

# Getting Your Financial House in Order

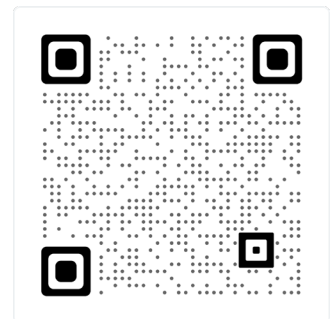
Presented to Beltway Church of Christ

**August 19, 2023**

**10:00 a.m. – 12:00pm**



**Saran T. Baker**  
**Owner, Covered by Saran**  
**[www.coveredbysaran.com](http://www.coveredbysaran.com)**



# Our mission

*To be Agents of Change for families regarding:*



**By providing financial education and empowerment to women and underserved communities...  
thereby building financial strength and unlimited opportunity.**



# HOW MONEY WORKS

## The Rule of 72

Example: \$10,000 Invested at Age 40

CDs, Credit Union  
Bank Savings  
1% Interest

$$72 \div 1\% = 72$$

At age:  
40 >>>>>▶ \$ 10,000



112 >>>>>▶ \$20,000

Stock Market  
10% Interest

$$72 \div 10\% = 7.2$$

At age:  
40 >>>>>▶ \$ 10,000  
47.2 >>>>>▶ \$20,000  
54.2 >>>>>▶ \$40,000  
61.4 >>>>>▶ \$80,000  
68.6 >>>>>▶ \$160,000

Equity Index  
8% Interest

$$72 \div 8\% = 9$$

At age:  
40 >>>>>▶ \$ 10,000  
49 >>>>>▶ \$ 20,000  
58 >>>>>▶ \$ 40,000  
67 >>>>>▶ \$ 80,000  
76 >>>>>▶ \$ 160,000



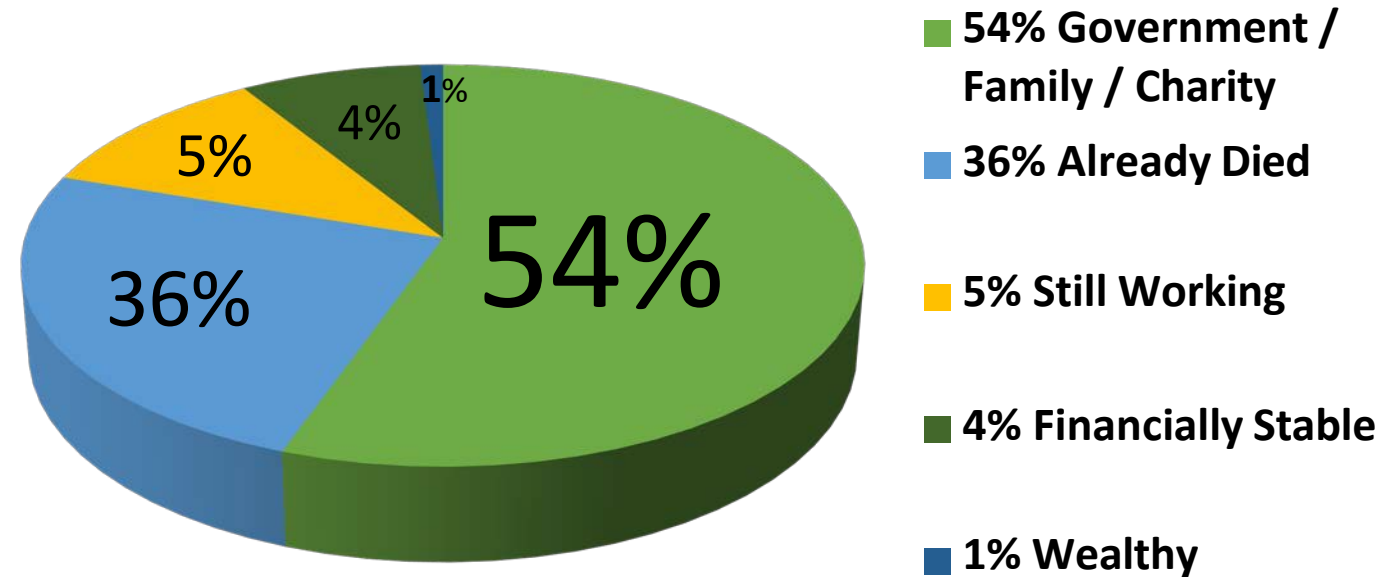
# Rule of 72

# Two Battles

## 100 Man Story

Annual Social Security Study

U.S. Population at age 65



# Two Battles

COVERED  
*By Sarah*

## Inflation

## Taxes



# 3 Phases of Retirement

Accumulation

Preservation

Distribution



# SMART Retirement Money Order

## 1. Free Money

- Inherited
- Matching TSP / 401(k) Money

## 2. Tax-free Money

- Roth IRA
- Life Insurance Cash Value\*



\*Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. Withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. Surrender charges may reduce the policy's cash value in early years.



# SMART Retirement Money Order

## 3. Tax Deferred Money

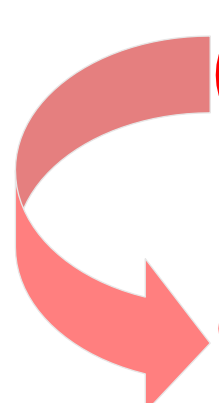
- Annuities
- Tax-Qualified Plans such as 401(k), TSP, 403(b), IRA, etc.

## 4. Taxable Money

- Wages
- Capital Gains
- Interest (1099, Savings, CDs)
- Social Security



# SMART Retirement Money Order

- 
1. Free Money
  2. Tax-free Money
  3. Tax Deferred Money
  4. Taxable Money

Any contribution above the match of your 401(k)/TSP becomes tax-deferred money, and skips over #2 completely.

## 3 Phases of Retirement

The *Wall Street Journal*, with information from the Federal Reserve, published an article on October 3, 2010, that said, “The richest Americans own over 55% of the tax-free investment gains built up in life insurance.” The article went on to say “permanent life insurance has become a tax shelter for the rich”.

Excerpt from “*Saving Middle America*”

By Anthony Stewart, Rich Rossi, Barbara Bolcavage

# Tax Free Program

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By Sarah

## Where Do We Find The Money For A TAX FREE Program?

Any contributions above the employer match for your 401k / TSP / 403b at work

Any money you are saving systematically in a bank account or credit union

Any money you are currently wasting on a weekly basis eating out, entertainment, etc...

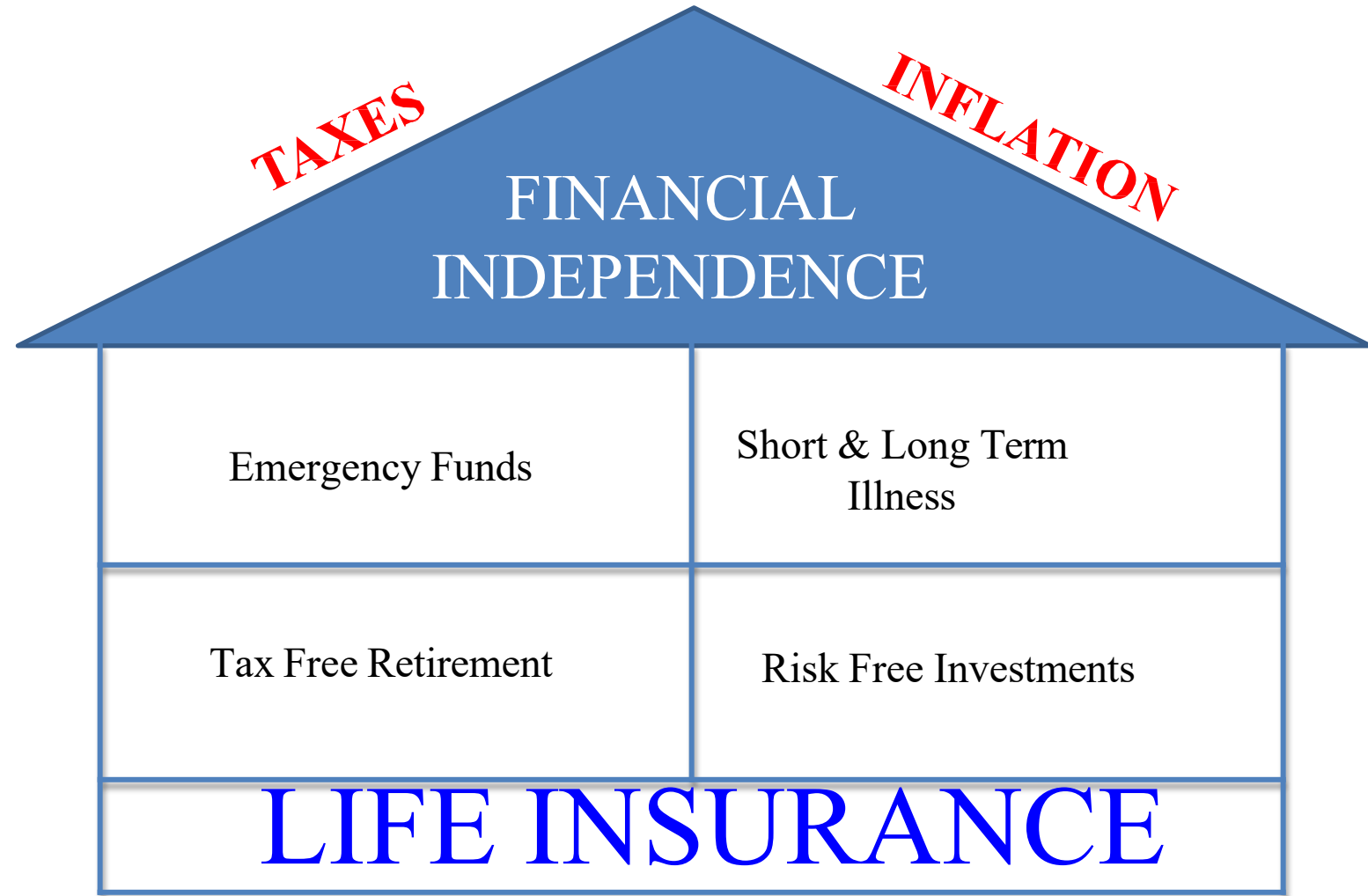
# GETTING YOUR FINANCIAL HOUSE IN ORDER

Please write down the following and rank them in order 1-5. Number 1 should be the FOUNDATION of your finances and then in the stack ranking order.

- Emergency Funds
- Tax Free Retirement
- Short- & Long-Term Illness
- Risk Free Investments
  - Life Insurance



# Getting Your Financial House In Order



# Term vs. Perm

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By Sarah

## Term Insurance (Rent)

- Low Cost Initially
- Cost Increases at Renewal
- No Cash Build Up
- Coverage Ends
- Terminal Illness Coverage
- Chronic Illness Coverage
- Critical Illness Coverage
- Critical Injury Coverage

## Permanent Insurance (Own)

- Higher Cost Initially
- Cost Remains Level
- Builds Cash Value
- Coverage Is Permanent
- Terminal Illness Coverage
- Chronic Illness Coverage
- Critical Illness Coverage
- Critical Injury Coverage
- Cash Value (Tax Free Growth)
  - ◇ ***Emergency Funds***
  - ◇ ***Educational Funds***
  - ◇ ***Wealth Building***
  - ◇ ***Retirement Funds***

# YOUR PRIVATE BANK

## 👛 Who uses this concept?

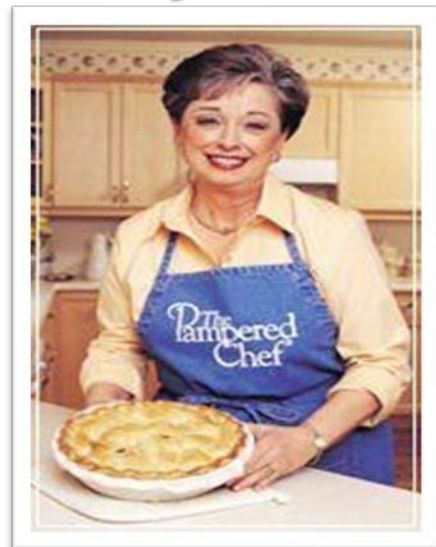
The wealthy, ordinary families who understand it, corporations, and banks.



**Walt Disney**

Disney

Turned down by traditional financing, Disney used a loan from his banking concept to finance his park.



**Doris Christopher**

The Pampered Chef

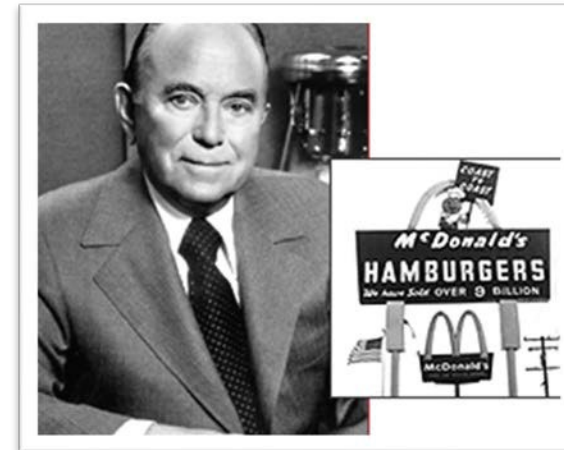
Doris had a dream that required cashflow. She borrowed \$3000 from her banking concept to start her company



**James C. Penney**

J.C. Penney

The Depression severely hurt his wealth, however his banking concept allowed the company to continue operations.



**Ray Croc**

McDonald's

To continue to build more stores, Ray used two loans against his banking concept to create McDonald's.



**Several**

US Presidents





Meet with me



Name: \_\_\_\_\_ Date: \_\_\_\_\_  
single\_\_ married\_\_ widowed\_\_ divorced\_\_ children\_\_

Spouse (if applicable) \_\_\_\_\_

Phone#: (Cell) \_\_\_\_\_ (Work): \_\_\_\_\_

Email: \_\_\_\_\_

Occupation: \_\_\_\_\_

Please **check** the appropriate line(s) below:

\_\_\_\_\_ I am interested in being contacted about more information on the following programs:

- |                           |                                      |                          |
|---------------------------|--------------------------------------|--------------------------|
| _____ FREE policy review  | _____ Life Insurance- "The New Kind" | _____ Medigap Policies   |
| _____ Disability Income   | _____ Long Term Care                 | _____ Retirement Funding |
| _____ College Funding     | _____ Mortgage Protection            | _____ IRA/Annuity        |
| _____ Tax Free Retirement | _____ Estate Distribution            | _____ Debt Elimination   |

*We conduct **workshops and events** that inform the community of the important products and services we offer. **Invite us to your church, group or private home party of 5 or more.** Know of someone else who would benefit from our information, give us their name and email address below.*

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Name: \_\_\_\_\_

Email: \_\_\_\_\_

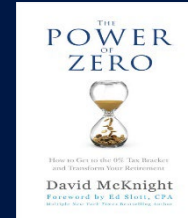
Name: \_\_\_\_\_

Email: \_\_\_\_\_

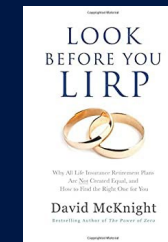
# Book Recommendations

COVERED  
*By Sarah*

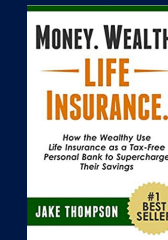
Power of Zero, David McKnight



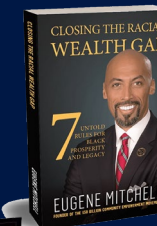
Look before you LIRP, David McKnight



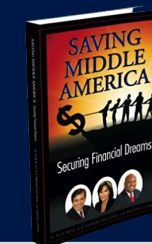
Money, Wealth Life Insurance, Jake Thompson



Closing the Wealth Gap, Eugene Mitchell

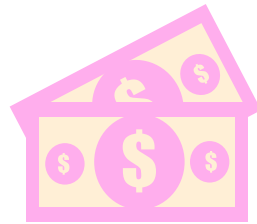


Saving Middle America, Anthony Stewart



# ADDITIONAL SERVICES

Your Free Gift



Debt Elimination

Private Banking

Tax Now, Tax Later,  
Tax Never Again



One-on-One  
Consultations

Financial Strategies

Tax Planning



Tax-Free Retirement  
Planning

College Planning

Legacy Planning

# CONTACT INFORMATION

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