

Jeff's Best Tips

The Five Timeless Principles of Investing

- 1) You've got to have a plan...
- 2) Be an owner, not a loaner...
- 3) It's about time...not timing...
- 4) Don't put all your eggs in one basket...it's smarter than you think it is....
- 5) We have found the enemy – and it is us...

Your Plan: Common Objectives and Goals

- 1) What's important about money to you? What is your vision and your personal / family mission? Are your financial decisions congruent with your vision and mission?
- 2) Picture yourself at the beginning of your retirement. What are you doing? What does it cost to do everything you're doing? And where is the money coming from?
- 3) To what extent do you want to intervene in the financial lives of your children?
- 4) Are you going to want to be (or need to be) financially involved in the lives of your grandchildren?
- 5) Do you expect to become financially responsible for your parents at some point?
- 6) Is there a particular institution (a church, school, a charity, etc) that means a great deal to you, and to which you would like to leave a meaningful legacy?

Your Plan: The Single Most Important Component – Saving Enough

Are you saving enough money now so that you achieve your goals? If you are not, no other part of your plan will compensate. To determine how much you should be saving, you must take into account: **A)** how much do you want to live on when you retire, **B)** how much you have currently saved, **C)** how much time do you have, **D)** a reasonable rate of return, and **E)** a reasonable rate of inflation. These online calculators can help you:

<http://www.Independent401kAdvisors.com/planning.htm>

Your Plan: How to Save Enough, Otherwise Known as *"The budget for those who hate to budget"*

- 1) Start *immediately* by increasing your saving rate by something: 1 to 3%.
- 2) Save an additional 2 to 5% each time you get a raise or change jobs.
- 3) Repeat step #2 each year until your savings rate is high enough to reach your goals (usually 15% to 20% of your gross income).

Your Plan: Where Should You Save Your Money?

- 1) Save at least enough in 401(k) or other employer-sponsored plan to get full employer match.
- 2) Fully fund a Roth IRA.
- 3) Return to your 401(k) or other employer-sponsored plan and max out contributions.
- 4) Save unlimited amounts into a tax-managed, non-retirement account.

Your Plan: Where are you now?

Rule of thumb: Your net-worth should approximately be:

Your Age multiplied by **your annual Income** divided by **10**

Your Plan: Insurance – Use it Properly, Protect Yourself and Save a Bundle

Use all types of insurance to protect against a major financial catastrophe – NOT relatively minor financial events. Follow this rule of thumb and you will:

- Be sufficiently protected against life's financial risks.
- Lower your insurance premiums dramatically.
- Avoid paying for insurance that is not in your best interests.

In the case of life insurance, do not use it for a savings plan, and usually never buy life insurance for children.

Suggested Reading

If you would like to do some reading on the principles taught today, we suggest:

- "The Five Lessons A Millionaire Taught Me About Life and Wealth", by Richard Paul Evans
- "Values Based Financial Planning", by Bill Bachrach
- "Simple Wealth, Inevitable Wealth", by Nick Murray

We're happy to sell these books to you at our cost. Contact us if you are interested.

About Jeff Salisbury

Jeff Salisbury is a well known financial educator in Northern Utah, and a principal of Independent 401(k) Advisors, a DBA of Beacon Financial Planning, LLC, a Registered Investment Advisory and wealth management firm. His public and employee workshops are widely attended. Jeff regularly teaches continuing education classes and advanced strategies to CPAs, Attorneys, and Financial Advisors – Jeff is an expert's expert. He has also taught personal finance classes at Utah State University. For the past 14 years, Jeff has done his own research and reveals the truth in his workshops about how many investors are led astray.



Mr. Salisbury regularly authors financial articles for various publications. Jeff started and hosts several internet discussion groups where thousands of people have learned to bulletproof their finances. He has helped hundreds of people create a comprehensive, lifetime plan so that regardless of what happens in the economy, they will, over time, reach their important financial goals and enjoy the things in life that are important to them. Specifically, people benefit from lower taxes, increased monthly income, and prudent and effective investing strategies.

Mr. Salisbury received his Bachelor degree in Mathematics from Weber State University in 1988 where he was named the "Outstanding Mathematics Student of 1988", and graduated *Summa Cum Laude*. He earned a Masters degree in Physics from the University of Utah in 1993.

Jeff is married to the former Jeannine Urie – they have 4 children. Jeff's hobby (when he's not helping people make smart choices with their money) is reading, staying fit, and hiking and fishing with his children.