loan is still debt, the interest may be tax deductible.

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Refinance Your Mortgage

When interest rates for home mortgages are low, it may be prudent to consider refinancing. However, before you refinance, it's important to consider:

- The type of mortgage
- The mortgage amount
- Refinancing fees
- The number of years you plan to live in the home

The bottom line in deciding if refinancing will reduce your debt is determining how long it will take to recoup the expenses associated with refinancing.



Emergency Fund

No matter how well you plan in life, the unexpected happens.

To prepare for life's little "disasters," set up an emergency fund to help pay for any resulting expenses. To determine how much you should have in your emergency fund, consider setting aside at least three to six months of your income.

Don't think you need an Emergency Fund? Consider these potential expenses and scenarios:



Major car repairs



Major home repairs



Major appliance
repairs or replacement



Loss of a job



Serious illness or
hospitalization



Extended elder care or
long term care

Build Wealth

When developing financial goals, it's important to establish a long-term asset accumulation strategy.

This strategy should have the potential to outpace inflation and take into consideration how different products and account types are taxed. It's also important to determine how long you may live in retirement and how much it will cost to live comfortably during those years. Your WFGIA agent can help you develop objectives based on your needs.

The Rule of 72

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. Results are rounded for illustrative purposes. Actual results in each case are slightly higher or lower.



Scan to watch the Rule of 72

$72 \div 2\% = 36$ At 2% money nearly doubles every 36 years		$72 \div 4\% = 18$ At 4% money nearly doubles every 18 years		$72 \div 6\% = 12$ At 6% money nearly doubles every 12 years	
Years	Amount	Years	Amount	Years	Amount
Initial Amount	\$10,000	Initial Amount	\$10,000	Initial Amount	\$10,000
35	\$19,999	18	\$20,258	12	\$20,122
70	\$39,996	36	\$41,039	24	\$40,489
		53	\$79,941	36	\$81,473
				48	\$163,939

Preserve Wealth

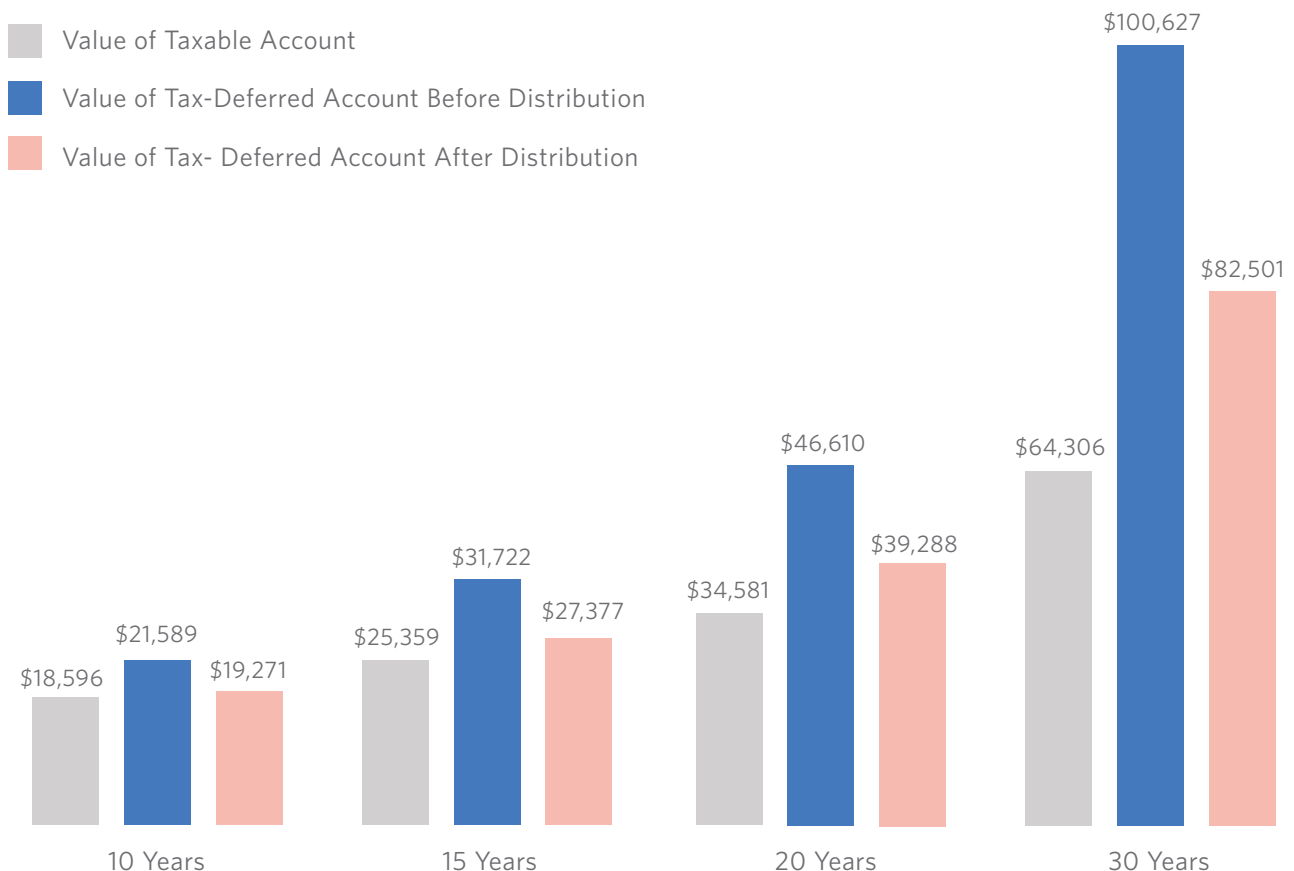
By increasing your financial knowledge, you can learn how to optimize each dollar you earn and avoid pitfalls.

Harness the Power of Tax Advantages

This hypothetical example shows the value of \$10,000 in a tax-deferred and a taxable account, assuming an 8% return and a 20% tax rate on any gains. It also shows the value of the tax deferred account upon distribution.

This example is for illustrative purposes only and doesn't represent a specific product or strategy nor does it reflect any fees or charges associated with any product, which would lower the listed values. This rate of return may not be available in a fixed product, and it and the principal value of the account will fluctuate over time. It is unlikely that any one rate of return is sustainable over long periods of time.*

Value of a Tax-Deferred versus a Taxable Account



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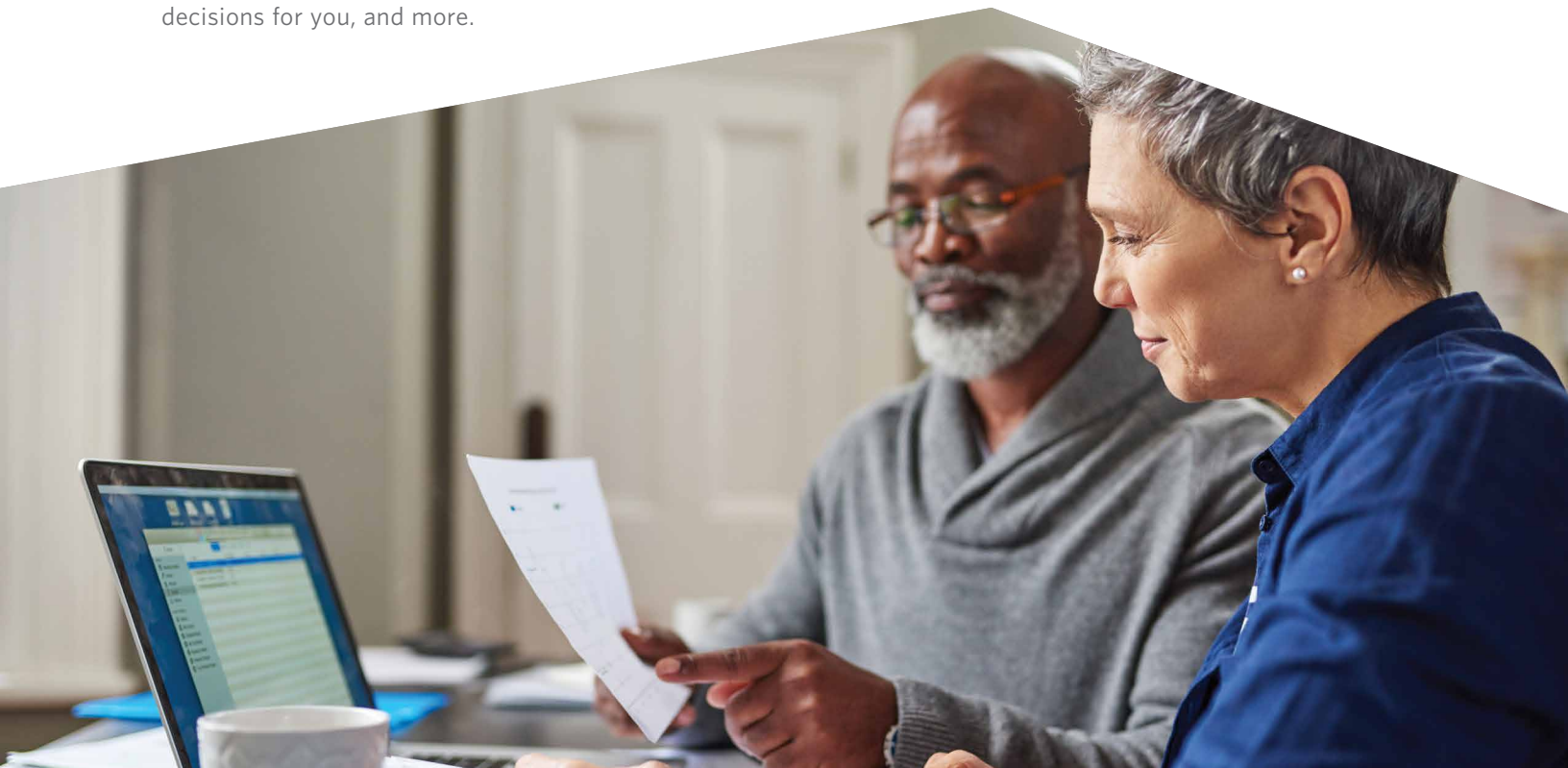
Have an Adequate Estate Plan

It is important to work with a qualified attorney to put an estate plan in place that meets your individual needs. Following are just a few items you can consider addressing in your estate plan.

- How your assets can transfer to your heirs at your death. There are different ways to structure the distribution of your assets so it is important to understand the costs and benefits of each.
- Managing estate taxes. Current tax law exempts estates up to \$13.61 million for an individual and \$27.22 million for married couples.⁵
- Ensuring your legacy reaches your intended heirs, including any life insurance coverage, pensions and annuities.
- Setting up medical and financial powers of attorney so that, should you become incapacitated, someone can take care of your finances, make medical decisions for you, and more.

Estate planning can be an essential part of your financial strategy, helping to ensure that the wealth you accumulated over the years is not marred by the effects of taxes or other unintended consequences. Please consult with your legal professional for guidance regarding your specific circumstances.

Please note that WFGIA and its agents do not offer tax, legal or accounting advice. This is provided for informational purposes only and should not be construed as such advice. You should rely solely upon your independent tax or legal professionals regarding your particular situation.



Money Matters: Make it Work For You

Your WFGIA agent is ready to help you make your money work for you.

By walking you through the WFG Financial Needs Analysis (FNA), you and your WFGIA agent can obtain an understanding of where you are now and where you want and need to be for a better financial future. Plus, when your life brings changes or challenges, your WFGIA agent is ready to help you update your strategy accordingly.

Take the Next Step

Procrastination is an enemy to your goals, but it can easily be overcome. By starting your financial strategy now, you can put time on your side.

To begin today:

- 1 Share information with your WFGIA agent to obtain an FNA
- 2 Set a follow up appointment with your agent to obtain the results of this analysis
- 3 Implement the strategy recommended by your WFGIA agent based on your FNA results
- 4 Include your WFGIA agent in your referral network

Put time on your
side. **Get started
now.**



- 1 "2023 American Household Credit Card Debt Study," Erin El Issa, NerdWallet.com, January 8, 2024.
- 2 "What You Need to Know About College Tuition Costs," Emma Kerr and Sarah Wood, U.S. News, September 20, 2023.
- 3 "2024 Retirement Confidence Survey Release Report," Employee Benefits Research Institute and Greenwald & Research, January 2024.
- 4 "Social Security: Selected Findings of the 2024 Report," Congressional Research Service, May 10, 2024.
- 5 "A Guide to the Federal Estate Tax," Amelia Josephson, smartasset.com, December 20, 2023.

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