BAY AREA
Community Health
Advisory Council
25 years

WELCOME
Wellness Where You Are
Online Summer Series

BACHAC

- A grass roots community health organization
- Address health disparities in diverse communities across generations
- Through awareness, education, access to resources, advocacy
- In partnership/collaboration with a diverse groups
- Supporting a culture of Innovation and inclusion

Session Purpose

- Support community with relevant information, resources & tools during this challenging time
- Address unique needs of the community
- Provide forum to address questions
- Increase awareness not a substitute for professional advice for specific situations

Housekeeping

- Appreciate your patience and flexibility as BACHAC launches into the virtual world
- BACHAC's steps to protect privacy
- Everyone is on mute
- Write Questions to Q and A Section
- Session is being recorded
- Recording to be posted on BACHAC website

Meeting Agreements

- Be engaged
- Be curious and open
- Challenge ideas, not the person
- Seek to understand
- Stretch yourself
- Help us….Help you

BAY AREA
Community Health
Advisory Council
25 years

Rebuilding Your Financial House
'How Money Works'

Margaret & Ted Johnson, III
Regional Vice Presidents. Primerica

HOW MONEY WORKS

A Common Sense Guide to Financial Success

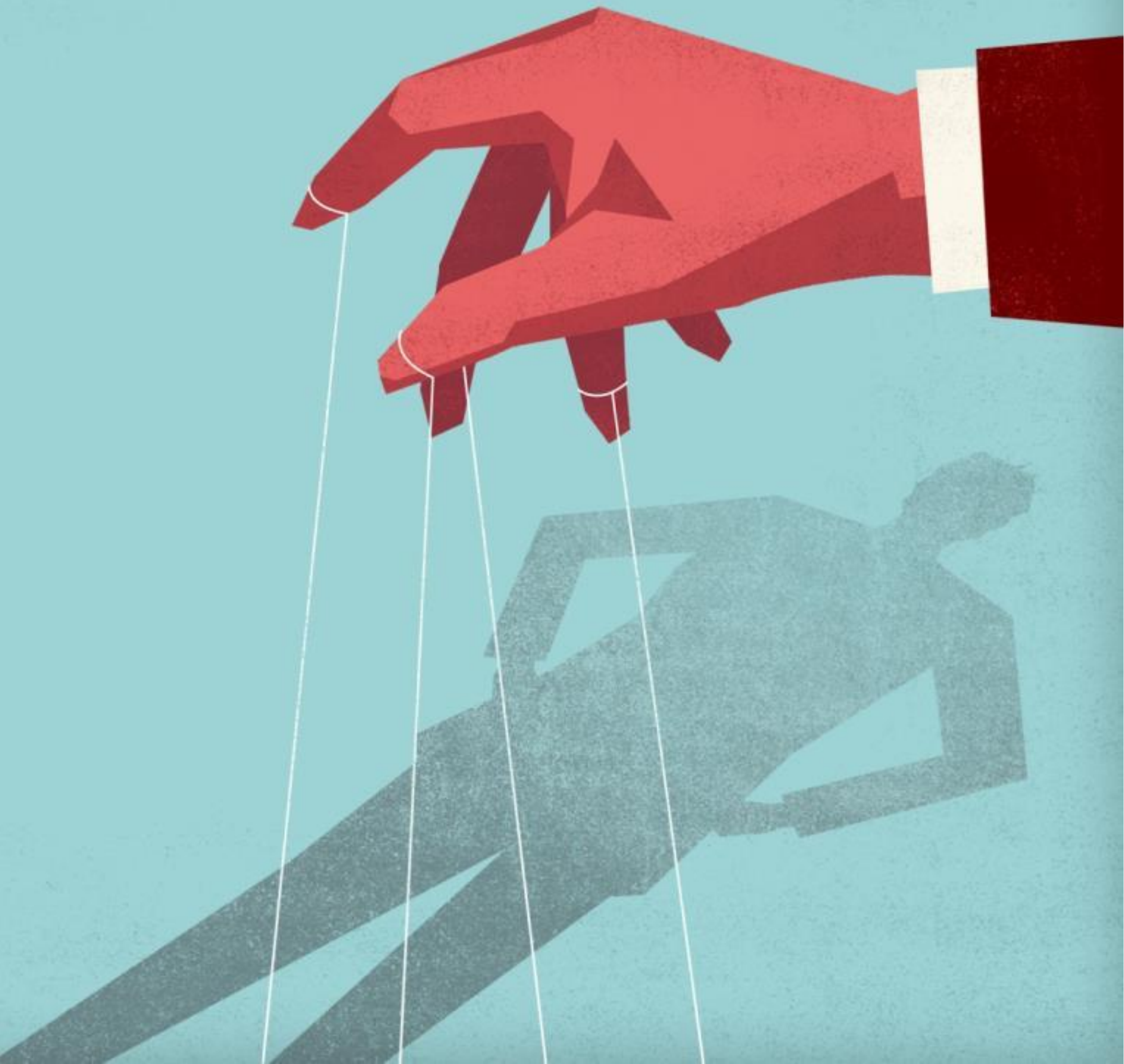
You Can…

You Can get out of debt.

You Can build savings.

You Can get on the path
to financial independence!

TAKE CONTROL



Take Control

1. Pay Yourself First
2. Adjust Your Priorities
3. Change Your Thinking
4. Adjust Your Lifestyle
5. Earn Additional Income
6. Avoid the Credit Trap
7. Set Goals and Have a Plan

You Cannot Control

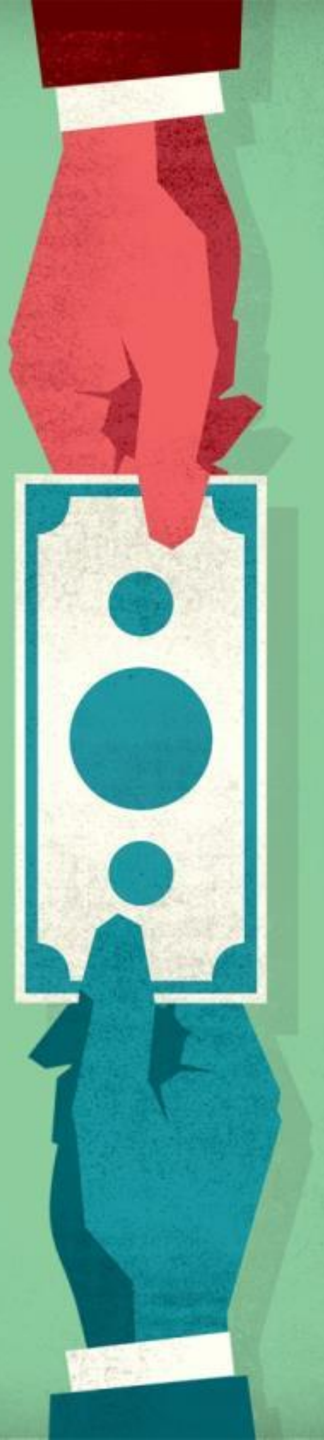
- The future of Social Security
- Your employer
- Taxes
- Inflation
- Rising costs
- The risk of a single investment

But You Can Control

- Saving for retirement
- Other sources of income
- Ways to reduce your taxes
- Maximizing your savings
- Saving more
- Diversity of your investment choices

Diversification does not assure a profit or protect against loss.

PAY YOURSELF FIRST



The Three Accounts You Need

To have a complete savings program, most people need **three types** of basic accounts.

Emergency Fund

Short-Term Savings

Long-Term Savings/ Investments

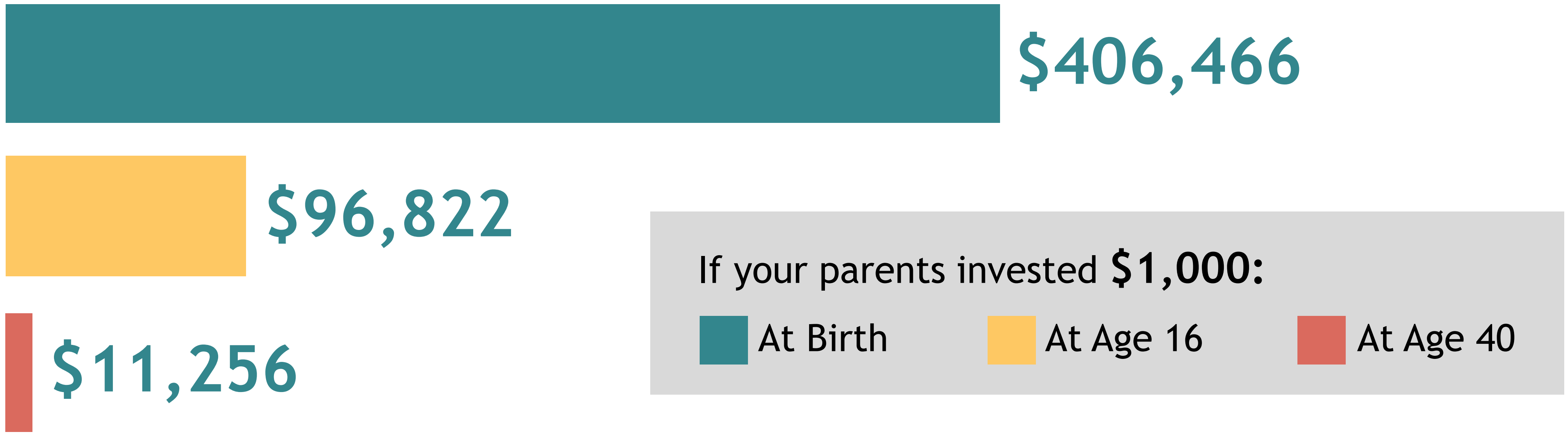
Investing entails risk including loss of principal. Shares, when redeemed, may be worth more or less than original value.

USE TIME AND CONSISTENCY

It Pays to Start Investing Early

A one-time investment of $1,000 with a 9% rate of return.

Amount Accumulated by Age 67



Above rate values are at age 67 and for illustrative purposes only and do not represent an actual investment. This example uses a constant rate of return. Actual investments will fluctuate in value. The illustration does not include fees and taxes that would lower results. The 9% rate of return is a nominal interest rate compounded on a monthly basis. Investing entails risk including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

Don’t Pay the High Cost of Waiting

If your goal is to save $500,000 for retirement at age 67, look at the difference time makes:

Monthly Savings Required

Begin	Save	Cost to wait
Age 25	$89	-
Age 35	$224	nearly 2 times more
Age 45	$602	nearly 7 times more
Age 55	**$1,926**	**more than 21 times more**

This example assumes a hypothetical 9% constant rate of return. Rate of return is a nominal interest rate compounded on a monthly basis. Actual investments will fluctuate in value. The illustration does not include fees and taxes which would lower results. Investing entails risk including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

Do You Know the Rule of 72?

Your money will double at a certain point determined by dividing 72 by the percent of interest.

Years	3%	6%	12%
0	$10,000	$10,000	$10,000
6	-	-	$20,000
12	-	$20,000	$40,000
18	-	-	$80,000
24	$20,000	$40,000	$160,000
30	-	-	$320,000
36	-	$80,000	$640,000
42	-	-	$1,280,000
48	$40,000	$160,000	$2,560,000

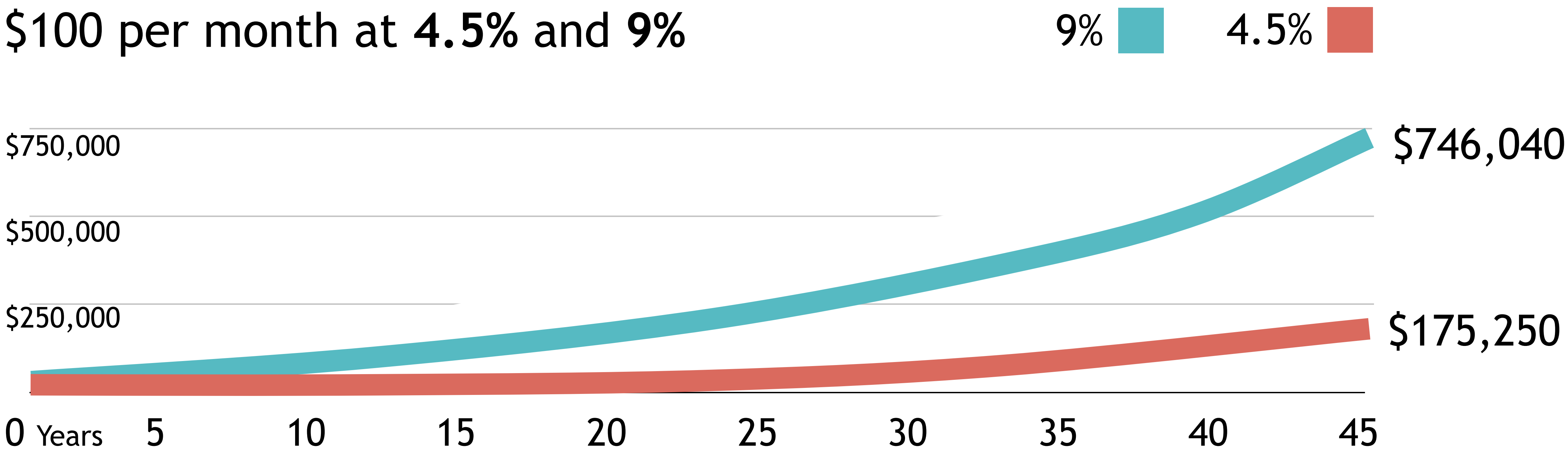
Based on the Rule of 72, a one-time contribution of $10,000 doubles **six more times at 12% than at 3%.**

"Compound interest is the most powerful force in the universe."

Albert Einstein

This table serves as a demonstration of how the Rule of 72 concept works from a mathematical standpoint. It is not intended to represent an investment. The chart uses constant rates of return, unlike actual investments which will fluctuate in value. It does not include fees or taxes, which would lower performance. It is unlikely that an investment would grow 10% or more on a consistent basis.

How Doubling Your Interest Can Quadruple Your Savings



Hypothetical percentage rates and values. Rate of return is a nominal interest rate compounded on a monthly basis. These results are not indicative of any specific investment and show a constant rate of return, where an actual investment will fluctuate in value. It does not include fees and taxes, which would lower results. Investing entails risk including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

PAY OFF DEBT

The Bad News About Compounding

Did you know if you made a **one-time $3,000 credit card purchase with an 18% interest rate with no new purchases** and made only the minimum payments, it would take at least **10 years to pay off** and you would end up paying more than **$2,002 in interest charges?**

$3,000 + $2,002 = $5,002!

Purchase Interest

Assumes 18% APR and a minimum payment of 3.5% of the balance or $20 if more.

The Debt Stacking Concept*

Retail Card 1:	$220	+ $220			
Credit Card 2:	$353	$573	+ $573		
Car Loan:	$551	$551	$1,124	+ $1,124	
Credit Card 1:	$303	$303	$303	$1,427	+ $1,427
Mortgage:	$1,293	$1,293	$1,293	$1,293	$2,720
Total:	$2,720	$2,720	$2,720	$2,720	$2,720

As each debt is paid off, you apply the amount you were paying for that debt to the payment that are making on the next target account.

Target Account   Extra Debt Payment Amount

*The above example is for illustrative purposes only. The Debt Stacking concept assumes that: (1) you make consistent payments on all of your debts; (2) when you pay off the first debt in your plan, you add the payment you were making toward that debt to your existing payment on the next debt in your plan (therefore you make the same total monthly payment each month toward your debts); (3) you continue this process until you have paid off all of the debts in your plan. In the example above, when Retail Card 1 is paid off, the $220 payment applied to Retail Card 1 is applied to Credit Card 2, accelerating its payment to $573. After Credit Card 2 is paid off, the $573 payment applied to Credit Card 2 is applied to Car Loan for a total payment of $1,124. The process is then continued until all debts are paid off. Note that the total payment per month remains constant.

The Debt Stacking Concept

Category	Without Debt Stacking	With Debt Stacking
Payoff	23 Years	**9 Years** 14 Years Sooner
Interest Avoided	$0	**$130,643**
Interest Paid	$214,442	**$83,799**
Monthly Payments	$2,720	**$2,720**

Debt Stacking assumes that you add no additional debt and make the same monthly payment each month using the Debt Stacking method. Debt Stacking assumes that when you pay off the first target account, you then apply the amount of money you were paying toward the first target account to the next target account and continue with this process until you have paid off all the debts you have targeted.

Avoid These Common Credit Mistakes

1. Not valuing your credit
2. Raising credit card limits
3. Not monitoring your credit history
4. Not monitoring your credit score
5. Not knowing your interest rate and fees

BUY THE RIGHT KIND OF LIFE INSURANCE

The Importance of Life Insurance

How much is your car worth?

Do you insure it?

How much is your house worth?

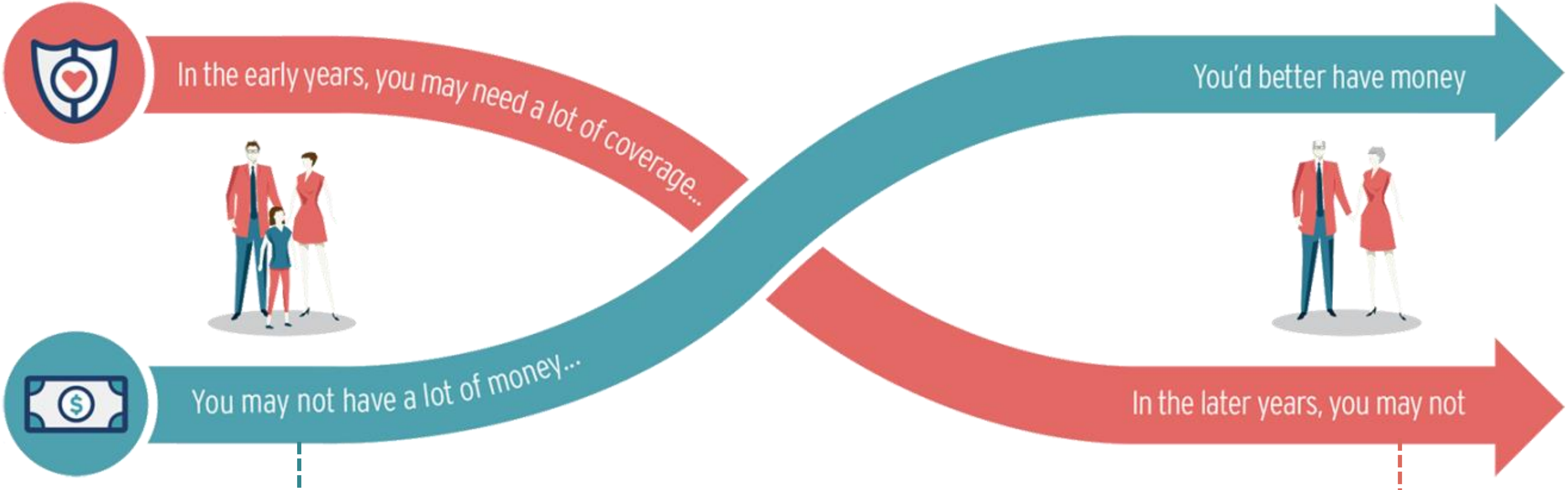
Do you insure it?

How much is your life worth?

Probably a lot more than your car or your house!

Can you afford <ins>**NOT**</ins> to insure your life?

The Theory of Decreasing Responsibility



Today	At Retirement
Young children	Grown children
High debt	Lower debt
House mortgage	Mortgage paid
Loss of income would be devastating	**Retirement income needed**

What the Experts Say

"Term insurance is pure protection, like fire insurance or auto insurance, its sole function is to support your family if you die. You can buy large amounts of coverage for modest amounts of money — and big policies are what your spouse and children need."

Making the Most of Your Money Now, Jane Bryant Quinn

"In my opinion, there is only one kind of life insurance that makes sense for the vast majority of us: term life insurance."

The Road to Wealth: A Comprehensive Guide to Your Money, Suze Orman

"Term life insurance is the most common and the simplest form of life insurance."

Forbes.com, "How Return of Premium Term Life Insurance Could Save You Thousands," August 19, 2018

"Term policies are cost effective and can be specifically tailored to when you need the coverage."

Nbcnews.com, "How Much Life Insurance Do I Need?" November 24, 2018

Our Philosophy: The Three "Nevers" of Buying Life Insurance

NEVER #1: Never buy any kind of "cash value" or whole life insurance, including universal life.

NEVER #2: Never buy life insurance as an investment.

NEVER #3: Never buy a life insurance policy that pays dividends.

DEFER TAXES

Traditional IRA, Deductible

Benefit:

- Tax savings now and tax deferral until retirement.
- Saves you money by giving you and your spouse the potential to contribute **$6,000** each (if you meet certain requirements) off the top of your gross income, which reduces your taxable income. You postpone payment of taxes on any earnings until they are withdrawn at a date in the future, commonly retirement.

Income limitations may restrict the amount that you may contribute to a Deductible IRA or a Roth IRA with contribution limits for 2016. Additionally, the amount you may contribute to a Roth IRA is reduced by contributions to other IRAs. Withdrawals before 59½ may be subject to ordinary income and a 10% tax penalty. Primerica representatives do not offer tax advice. Consult your tax advisor with any questions.

Traditional IRA, Non-deductible

Benefit:

- Earnings on your IRA are **tax deferred** until retirement.
- If you exceed certain income limits, your Traditional IRA contributions may not be deducted from your current tax bill. However, your non-deductible contributions will grow on a tax-deferred basis. So even though you weren’t able to deduct your contributions, more of your money is allowed to grow and compound than if taxes were taken out of your account each year.

Roth IRA

Benefit:

- Contributions are **not deductible** but you receive **tax deferral** on earnings and tax-free withdrawals later.
- Contributions are made with “after-tax” money.
- When you withdraw the money from a Roth IRA, none of it will be taxed.*

*As long as the account has been open at least five years and you are age 59½ when you begin withdrawing the proceeds. Consult your tax advisor with any questions.

Comparing Tax Treatments

Category	Traditional IRA	Roth IRA
Contribution Limit (For 2019)	**Up to $6000** (Age 50 and above: up to $7,000)	**Up to $6,000** (Age 50 and above: up to $7,000)
Deductibility	**Deductible** (Income limits apply)	**Non-Deductible**
Earnings	**Tax-Deferred**	**Tax-Deferred**
Retirement Withdrawals (After age 59½)	**Taxable**	**Tax-Free** (if the Roth IRA is held at least five years)
Distributions	Required at **Age 70½**	**No Age** Requirement

Income limitations may restrict the amount that you may contribute to a Deductible IRA or a Roth IRA. Additionally, the amount you may contribute to a Roth IRA is reduced by contributions to other IRAs. Withdrawals before 59½ may be subject to ordinary income and a 10% tax penalty. Primerica representatives do not offer tax advice. Consult your tax advisor with any questions.

The "Time Value" of Money

Started contributing At Age **22**

Stopped contributing At Age **29**

Individual A: Contributes from Ages 22-29			Individual B: Contributes from Ages 30-67		
Age	Annual Payment	End-of-Year Accumulation	Age	Annual Payment	End-of-Year Accumulation
22	$5,500	**$6,020**	22	0	0
23	5,500	12,600	23	0	0
24	5,500	19,790	24	0	0
25	5,500	27,670	25	0	0
26	5,500	36,280	26	0	0
27	5,500	45,700	27	0	0
28	5,500	56,000	28	0	0
29	5,500	**67,270**	29	0	0
30	0	73,580	**30**	$5,500	**$6,020**
31	0	80,480	31	5,500	12,600
32	0	88,030	32	5,500	19,790
33	0	96,290	33	5,500	27,670
34	0	105,320	34	5,500	36,280
35	0	115,200	35	5,500	45,700
36	0	126,010	36	5,500	56,000
37	0	137,830	37	5,500	67,270
38	0	150,760	38	5,500	79,590
39	0	164,900	39	5,500	93,080
40	0	180,370	40	5,500	107,820
41	0	197,290	41	5,500	123,950
42	0	215,790	42	5,500	141,600
43	0	236,040	43	5,500	160,900
44	0	258,180	44	5,500	182,010
45	0	282,400	45	5,500	205,100
46	0	308,890	46	5,500	230,350
47	0	337,870	47	5,500	257,980
48	0	369,560	48	5,500	288,190
49	0	404,230	49	5,500	321,240
50	0	442,150	50	5,500	357,390
51	0	483,620	51	5,500	396,930
52	0	528,990	52	5,500	440,190
53	0	578,610	53	5,500	487,490
54	0	632,890	54	5,500	539,240
55	0	692,260	55	5,500	595,840
56	0	757,200	56	5,500	657,750
57	0	828,230	57	5,500	725,470
58	0	905,920	58	5,500	799,540
59	0	990,900	59	5,500	880,560
60	0	1,083,860	60	5,500	969,170
61	0	1,185,530	61	5,500	1,066,110
62	0	1,296,740	62	5,500	1,172,130
63	0	1,418,380	63	5,500	1,288,100
64	0	1,551,440	64	5,500	1,414,950
65	0	1,696,970	65	5,500	1,553,700
66	0	1,856,160	66	5,500	1,705,460
67	0	2,030,280	**67**	5,500	**1,871,460**
Total Contributions: **$44,000**			Total Contributions: **$209,000**		
Total Accumulation at Age 67: $2,030,280			Total Accumulation at Age 67: $1,871,460		

Started contributing At Age **30**

Stopped contributing At Age **67**

The hypothetical 9% nominal rate of return, compounded monthly, and tax-deferred accumulation shown for both IRA accounts are not guaranteed or intended to demonstrate the performance of any actual investment. Unlike actual investments, the accounts show a constant rate of return without any fees or charges. Any tax-deductible contributions are taxed and tax-deferred growth may be taxed upon withdrawal. Withdrawals prior to age 59 1/2 may be subject to a 10% penalty tax. Assumes payments are made at the beginning of each year. Investing entails risk, including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

BECOME AN OWNER, NOT A LOANER

Bypass the Middleman

Your Money

Bypass the Middleman

Global Economy

Are You Earning a Guaranteed Loss?

You invest $10,000 at a 1% rate of return at your local bank…	
You earn interest for the year:	**$100**
But you pay $25 in taxes on that interest at 25%	**-$25**
So, your net earnings are:	**$75**
Your resulting balance would be:	**$10,075**
…but if inflation is 3%, your buying power would be reduced to:	**$9,782**

You would have actually LOST buying power!

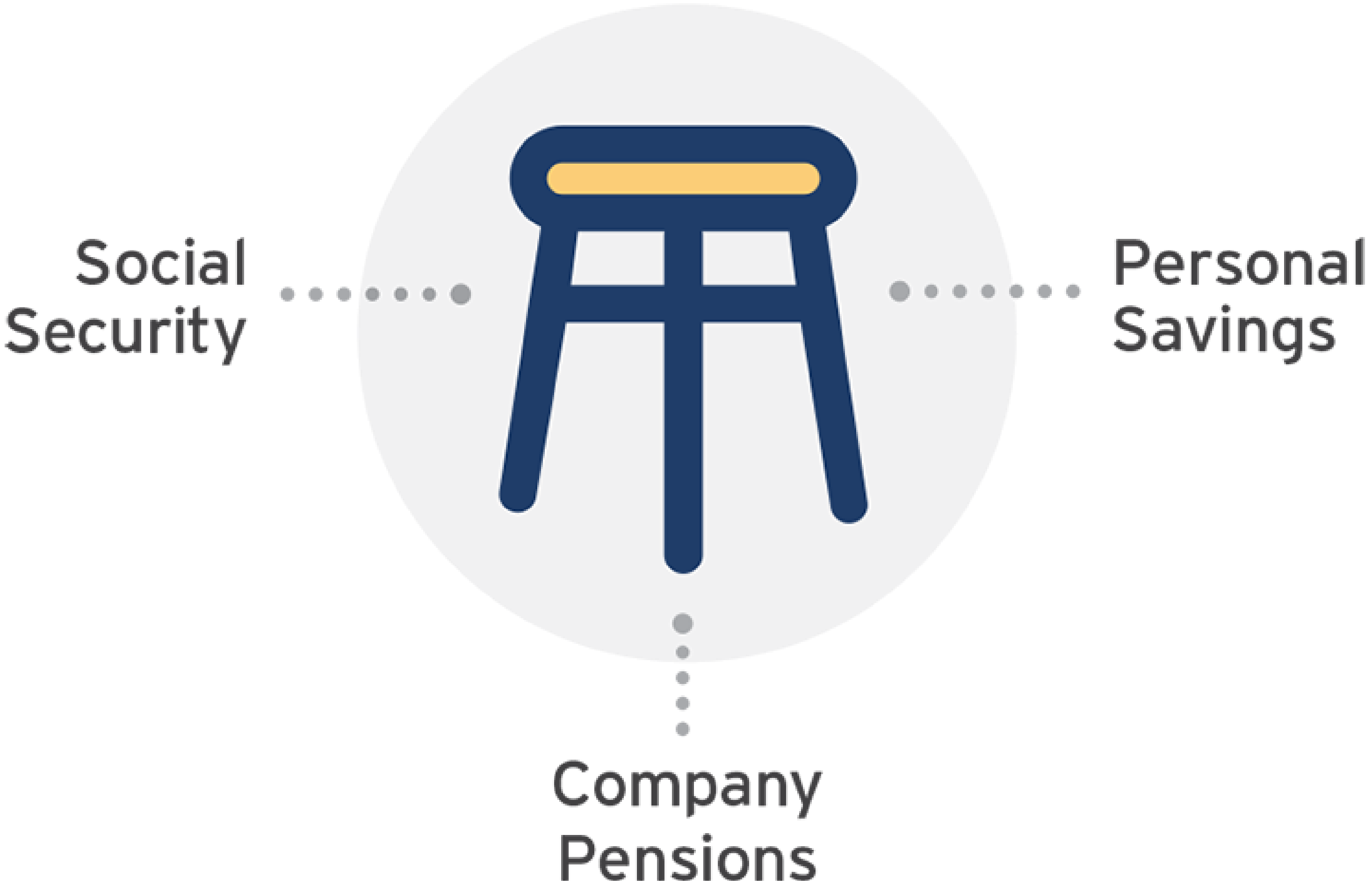
This 25% tax rate is hypothetical. A different tax rate will change the result. Savings and CD accounts are generally FDIC insured up to $250,000.

The Three-Legged Stool Theory

For years, financial experts used the analogy of a three-legged stool to demonstrate the primary sources that provide retirement income.

However, gone are the days when you can count on a pension from your employer. Plus, Social Security doesn't seem so "secure" anymore.

Altogether, these three "legs" used to represent a stable source of income, but not anymore. Simply put, it's up to you to fund your retirement!



Don’t Just Save, Invest!

Rate of Return Is the Key

Growth of a $10,000 Investment
(December 31, 1987 to December 31, 2017)

What kind of return do you need to reach your goals?

Source: **Morningstar. Past performance is no guarantee of future results. This chart is for illustrative purposes and does not represent an actual investment. Further, the returns do not reflect the past or future performance of any specific investment. All investments involve risk including loss of principal. The figures in the chart above assume reinvestments of dividends. They do not reflect any fees, expenses or tax consequences, which would lower results.** Because these indices are not managed portfolios, there are no advisory fees or internal management expenses reflected in their performance. Investors cannot invest directly in any index. The figures represent an initial investment of $10,000. The Standard & Poor’s 500® TR, which is an unmanaged group of securities, is considered to be representative of the stock market in general. Often referred to as “the S&P 500 Index of bonds,” the Barclays U.S. Aggregate Bond Index TR represents the dollar-denominated, investment-grade, fixed-rate, taxable U.S. bond market. The index includes government and corporate securities, mortgage-backed securities, and asset-backed securities, with maturities of at least one year. The U.S. 30-Day T-bills are government backed short-term investments considered to be risk-free and as good as cash because the maturity is only one month and are represented by the IA SBBI US 30 Day TBill TR index. Treasury Bills are secured by the full faith and credit of the U.S. Government and offer a fixed rate of return, while an investment in the stock market offers no such guarantee. Inflation history is represented by the IA SBBI US Inflation index. Investors cannot invest directly in any index.

INVEST WITH PROFESSIONAL MANAGEMENT

What Is a Mutual Fund?

A mutual fund is an opportunity for you, together with many other investors, to pool your money.

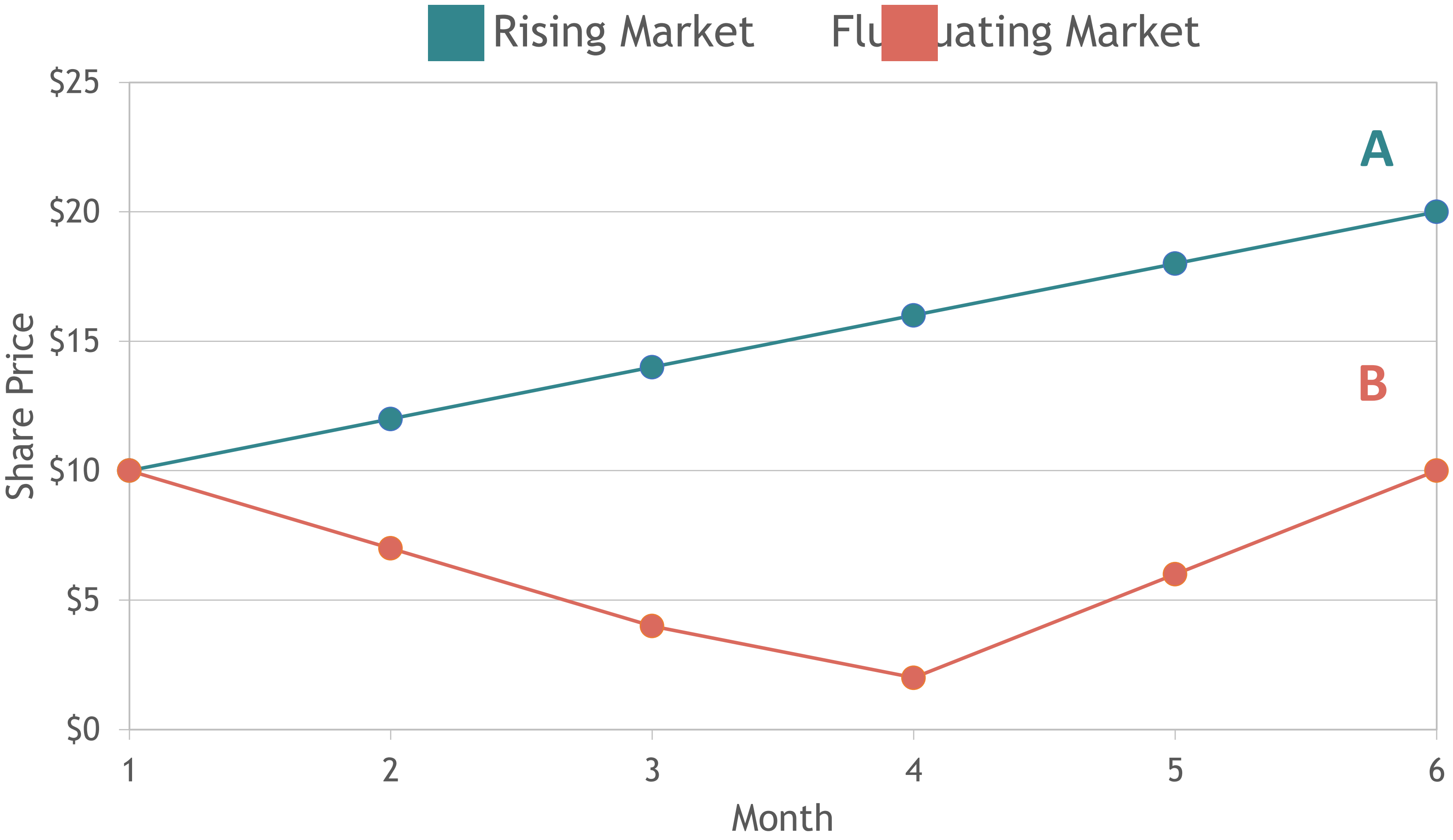
How a Mutual Fund Works

Investing entails risk including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

Who Do You Think Earned More Money?

Investor A
invests $100 a month in a rising market.

Investor B
invests $100 a month in a fluctuating market.



Dollar-cost averaging is a technique for lowering average cost per share over time. Dollar-cost averaging cannot assure a profit or protect against loss in declining markets. Investors should consider their ability to continue to invest in periods of low-price levels. These values are hypothetical and not intended to reflect any specific market period.

Investor A	$100/Month	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Number of Shares Accumulated
	Per Share:	$10.00	$12.00	$14.00	$16.00	$18.00	$20.00	-
	# of Shares:	10.00	8.33	7.14	6.25	5.56	5.00	42

Investor B	$100/Month	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Number of Shares Accumulated
	Per Share:	$10.00	$7.00	$4.00	$2.00	$6.00	$10.00	-
	# of Shares:	10.00	14.29	25.00	50.00	16.67	10.00	126

Amount Invested in 6 Months		Number of Shares Accumulated	Average Cost Per Share
A	$600	42.28	$14.19
B	$600	125.95	$4.76

The Three “Ds” of Investing

A good way to keep your focus on your goals is to remember the **three “Ds”** of investing:

- **Dollar-Cost Averaging**
- **Discipline**
- **Diversification**

Dollar-cost averaging does not assure a profit or protect against loss. Investors should consider their ability to continue investing during a declining market. Diversification does not assure a profit or protect against loss. Investing entails risk including loss of principal. Shares, when redeemed, may be worth more or less than their original value.

You Can Do It!

- The path to financial independence starts with understanding a few basic concepts — and implementing them.
- Winning the financial "war" is the result of winning tiny battles day-to-day.
- If you put together a simple plan and follow it, you'll be amazed at the progress you can make.

Thank You !!
- Contact Info -

- **If you send us your email, we will add you to our Complimentary Client Education Series zoom webinar – "Fix Your Finances 2020" – email Margaret at mrsrvp@yahoo.com**
- **If you would like to have a complimentary Financial Needs Analysis to assess your current financial situation & get solutions, please email Margaret or Ted at mrsrvp@yahoo.com to set up a free consultation.**
- **For any questions on your existing financial products i.e. debt, life insurance, investing, earn income – please feel free to call us at:**

Ted Johnson – (510) 409-8434 (m) (925) 844-4410 (o)

Margaret Johnson – (510) 520-3386 (m) (925) 844-4410 (o)

Endnotes

Securities offered by PFS Investments Inc.

Primerica representatives market term insurance underwritten by the following affiliated companies in these respective jurisdictions: National Benefit Life Insurance Company (Home Office: Long Island City, NY) in New York; Primerica Life Insurance Company (Executive Offices: Duluth, GA) in all other U.S. jurisdictions; Primerica Life Insurance Company of Canada (Home Office: Mississauga, ON) in Canada.

Primerica representatives are not financial or estate planners, or tax advisors and do not offer debt management, budget planning, credit counseling or legal advice.

An investor should consider a mutual fund's risks, investment objectives, and fee expenses carefully before investing. The prospectus contains this and other information about the mutual fund. You may obtain a prospectus from your PFS Investments representative or by contacting PFS Investments at 770-381-1000. You should read and consider the prospectus carefully before investing.

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www.primerica.com

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THANK YOU!

Margaret & Ted

BACHAC On-line Strategy Team

&Program Co-Chairs

Please complete the survey when you receive it.
Your feedback MATTERS!

New Taipei & the New Normal

A Case study of the New Taipei's approach to reopening
Panel: Senior Health Officers, Policy Makers & Strategic Partners

June 18, 2020

7-8:30pm (PDT)

Register Here

Be Safe & Be Counted

https://www.bachac.org/census-2020-media-center

https://cmo.smcgov.org/census-2020-san-mateo-county

THANK YOU!

To learn more about BACHAC go to www.bachac.org

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