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Money Personality Quiz

Circle the letter that best describes your probable action in each situation. Use the table on the back page to determine your money personality.

1. **If $20,000 came to me unexpectedly, my first impulse would be:**
    a. To spend it on things I really want, including gifts for others.
    b. To put it in my savings account.
    c. To feel so overwhelmed that I'd put off making decisions about it for a while.
    d. To feel so relieved that I could cover my daily expenses and pay back my debt.

2. **My goals about money are:**
    a. To save enough of it now so I never have to worry about my old age.
    b. I don't have goals; I just hope for the best.
    c. To have enough to ensure that I can buy whatever I want.
    d. I have goals, but I am concerned I won't achieve them.

3. **When it comes to following a budget:**
    a. I rework my budget often to figure out ways to have more money to save.
    b. I enjoy following mine closely.
    c. I hate the word budget. I prefer spending plan!
    d. I don't have a budget and never want one. My money will take care of itself.

4. **When it comes to spending money:**
    a. I lose sleep thinking/worrying that I won't have enough money to take care of unexpected expenses.
    b. I'd rather save my money than spend it. Spending money makes me nervous.
    c. I don't follow where my money goes and I don't want to. There are more important things in life.
    d. I tend to spend more than I earn.

5. **As far as credit cards are concerned:**
    a. I prefer not to have credit cards at all. I have one and pay the balance off monthly.
    b. I tend to use credit cards often and make the minimum payment.
    c. I don't mind using credit cards as long as I can pay them off quickly.
    d. I don't take much notice of my credit cards. I often forget to pay even the minimum payment until I get a warning notice.

6. **When it comes to providing for emergencies:**
    a. I don't have enough saved to provide for emergencies; I just hope for the best!
    b. I keep thinking that I'll have enough to start saving for emergencies soon, but I'm not quite there.
    c. I've put aside a sizeable amount for emergencies, but I'll still worry about them!
    d. I try to save regularly for an emergency fund.

Money Personality Quiz

7. **When I want a certain item, but it's not within my budget:**
    a. I will decide that I don't really want it.
    b. If I want it, I will buy it. I can figure out a way to pay for it later.
    c. If the item is important enough, I will buy it. If not, I will forget about it and try not to give it much thought.
    d. I may buy it, but I'll worry about how to pay it off.

8. **When I'm feeling down in the dumps, spending money:**
    a. Is the last thing I want to do; putting more money in savings might lift my spirits.
    b. Always cheers me up.
    c. Is not what I think about to cheer myself up.
    d. Just gives me more things to be anxious about.

9. **I would take a bank loan under these circumstances:**
    a. To pay off debts or go on vacation.
    b. To buy a home or set up/expand a business.
    c. I hope I never have to borrow money because I don't like dealing with more bills.
    d. I resist borrowing money; I worry about how I will pay it back.

10. **If I won a million dollars in the lottery, my first reaction would be:**
    a. To be very happy & pleased, and very relieved about my future security.
    b. To be totally overwhelmed. I would have no idea how to handle it.
    c. To feel shocked, a bit overwhelmed; and confused about how I can use it.
    d. To be wildly excited, realizing that from now on I could buy anything I wanted.

Circle your answer from the corresponding questions above. The keys in this table help identify your primary money personality.

1.	a) Spender	b) Saver	c) Avoider	d) Worrier
2.	a) Saver	b) Avoider	c) Spender	d) Worrier
3.	a) Worrier	b) Saver	c) Spender	d) Avoider
4.	a) Worrier	b) Saver	c) Avoider	d) Spender
5.	a) Saver	b) Spender	c) Worrier	d) Avoider
6.	a) Avoider	b) Spender	c) Worrier	d) Saver
7.	a) Saver	b) Spender	c) Avoider	d) Worrier
8.	a) Saver	b) Spender	c) Avoider	d) Worrier
9.	a) Spender	b) Saver	c) Avoider	d) Worrier
10.	a) Saver	b) Avoider	c) Worrier	d) Spender

What does your money personality say about you?

<u>Saver:</u> Likes to save money, has financial goals, sets priorities, makes budgets and tends to consider luxuries frivolous. Savers may be considered tight-fisted.

<u>Spender:</u> Enjoys using money and spends it freely on items that offer pleasure for self and others. Spenders may end up with financial problems such as overdrawn credit limits.

<u>Money Avoiders:</u> Delays dealing with issues related to money to the last minute or is late altogether. Hate schedules or budgets and often feels overwhelmed. Delays doing tax returns and often forced to pay unnecessary fines.

<u>Money Worrier:</u> Uses excessive energy worrying about finances regardless of the financial resources available.

Your beliefs and personality about money likely stems from your family background. You may have adopted or rejected your parents' attitudes and beliefs. You may have disliked your family's financial situation and rebelled against it or you carry your parents' fear in your current life. See illustrated below:

- Doris, a successful business woman, had a deep-seated fear of ending up a "bag lady." She came from an Eastern European background. Her father worked as a tailor and the family must made "ends meet." Only when she amassed $1 million in investments and real estate did her fears subside.

Difficulties in relationships emerge when conflicting money personalities and belief systems join.

Some combinations complement each other, such as a saver and an avoider, but such a balance requires open, thorough discussion. If a saver marries a spender, they will have a conflict about money and its use. Relationships, both personal and business, can be greatly enhanced by becoming aware of our partner's values and personalities around money.

We can use our spending patterns and "money personalities" to help us clarify and perhaps change what is really important to us. Our material world reflects our values and beliefs.

<u>Why Financial Literacy for Christians?</u>

In my 15 years of teaching finances, I have observed that the body of Christ does not understand God's will concerning finances. Understanding the will of God for our finances is fundamental to our success. Regardless of age, ethnicity or income level, God's will is for you to have abundance financially.

God has promised to bless us just like He blessed those that believed in Him in times past. We, however, have been brainwashed to believe that God will bless us with little or none of our involvement. That is why most people are waiting for God to rain money down from heaven. When, in reality, there are laws that govern wealth creation and wealth management. If we learn these principles, we are able to enjoy the benefits of wealth that God designed for us to have. For a long time we have been contained and brought up to think that wealth is reserved for select individuals.

We want to announce to you that God wants us to have what we need and to have abundance so we can help others. Creating abundance is not an event, but something that we all must consistently work on to produce the results of God's word concerning true prosperity. Why must you have abundance, you might ask?

We must all have abundance to take care of God's house, to take care of our house, to leave inheritance for our children to help others.

Let us look to the word of God to get a clear understanding.

1. **To take care of God's house**
   What if you came to church and there was no air conditioning on a hot summer day? What if you had to stand during the whole service because there were no chairs in the building? What if the lights were out and you had to squint to see? You would not have the best worship experience, would you? As a parishioner, you would probably shift your focus to the inconvenience and not engage in worship. God's house has specific needs that we are supposed to meet.

2. **To take care of your house**
   As a parent, father or mother, we want to know that we can provide for our children with everything they need to be successful, such as sending them to good schools. We want them to experience exposures in their lives that are life changing. The Bible warned us in 1 Timothy 5:8, "But if any provider not for his own, and especially for those of his own house, he hath denied the faith and is worse than an infidel."

3. **Your children's children**
   The third reason why we must have more than enough is so we can leave an inheritance for our children. As parents, we sometimes say, "I'm not leaving my children anything." "My father didn't leave me anything, so why should I?" "they must fend for themselves just like I did." We perpetuate a life struggle for each generation as our children have to start from scratch. In other cultures, the expectation is that children will take care of their parents, rather than the parents being a blessing to them.

   The word of God says in Proverbs 13:22, "A good man leaves an inheritance to his children's children." Can you imagine how much better life would have been if your parents had left you a house and some money? You wouldn't have to start from scratch to build generational wealth. Imagine what that kind of decision can do for generations to come?

4. **To help others**
   Another reason why Christians need to have abundance is in order to help others. Blood washed believers have a responsibility to help fellow believers when they are in need. The Bible is clear in Proverbs 19:17, "He that hath pity upon the poor lendeth unto the Lord; and that which he hath given will He pay him again." Sometimes we are not able to give as we would like because we have just enough for ourselves.

   Paul says in James that it is not enough just to say to a hungry person "be fed". But when you demonstrate the love of God by buying food for the hungry then we make the gospel believable and when people see us doing these things it bring glory to the Father.

   We love to quote Luke 10:33, The Parable of the Good Samaritan. But when we analyze it further, we find that it was not enough that he had compassion on the man who had been beaten. The Samaritan also had money to secure lodging at the inn and to pay the inn keeper to provide whatever the beaten man needed while he (the Samaritan) was away.

Will you Take Radical Responsibility for Your Future?

Challenge: Become the CEO and Chief Financial Officer, CFO of Your Personal Economy!!

Spending Plan Worksheet

Instructions: 1. Calculate monthly net income in box 1

2. Estimate monthly expenses (sum of fixed (2a), controllable (2b) and monthly portion of periodic expenses (2c)

3. Compare income and expenses and make adjustments

1. Monthly Net Income

Net* monthly wages	$2,275
Net monthly wages of others in home	$1,500
Public assistance/foodstamps	$
Unemployment/disability	$
Child Support/alimony	$
Social Security/retirement	$
Other	$
Other	$
Total monthly net income	$3,775

* After tax withholdings and other deductions

3. Compare Income & Expenses

Net* monthly Income		$3,775
Estimated expenses:		
Fixed..............................	$1,580	
Controllable....................	$1,995	
Periodic..........................	$200	
(monthly portion)		
	minus	$3,775
	Balance	$0.00

2c. Periodic expenses

These are expenses that come up once or twice a year. Fill in the estimated costs under the month they are due. Taxes, insurance premiums, auto servicing, tires, license, birthdays and holidays, educational costs, vacations, etc. Do not include taxes withheld from your paycheck, but do include estimated tax payments you make to the IRS. Add your total yearly periodic expenses and divide by 12 to determine the monthly portion.

Jan	$ -	July	$ -
Feb	$ -	Aug	$ -
Mar	$ -	Sept	$ -
Apr	$600	Oct	$600
May	$ -	Nov	$ -
June	$ -	Dec	$1,200
Subtotal	$600	Subtotal	$1,800

$$\frac{\text{Total Periodic Expenses}}{12} = \text{Monthly portion periodic expenses } \$200$$

What I Spend

Expenses	Due Date	Monthly Payment	Debt % Rate	Pay Off Amount
Charity Giving				
Saving				
Rent/Mortgage				
Electric				
Water				
Gas				
Trash				
Telephone				
Internet				
Cable				
Car Note				
Gas/Bus/Parking				
Oil Change				
Car Insurance				
Visa				
Master Card				
Discover				
American Express				
Department Stores				
Education Loans				
Other Loans				
Bank Loans				
Family/Friends				
Life Insurance				
Homeowners Insu.				
Medical/Dental Exp.				
Prescriptions				
Groceries-Eating Out				
Clothing/Dry Clean				
Gifts				
Household Items				
Liquor/Tobacco				
Cosmetics				
Barber/Beauty				
Books/Magazines				
Allowances				
Music Lessons				
Subscriptions				
Education				
Miscellaneous				
Child Care				
Legal				
Counseling				
Professional Dues				

Total Monthly Income $__________

Total Monthly Expenses $__________

Cashflow (–/+) $__________

Implementation

Paycheck 1 (Bills due from 1st – 14th)
Income:
Expense:
Cashflow

Paycheck 2 (Bills due from 15th – 31st)
Income:
Expenses:
Cashflow:

Paycheck 3
Income:
Expenses:
Cashflow:

Paycheck 4
Income:
Expenses:
Cashflow:

Spending Plan Worksheet

2a. Fixed expenses

Housing		
	Rent or Mortgage	$700
	Insurance/Taxes*	$ -
Utilities		
	Telephone	$100
	Heat	$50
	Electricity	$50
	Trash/garbage	$-
	Water	$40
	Sewer	$-
	Cable	$100
	Other:	$-
Credit Card Payments		
Visa		$50
Master Card		$20
Department Stores		$20
Auto		
	Loan Payment	$350
	Insurance*	$-
	License	$-
Child Support/Alimony		$-
Life Insurance		$-
Other		
Education Loans		$100
		$-
		$-
Total Monthly Estimated Fixed Expenses		$1,580

2b. Controllable expenses

Food		
	Groceries	$600
	Food eaten out	$200
Household Expenses		
	Repairs & supplies	$50
	Furnishings & appliances	$-
	Outside upkeep	$-
Transportation		
	Gas and repairs	$192
	Other transportation	$-
Personal/Medical Care		$250
Educational/Reading		$-
Travel & Entertainment		$-
Child/Elder Care		$150
Charity/Gifts/Special Expenses		$388
Clothing		$40
Savings		$-
Other		$125
Total Monthly Estimated Fixed Expenses		$1,995

*Monthly portion of premiums if NOT paid by employer OR automatically deducted from your paycheck OR listed with your periodic expenses on page 2.

What I Spend

EARNINGS/INCOME PER MONTH			TOTALS
Salary #1 (net take-home)		$2,275.00	
Salary #2 (net take-home)		$1,500.00	
Other (less taxes)			
TOTAL MONTHLY INCOME			**$3,775.00**
	% Guide		
1. GIVING			
Church		$378.00	
Other Contributions			
			$378.00
2. SAVING	5-10%		
Emergency			
Replacement			
Long Term			
			$0.00
3. DEBT	0-10%		
Credit Cards:			
	Visa	$50.00	
	Master Card		
	Discover		
	American Express		
	Gas Cards	$20.00	
	Department Stores	$20.00	
Edcuation Loans		$100.00	
Other Loans:			
	Bank Loans		
	Credit Union		
	Family/Friends		
	Other		
			$190.00
4. HOUSING	25-38%		
Mortgage/Taxes/Rent		$700.00	
Maintenance/Repairs		$50.00	
Utilities:			
	Electric	$50.00	
	Gas	$50.00	
	Water	$40.00	
	Trash		
	Telephone/Internet	$100.00	
	Cable TV/Satelite	$100.00	
	Other		
			$1,090.00
5. AUTO/TRANSPORTATION	12-15%		
Car Payment/License		$350.00	
Gas & Bus/Train/Parking		$167.00	
Oil/Lube/Maintenance		$25.00	
			$542.00

6. INSURANCE (paid by you)		5%		
Auto			$100.00	
Homeowners			$100.00	
Life				
Medical/Dental				
Other				
				$200.00
7. HOUSEHOLD/PERSONAL		15-25%		
Groceries			$600.00	
Clothes/Dry Cleaning			$40.00	
Gifts			$10.00	
Household Items				
Personal:				
	Liquor/Tobacco			
	Cosmetics			
	Barber/Beauty		$50.00	
Other:				
	Books/Magazines			
	Allowances			
	Music Lessons			
	Personal Technology			
	Education			
	Miscellaneous			
				$700.00
8. ENTERTAINMENT		5-10%		
Going Out:				
	Meals		$200.00	
	Movies/Events		$25.00	
	Baby-sitting		$50.00	
Travel (Vacation/Trips)				
Other:				
	Fitness/Sports			
	Hobbies			
	Media Rental			
	Other			
				$275.00
9. PROFESSIONAL SERVICES		5-15%		
Child Care			$100.00	
Medical/Dental/Prescriptions			$250.00	
Other:				
	Legal			
	Counseling			
	Professional Dues			
				$350.00
10. MISC. SMALL CASH EXPENDITURES		2-3%		**$50.00**
TOTAL EXPENSES				**$3,775.00**
TOTAL MONTHLY INCOME				$3,775.00
LESS TOTAL EXPENSES				-$3,775.00
INCOME OVER/(UNDER) EXPENSES				$0.00

*This is a % of total monthly income. These are guidelines only and may be different for individual situations. However, there should be good rationale for a significant variance.

GIFT LIST

List the names of those for whom you buy gifts and the amounts you typically spend on each occasion.*

NAME	BIRTHDAY	CHRISTMAS	ANNIVERSARY	OTHER
1 Spouse 1				
2 Spouse 2				
3 Child 1	$60.00	$60.00		
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
TOTAL	$60.00	$60.00	$0.00	$0.00

GRAND TOTAL: **$120.00** **(of all columns)**

MONTHLY AVERAGE: **$10.00** **(grand total divided by 12)**

*You may wish to also include the cost of holiday decorations, entertainment, etc.

DEBT REDUCTION PLAN

Item	Amount Owed	Interest	Minimum Monthly Payment	Additional Payment $__________	Payment Plan and Pay-off Dates 1 Month	2 Month	6 Months	6 Months	11 Months	43 Months
Gas Cards	$270.00	12.90%	$20.00	$250.00	$270.00					
Department Store	$600.00	22.40%	$20.00		$20.00	$290.00				
Visa	$2,190.00	17.80%	$50.00		$50.00	$50.00	$340.00			
Auto Loan	$7,290.00	4.90%	$350.00		$350.00	$350.00	$350.00	$690.00		
Education Loan	$10,190.00	6.50%	$100.00		$100.00	$100.00	$100.00	$100.00	$790.00	
Mortgage	$82,270.00	3.50%	$700.00		$700.00	$700.00	$700.00	$700.00	$700.00	$1,490.00
Total	$102,810.00		$1,240.00	$250.00	$1,490.00	$1,490.00	$1,490.00	$1,490.00	$1,490.00	$1,490.00

*The first and second columns list to whom the debt is owed and the amount owed. Debts are listed in order of lowest to highest amount.

*The third and fourth colums list the interest rate and the minimum monthly payment for each debt.

*The fifth column indicates the amount of additional payment above the minimum that can be made and adds that amount to the minimum payment for the first (smallest) debt listed.

*The remaining columns show how, as each debt is paid, the payment for it is rolled down to the next day. Pay-off dates can be calculated in advance or simply recorded as they are achieved.

IMPLEMENTATION ISSUES

More Than One Paycheck Per Month

Instructions:
1. Place a check mark in the far left column that have been paid via debit, credit, check or autodraft.
2. "Spending Plan" Column, enter the monthly amount you will spend for each category.
3. "1st Paycheck" Column, half of the monthly giving and for the mortgage are paid out of the 1st Paycheck via debit, credit, check or autodraft. The remainder of the check is used for half of the allocation for gas, food, entertainment and a portion of household/miscellaneous items.
4. "2nd Paycheck" Column, 2nd half of monthly giving, saving, utilities, telephone, auto payment and debt repayment are paid via debit, credit, check or autodraft. The remainder of the check is used to cover any remaining balances.

	Item	Spending Plan ($)	1st Paycheck ($)	2nd Paycheck ($)
✓	Giving	$378.00	$189.00	$189.00
	Saving	$250.00	$125.00	$125.00
✓	Mortgage	$700.00	$700.00	
✓	Utilities	$240.00		$240.00
	Telephone	$100.00		$100.00
	Auto Payment	$350.00		$350.00
	Debt Repayment	$190.00		$190.00
	Clothes	$165.00	$165.00	
	Gifts	$10.00		$10.00
	Gas	$192.00	$96.00	$96.00
	Food	$800.00	$400.00	$400.00
	Household Misc.	$50.00		$50.00
	Entertainment	$150.00	$75.00	$75.00
	Misc. - Small Exp.	$200.00	$100.00	$100.00
	Total	**$3,775.00**	**$1,850.00**	**$1,925.00**

✓ **=paid by check/debit/autodraft**

Making a one-time plan for how each paycheck will be allocated and simply referring to it each payday can be a wonderful way to ease the anxiety over questions like, "Which bill do I pay now?" and "Do I have enough for food and gas?"

Net Worth Calculation Form

As of ______________________________ (date)

Assets

Current liquid assets	**Value**
Cash on hand	$22.00
Checking account	$350.00
Savings account	
Certificates of deposit	
Money owed you	
Tax refund due	$3,000.00
Cash value of life insurance	
Stocks/bonds	
Mutual fund shares	
Other: ____________	
Total liquid assets	**$3,372.00**

Fixed assets	
Automobiles	$10,000.00
Home	$86,000.00
Personal property	
Other: ____________	
Total fixed assets	**$96,000.00**

Retirement assets	
401(k), 403(b)	$11,100.00
IRA	
Other: ____________	
Total deferred assets	**$11,100.00**
Total assets	**$110,472.00**

*This document is for personal use only and is not to be returned or given to your Financial Advisor.

Liabilities

Current liabilities	**Amount Owed**
Auto loan	$7,290.00
Installment debt	$10,190.00
Personal loan	
Credit cards	$3,060.00
Mortgage loan	$82,270.00
Insurance due	
Taxes due	
Other: ____________	
Total liabilities	**$102,810.00**

Calculate your current net worth by subtracting your total liabilities from your assets.

Net worth

Total assets		**$110,472.00**
Total liabilities	**minus**	**-$102,810.00**
Net worth	**equals**	**$7,662.00**

Form **W-4**

Department of the Treasury
Internal Revenue Service

Employee's Withholding Certificate

Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
Give Form W-4 to your employer.
Your withholding is subject to review by the IRS.

OMB No. 1545-0074

2024

Step 1: Enter Personal Information

(a) First name and middle initial	Last name	**(b) Social security number**
Address		**Does your name match the name on your social security card?** If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to *www.ssa.gov*.
City or town, state, and ZIP code		

(c)
- ☐ **Single** or **Married filing separately**
- ☐ **Married filing jointly** or **Qualifying surviving spouse**
- ☐ **Head of household** (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)

Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, and when to use the estimator at *www.irs.gov/W4App*.

Step 2: Multiple Jobs or Spouse Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.

Do **only one** of the following.

(a) Use the estimator at *www.irs.gov/W4App* for most accurate withholding for this step (and Steps 3–4). If you or your spouse have self-employment income, use this option; **or**

(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below; **or**

(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is generally more accurate than (b) if pay at the lower paying job is more than half of the pay at the higher paying job. Otherwise, (b) is more accurate . . . . ☐

Complete Steps 3–4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3–4(b) on the Form W-4 for the highest paying job.)

Step 3: Claim Dependent and Other Credits

If your total income will be $200,000 or less ($400,000 or less if married filing jointly):

Multiply the number of qualifying children under age 17 by $2,000 $ ________

Multiply the number of other dependents by $500 . . . . . $ ________

Add the amounts above for qualifying children and other dependents. You may add to this the amount of any other credits. Enter the total here . . . . **3** $

Step 4 (optional): Other Adjustments

(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income . . . . **4(a)** $

(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . . . **4(b)** $

(c) Extra withholding. Enter any additional tax you want withheld each **pay period** . . **4(c)** $

Step 5: Sign Here

Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

Employee's signature (This form is not valid unless you sign it.) **Date**

Employers Only

Employer's name and address	First date of employment	Employer identification number (EIN)

General Instructions

Section references are to the Internal Revenue Code.

Future Developments

For the latest information about developments related to Form W-4, such as legislation enacted after it was published, go to *www.irs.gov/FormW4*.

Purpose of Form

Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. If too little is withheld, you will generally owe tax when you file your tax return and may owe a penalty. If too much is withheld, you will generally be due a refund. Complete a new Form W-4 when changes to your personal or financial situation would change the entries on the form. For more information on withholding and when you must furnish a new Form W-4, see Pub. 505, Tax Withholding and Estimated Tax.

Exemption from withholding. You may claim exemption from withholding for 2024 if you meet both of the following conditions: you had no federal income tax liability in 2023 **and** you expect to have no federal income tax liability in 2024. You had no federal income tax liability in 2023 if (1) your total tax on line 24 on your 2023 Form 1040 or 1040-SR is zero (or less than the sum of lines 27, 28, and 29), or (2) you were not required to file a return because your income was below the filing threshold for your correct filing status. If you claim exemption, you will have no income tax withheld from your paycheck and may owe taxes and penalties when you file your 2024 tax return. To claim exemption from withholding, certify that you meet both of the conditions above by writing "Exempt" on Form W-4 in the space below Step 4(c). Then, complete Steps 1(a), 1(b), and 5. Do not complete any other steps. You will need to submit a new Form W-4 by February 15, 2025.

Your privacy. Steps 2(c) and 4(a) ask for information regarding income you received from sources other than the job associated with this Form W-4. If you have concerns with providing the information asked for in Step 2(c), you may choose Step 2(b) as an alternative; if you have concerns with providing the information asked for in Step 4(a), you may enter an additional amount you want withheld per pay period in Step 4(c) as an alternative.

When to use the estimator. Consider using the estimator at *www.irs.gov/W4App* if you:

1. Expect to work only part of the year;

2. Receive dividends, capital gains, social security, bonuses, or business income, or are subject to the Additional Medicare Tax or Net Investment Income Tax; or

3. Prefer the most accurate withholding for multiple job situations.

Self-employment. Generally, you will owe both income and self-employment taxes on any self-employment income you receive separate from the wages you receive as an employee. If you want to pay these taxes through withholding from your wages, use the estimator at *www.irs.gov/W4App* to figure the amount to have withheld.

Nonresident alien. If you're a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Specific Instructions

Step 1(c). Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

Step 2. Use this step if you (1) have more than one job at the same time, or (2) are married filing jointly and you and your spouse both work.

Option **(a)** most accurately calculates the additional tax you need to have withheld, while option **(b)** does so with a little less accuracy.

Instead, if you (and your spouse) have a total of only two jobs, you may check the box in option **(c)**. The box must also be checked on the Form W-4 for the other job. If the box is checked, the standard deduction and tax brackets will be cut in half for each job to calculate withholding. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld, and this extra amount will be larger the greater the difference in pay is between the two jobs.

CAUTION *__Multiple jobs.__ Complete Steps 3 through 4(b) on only one Form W-4. Withholding will be most accurate if you do this on the Form W-4 for the highest paying job.*

Step 3. This step provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 501, Dependents, Standard Deduction, and Filing Information. You can also include **other tax credits** for which you are eligible in this step, such as the foreign tax credit and the education tax credits. To do so, add an estimate of the amount for the year to your credits for dependents and enter the total amount in Step 3. Including these credits will increase your paycheck and reduce the amount of any refund you may receive when you file your tax return.

Step 4 (optional).

Step 4(a). Enter in this step the total of your other estimated income for the year, if any. You shouldn't include income from any jobs or self-employment. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than having tax on other income withheld from your paycheck, see Form 1040-ES, Estimated Tax for Individuals.

Step 4(b). Enter in this step the amount from the Deductions Worksheet, line 5, if you expect to claim deductions other than the basic standard deduction on your 2024 tax return and want to reduce your withholding to account for these deductions. This includes both itemized deductions and other deductions such as for student loan interest and IRAs.

Step 4(c). Enter in this step any additional tax you want withheld from your pay **each pay period**, including any amounts from the Multiple Jobs Worksheet, line 4. Entering an amount here will reduce your paycheck and will either increase your refund or reduce any amount of tax that you owe.

Step 2(b)—Multiple Jobs Worksheet *(Keep for your records.)*

If you choose the option in Step 2(b) on Form W-4, complete this worksheet (which calculates the total extra tax for all jobs) on **only ONE** Form W-4. Withholding will be most accurate if you complete the worksheet and enter the result on the Form W-4 for the highest paying job. To be accurate, submit a new Form W-4 for all other jobs if you have not updated your withholding since 2019.

Note: If more than one job has annual wages of more than $120,000 or there are more than three jobs, see Pub. 505 for additional tables; or, you can use the online withholding estimator at *www.irs.gov/W4App*.

1 **Two jobs.** If you have two jobs or you're married filing jointly and you and your spouse each have one job, find the amount from the appropriate table on page 4. Using the "Higher Paying Job" row and the "Lower Paying Job" column, find the value at the intersection of the two household salaries and enter that value on line 1. Then, **skip** to line 3 . . . . **1** $ ______

2 **Three jobs.** If you and/or your spouse have three jobs at the same time, complete lines 2a, 2b, and 2c below. Otherwise, skip to line 3.

a Find the amount from the appropriate table on page 4 using the annual wages from the highest paying job in the "Higher Paying Job" row and the annual wages for your next highest paying job in the "Lower Paying Job" column. Find the value at the intersection of the two household salaries and enter that value on line 2a . . . . **2a** $ ______

b Add the annual wages of the two highest paying jobs from line 2a together and use the total as the wages in the "Higher Paying Job" row and use the annual wages for your third job in the "Lower Paying Job" column to find the amount from the appropriate table on page 4 and enter this amount on line 2b . . . . **2b** $ ______

c Add the amounts from lines 2a and 2b and enter the result on line 2c . . . . **2c** $ ______

3 Enter the number of pay periods per year for the highest paying job. For example, if that job pays weekly, enter 52; if it pays every other week, enter 26; if it pays monthly, enter 12, etc. . . . . . . **3** ______

4 **Divide** the annual amount on line 1 or line 2c by the number of pay periods on line 3. Enter this amount here and in **Step 4(c)** of Form W-4 for the highest paying job (along with any other additional amount you want withheld) . . . . **4** $ ______

Step 4(b)—Deductions Worksheet *(Keep for your records.)*

1 Enter an estimate of your 2024 itemized deductions (from Schedule A (Form 1040)). Such deductions may include qualifying home mortgage interest, charitable contributions, state and local taxes (up to $10,000), and medical expenses in excess of 7.5% of your income . . . . **1** $ ______

2 Enter:
- $29,200 if you're married filing jointly or a qualifying surviving spouse
- $21,900 if you're head of household
- $14,600 if you're single or married filing separately

. . . . . . **2** $ ______

3 If line 1 is greater than line 2, subtract line 2 from line 1 and enter the result here. If line 2 is greater than line 1, enter "-0-" . . . . **3** $ ______

4 Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments (from Part II of Schedule 1 (Form 1040)). See Pub. 505 for more information . . . . **4** $ ______

5 **Add** lines 3 and 4. Enter the result here and in **Step 4(b)** of Form W-4 . . . . **5** $ ______

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person with no other entries on the form; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation; to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Married Filing Jointly or Qualifying Surviving Spouse

Higher Paying Job Annual Taxable Wage & Salary	Lower Paying Job Annual Taxable Wage & Salary											
	$0 - 9,999	$10,000 - 19,999	$20,000 - 29,999	$30,000 - 39,999	$40,000 - 49,999	$50,000 - 59,999	$60,000 - 69,999	$70,000 - 79,999	$80,000 - 89,999	$90,000 - 99,999	$100,000 - 109,999	$110,000 - 120,000
$0 - 9,999	$0	$0	$780	$850	$940	$1,020	$1,020	$1,020	$1,020	$1,020	$1,020	$1,370
$10,000 - 19,999	0	780	1,780	1,940	2,140	2,220	2,220	2,220	2,220	2,220	2,570	3,570
$20,000 - 29,999	780	1,780	2,870	3,140	3,340	3,420	3,420	3,420	3,420	3,770	4,770	5,770
$30,000 - 39,999	850	1,940	3,140	3,410	3,610	3,690	3,690	3,690	4,040	5,040	6,040	7,040
$40,000 - 49,999	940	2,140	3,340	3,610	3,810	3,890	3,890	4,240	5,240	6,240	7,240	8,240
$50,000 - 59,999	1,020	2,220	3,420	3,690	3,890	3,970	4,320	5,320	6,320	7,320	8,320	9,320
$60,000 - 69,999	1,020	2,220	3,420	3,690	3,890	4,320	5,320	6,320	7,320	8,320	9,320	10,320
$70,000 - 79,999	1,020	2,220	3,420	3,690	4,240	5,320	6,320	7,320	8,320	9,320	10,320	11,320
$80,000 - 99,999	1,020	2,220	3,620	4,890	6,090	7,170	8,170	9,170	10,170	11,170	12,170	13,170
$100,000 - 149,999	1,870	4,070	6,270	7,540	8,740	9,820	10,820	11,820	12,830	14,030	15,230	16,430
$150,000 - 239,999	1,960	4,360	6,760	8,230	9,630	10,910	12,110	13,310	14,510	15,710	16,910	18,110
$240,000 - 259,999	2,040	4,440	6,840	8,310	9,710	10,990	12,190	13,390	14,590	15,790	16,990	18,190
$260,000 - 279,999	2,040	4,440	6,840	8,310	9,710	10,990	12,190	13,390	14,590	15,790	16,990	18,190
$280,000 - 299,999	2,040	4,440	6,840	8,310	9,710	10,990	12,190	13,390	14,590	15,790	16,990	18,380
$300,000 - 319,999	2,040	4,440	6,840	8,310	9,710	10,990	12,190	13,390	14,590	15,980	17,980	19,980
$320,000 - 364,999	2,040	4,440	6,840	8,310	9,710	11,280	13,280	15,280	17,280	19,280	21,280	23,280
$365,000 - 524,999	2,720	6,010	9,510	12,080	14,580	16,950	19,250	21,550	23,850	26,150	28,450	30,750
$525,000 and over	3,140	6,840	10,540	13,310	16,010	18,590	21,090	23,590	26,090	28,590	31,090	33,590

Single or Married Filing Separately

Higher Paying Job Annual Taxable Wage & Salary	Lower Paying Job Annual Taxable Wage & Salary											
	$0 - 9,999	$10,000 - 19,999	$20,000 - 29,999	$30,000 - 39,999	$40,000 - 49,999	$50,000 - 59,999	$60,000 - 69,999	$70,000 - 79,999	$80,000 - 89,999	$90,000 - 99,999	$100,000 - 109,999	$110,000 - 120,000
$0 - 9,999	$240	$870	$1,020	$1,020	$1,020	$1,540	$1,870	$1,870	$1,870	$1,870	$1,910	$2,040
$10,000 - 19,999	870	1,680	1,830	1,830	2,350	3,350	3,680	3,680	3,680	3,720	3,920	4,050
$20,000 - 29,999	1,020	1,830	1,980	2,510	3,510	4,510	4,830	4,830	4,870	5,070	5,270	5,400
$30,000 - 39,999	1,020	1,830	2,510	3,510	4,510	5,510	5,830	5,870	6,070	6,270	6,470	6,600
$40,000 - 59,999	1,390	3,200	4,360	5,360	6,360	7,370	7,890	8,090	8,290	8,490	8,690	8,820
$60,000 - 79,999	1,870	3,680	4,830	5,840	7,040	8,240	8,770	8,970	9,170	9,370	9,570	9,700
$80,000 - 99,999	1,870	3,690	5,040	6,240	7,440	8,640	9,170	9,370	9,570	9,770	9,970	10,810
$100,000 - 124,999	2,040	4,050	5,400	6,600	7,800	9,000	9,530	9,730	10,180	11,180	12,180	13,120
$125,000 - 149,999	2,040	4,050	5,400	6,600	7,800	9,000	10,180	11,180	12,180	13,180	14,180	15,310
$150,000 - 174,999	2,040	4,050	5,400	6,860	8,860	10,860	12,180	13,180	14,230	15,530	16,830	18,060
$175,000 - 199,999	2,040	4,710	6,860	8,860	10,860	12,860	14,380	15,680	16,980	18,280	19,580	20,810
$200,000 - 249,999	2,720	5,610	8,060	10,360	12,660	14,960	16,590	17,890	19,190	20,490	21,790	23,020
$250,000 - 399,999	2,970	6,080	8,540	10,840	13,140	15,440	17,060	18,360	19,660	20,960	22,260	23,500
$400,000 - 449,999	2,970	6,080	8,540	10,840	13,140	15,440	17,060	18,360	19,660	20,960	22,260	23,500
$450,000 and over	3,140	6,450	9,110	11,610	14,110	16,610	18,430	19,930	21,430	22,930	24,430	25,870

Head of Household

Higher Paying Job Annual Taxable Wage & Salary	Lower Paying Job Annual Taxable Wage & Salary											
	$0 - 9,999	$10,000 - 19,999	$20,000 - 29,999	$30,000 - 39,999	$40,000 - 49,999	$50,000 - 59,999	$60,000 - 69,999	$70,000 - 79,999	$80,000 - 89,999	$90,000 - 99,999	$100,000 - 109,999	$110,000 - 120,000
$0 - 9,999	$0	$510	$850	$1,020	$1,020	$1,020	$1,020	$1,220	$1,870	$1,870	$1,870	$1,960
$10,000 - 19,999	510	1,510	2,020	2,220	2,220	2,220	2,420	3,420	4,070	4,070	4,160	4,360
$20,000 - 29,999	850	2,020	2,560	2,760	2,760	2,960	3,960	4,960	5,610	5,700	5,900	6,100
$30,000 - 39,999	1,020	2,220	2,760	2,960	3,160	4,160	5,160	6,160	6,900	7,100	7,300	7,500
$40,000 - 59,999	1,020	2,220	2,810	4,010	5,010	6,010	7,070	8,270	9,120	9,320	9,520	9,720
$60,000 - 79,999	1,070	3,270	4,810	6,010	7,070	8,270	9,470	10,670	11,520	11,720	11,920	12,120
$80,000 - 99,999	1,870	4,070	5,670	7,070	8,270	9,470	10,670	11,870	12,720	12,920	13,120	13,450
$100,000 - 124,999	2,020	4,420	6,160	7,560	8,760	9,960	11,160	12,360	13,210	13,880	14,880	15,880
$125,000 - 149,999	2,040	4,440	6,180	7,580	8,780	9,980	11,250	13,250	14,900	15,900	16,900	17,900
$150,000 - 174,999	2,040	4,440	6,180	7,580	9,250	11,250	13,250	15,250	16,900	18,030	19,330	20,630
$175,000 - 199,999	2,040	4,510	7,050	9,250	11,250	13,250	15,250	17,530	19,480	20,780	22,080	23,380
$200,000 - 249,999	2,720	5,920	8,620	11,120	13,420	15,720	18,020	20,320	22,270	23,570	24,870	26,170
$250,000 - 449,999	2,970	6,470	9,310	11,810	14,110	16,410	18,710	21,010	22,960	24,260	25,560	26,860
$450,000 and over	3,140	6,840	9,880	12,580	15,080	17,580	20,080	22,580	24,730	26,230	27,730	29,230

Spending Plan Worksheet

Instructions: 1. Calculate monthly net income in box 1

2. Estimate monthly expenses (sum of fixed (2a), controllable (2b) and monthly portion of periodic expenses (2c)

3. Compare income and expenses and make adjustments

1. Monthly Net Income	
Net* monthly wages	$
Net monthly wages of others in home	$
Public assistance/foodstamps	$
Unemployment/disability	$
Child Support/alimony	$
Social Security/retirement	$
Other	$
Other	$
Total monthly net income	$

* After tax withholdings and other deductions

3. Compare Income & Expenses	
Net* monthly Income	$
Estimated expenses:	
Fixed..........................	$
Controllable................	$
Periodic.....................	$
(monthly portion)	
minus	$
Balance	$

2c. Periodic expenses

These are expenses that come up once or twice a year. Fill in the estimated costs under the month they are due. Taxes, insurance premiums, auto servicing, tires, license, birthdays and holidays, educational costs, vacations, etc. Do not include taxes withheld from your paycheck, but do include estimated tax payments you make to the IRS. Add your total yearly periodic expenses and divide by 12 to determine the monthly portion.

Jan		July	
Feb		Aug	
Mar		Sept	
Apr		Oct	
May		Nov	
June		Dec	
Subtotal	$	Subtotal	$

$$\frac{\text{Total Periodic Expenses}}{12} = \text{Monthly portion periodic expenses}$$

Spending Plan Worksheet

2a. Fixed expenses

Housing		
	Rent or Mortgage	$
	Insurance/Taxes*	$
Utilities		
	Telephone	$
	Heat	$
	Electricity	$
	Trash/garbage	$
	Water	$
	Sewer	$
	Cable	$
	Other:	$
Credit Card Payments		
		$
		$
		$
Auto		
	Loan Payment	$
	Insurance*	$
	License	$
Child Support/Alimony		$
Life Insurance		$
Other		
		$
		$
		$
Total Monthly Estimated Fixed Expenses		$

2b. Controllable expenses

Food		
	Groceries	$
	Food eaten out	$
Household Expenses		
	Repairs & supplies	$
	Furnishings & appliances	$
	Outside upkeep	$
Transportation		
	Gas and repairs	$
	Other transportation	$
Personal/Medical Care		$
Educational/Reading		$
Travel & Entertainment		$
Child/Elder Care		$
Charity/Gifts/Special Expenses		$
Clothing		$
Savings		$
Other		$
Total Monthly Estimated Fixed Expenses		$

*Monthly portion of premiums if NOT paid by employer OR automatically deducted from your paycheck OR listed with your periodic expenses on page 2.

What I Spend

EARNINGS/INCOME PER MONTH **TOTALS**

Salary #1 (net take-home) ________
Salary #2 (net take-home) ________
Other (less taxes) ________

TOTAL MONTHLY INCOME $ ________

% Guide

1. GIVING
Church ________
Other Contributions ________
$ ________

2. SAVING 5-10%
Emergency ________
Replacement ________
Long Term ________
$ ________

3. DEBT 0-10%
Credit Cards:
- Visa ________
- Master Card ________
- Discover ________
- American Express ________
- Gas Cards ________
- Department Stores ________

Edcuation Loans
Other Loans:
- Bank Loans ________
- Credit Union ________
- Family/Friends ________
- Other ________

$ ________

4. HOUSING 25-38%
Mortgage/Taxes/Rent
Maintenance/Repairs
Utilities:
- Electric ________
- Gas ________
- Water ________
- Trash ________
- Telephone/Internet ________
- Cable TV/Satelite ________
- Other ________

$ ________

5. AUTO/TRANSPORTATION 12-15%
Car Payment/License ________
Gas & Bus/Train/Parking ________
Oil/Lube/Maintenance ________
$ ________

6. INSURANCE (paid by you) 5%
Auto ________
Homeowners ________
Life ________
Medical/Dental ________
Other ________
$ ________

7. HOUSEHOLD/PERSONAL 15-25%
Groceries
Clothes/Dry Cleaning
Household Items
Personal:
- Liquor/Tobacco ________
- Cosmetics ________
- Barber/Beauty ________

Other:
- Books/Magazines ________
- Allowances ________
- Music Lessons ________
- Personal Technology ________
- Education ________
- Miscellaneous ________

$ ________

8. ENTERTAINMENT 5-10%
Going Out:
- Meals ________
- Movies/Events ________
- Baby-sitting ________

Travel (Vacation/Trips)
Other:
- Fitness/Sports ________
- Hobbies ________
- Media Rental ________
- Other ________

$ ________

9. PROFESSIONAL SERVICES 5-15%
Child Care
Medical/Dental/Prescriptions
Other:
- Legal ________
- Counseling ________
- Professional Dues ________

$ ________

10. MISC. SMALL CASH EXPENDITURES 2-3% $ ________

TOTAL EXPENSES $ ________

TOTAL MONTHLY INCOME $ ________
LESS TOTAL EXPENSES $ ________
INCOME OVER/(UNDER) EXPENSES $ ________

*This is a % of total monthly income. These are guidelines only and may be different for individual situations. However, there should be good rationale for a significant variance.

GIFT LIST

List the names of those for whom you buy gifts and the amounts you typically spend on each occasion.*

NAME	BIRTHDAY	CHRISTMAS	ANNIVERSARY	OTHER
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
TOTAL				

GRAND TOTAL: **$** **(of all columns)**

MONTHLY AVERAGE: **$** **(grand total divided by 12)**

*You may wish to also include the cost of holiday decorations, entertainment, etc.

IMPLEMENTATION ISSUES

More Than One Paycheck Per Month

Instructions:
1. Place a check mark in the far left column that have been paid via debit, credit, check or autodraft.
2. "Spending Plan" Column, enter the monthly amount you will spend for each category.
3. "1st Paycheck" Column, half of the monthly giving and for the mortgage are paid out of the 1st Paycheck via debit, credit, check or autodraft. The remainder of the check is used for half of the allocation for gas, food, entertainment and a portion of household/miscellaneous items.
4. "2nd Paycheck" Column, 2nd half of monthly giving, saving, utilities, telephone, auto payment and debt repayment are paid via debit, credit, check or autodraft. The remainder of the check is used to cover any remaining balances.

	Item	**Spending Plan ($)**	**1st Paycheck ($)**	**2nd Paycheck ($)**
	Giving			
	Saving			
	Mortgage			
	Utilities			
	Telephone			
	Auto Payment			
	Debt Repayment			
	Clothes			
	Gifts			
	Gas			
	Food			
	Household Misc.			
	Entertainment			
	Misc. - Small Exp.			
	Total			

Making a one-time plan for how each paycheck will be allocated and simply referring to it each payday can be a wonderful way to ease the anxiety over questions like, "Which bill do I pay now?" and "Do I have enough for food and gas?"

Net Worth Calculation Form

As of ______________________________ (date)

Assets

Current liquid assets	**Value**
Cash on hand	$_______
Checking account	$_______
Savings account	$_______
Certificates of deposit	$_______
Money owed you	$_______
Tax refund due	$_______
Cash value of life insurance	$_______
Stocks/bonds	$_______
Mutual fund shares	$_______
Other: _______________	$_______
Total liquid assets	**$** _______

Fixed assets	
Automobiles	$_______
Home	$_______
Personal property	$_______
Other: _____________ ____________________	$_______
Total fixed assets	**$** _______

Retirement assets	
401(k), 403(b)	$_______
IRA	$_______
Other: _____________ ____________________	$_______
Total deferred assets	**$** _______
Total assets	**$** _______

*This document is for personal use only and is not to be returned or given to your Financial Advisor.

Liabilities

Current liabilities	**Amount Owed**
Auto loan	$_______
Installment debt	$_______
Personal loan	$_______
Credit cards	$_______
Mortgage loan	$_______
Insurance due	$_______
Taxes due	$_______
Other: _____________ ____________________	$_______
Total liabilities	**$** _______

Calculate your current net worth by subtracting your total liabilities from your assets.

Net worth

Total assets		**$** _______
Total liabilities	**minus**	**$** _______
Net worth	**equals**	**$** _______

DEBT REDUCTION PLAN

Item	Amount Owed	Interest	Minimum Monthly Payment	Additional Payment $__________	Payment Plan and Pay-off Dates					
					1 Month	2 Month	6 Months	6 Months	11 Months	43 Months
Total										

*The first and second columns list to whom the debt is owed and the amount owed. Debts are listed in order of lowest to highest amount.

*The third and fourth colums list the interest rate and the minimum monthly payment for each debt.

*The fifth column indicates the amount of additional payment above the minimum that can be made and adds that amount to the minimum payment for the first (smallest) debt listed.

*The remaining columns show how, as each debt is paid, the payment for it is rolled down to the next day. Pay-off dates can be calculated in advance or simply recorded as they are achieved.

FIGURING YOUR DISABILITY NEEDS

Your ability to earn a living is your most valuable long-term asset. However, according to the Social Security Administration, just over one in four of today's 20 year-olds will become disabled before reaching retirement age. Disability insurance can help support your family's needs if you can no longer work because of injury or illness. Use this worksheet to help compare your options when considering a long-term disability insurance policy.

How Much Long-Term Disability Do You Need?

This will help you start to determine how much income your family needs to sustain a standard of living. This is not a comprehensive list. For assistance determining your level of disability insurance need, talk with a licensed insurance agent or insurance company.

Monthly Income

Income from group disability insurance	$______________
Income from individual disability insurance	$______________
Income from spouse/ other family members	$______________
Investment Income	$______________
TOTAL MONTHLY INCOME	$______________

Monthly Expenses

Mortgage/Rent	$______________
Car Payment/Insurance	$______________
Utilities	$______________
Food/Clothing	$______________
Child Care	$______________
Bank Loan/Credit Cards	$______________
Medical Expenses	$______________
Insurance (Auto, Home, Health, Life, etc.)	$______________
Savings, Investments, Retirement	$______________
Maintenance costs	$______________
Other	$______________
TOTAL MONTHLY EXPENSES	$______________

MONTHLY INCOME - MONTHLY EXPENSES	$______________

Answer these questions when comparing long-term disability insurance quotes:

Definition of Disability – How is disability defined? Do you have to be unable to do your job or unable to do any job?

Extent of Disability – Will you have to be fully disabled or will the policy pay a partial benefit if you are unable to do parts of your job?

Disabilities Covered – Which accidents or illnesses are considered disabilities? Are there any excluded disabilities?

Residual Benefit(s) – Will the policy fill in a gap in insurance if you are partially disabled and only lose part of your current income?

Amount of Benefits – How much of your pre-disability income will you receive? Is it affected by other benefits?

Waiting Period – How long will you wait for benefit payments to begin?

Length of Coverage – How long will you receive benefits?

Inflation Protection – Does the policy have a cost-of-living adjustment (COLA)? Can you increase the benefit payment if your income increases?

Waiver of Premium – Will your premium payments be waived when you collect benefits?

Renewability – How does the policy renew? Is it automatic or can the company cancel the policy prior to your renewal?

Tax Considerations – Will you be responsible for paying taxes on your benefits?

BMO Harris Financial Advisors

Dollar Cost Averaging

Make Investing a Habit

Dollar cost averaging helps take the emotion out of investing by providing the opportunity to use the market's ups and downs to your advantage.

The advantages of dollar cost averaging

Timing is everything, or so the saying goes. When it comes to timing the stock market, however, there's another adage worth remembering: "Easier said than done."

The concept of buying low and selling high sounds simple, but how do you know when an investment is at the best "low" price, or when it's at its peak—and what about all the bumps in between? That's why predicting the short-term ups and downs of the market is a difficult task, even for professional investors.

A better approach may be to consistently build your portfolio by adding to it on a regular basis—regardless of what's happening in the market. This time-tested approach is called dollar cost averaging (DCA).

Dollar cost averaging is a disciplined and consistent approach to investing. You invest a specific dollar amount at regular intervals, usually monthly. Since share prices fluctuate but your investment dollars remain constant, you will automatically buy more shares when prices are low and fewer shares when prices are high.

While investing regularly doesn't guarantee you'll make a profit or prevent a loss, over time dollar cost averaging can potentially lower your average cost per share. It can also help cushion the impact of wide price swings on your portfolio. To benefit from this simple strategy, however, you must purchase shares systematically, even during periods of falling prices.

Benefits of dollar cost averaging

- Discipline to invest consistently despite market ups and downs
- Potential to buy more shares when prices are low
- Takes market timing out of the investment decision
- Simplifies investing

Dollar cost averaging in action

To see why regular investing can be a smart investment strategy for retirement and other long-term goals, consider this hypothetical example. Let's suppose you invested $200 each month in a mutual fund for a period of five months in three different scenarios: a rising market, a falling market, and a fluctuating one.

Dollar Cost Averaging in a **RISING** Market

In a rising market, your $200 would buy fewer shares as the price per share increases.

Money Invested	Price per Share	Number of Shares	Average Price
$200	$10.00	20.0	
$200	$11.00	18.2	$1,000 ÷ 87.7 = **$11.40** average cost per share
$200	$11.50	17.4	
$200	$12.00	16.7	
$200	$13.00	15.4	
$1,000	**$11.50**	**87.7**	

These numbers are hypothetical and are used for illustrative purposes only. Actual results will vary.

Dollar Cost Averaging in a **DESCENDING** Market

In a falling market, that same $200 would buy more shares as the price per share decreases.

Money Invested	Price per Share	Number of Shares	Average Price
$200	$10.00	20.0	
$200	$9.00	22.2	$1,000 ÷ 121 = **$8.26** average cost per share
$200	$8.50	23.5	
$200	$7.00	28.6	
$200	$7.50	26.7	
$1,000	**$8.40**	**121**	

These numbers are hypothetical and are used for illustrative purposes only. Actual results will vary.

Dollar cost averaging in a fluctuating market

And when the market fluctuates, the number of shares your $200 buys will also fluctuate.

While each market scenario resulted in a different price per share and number of shares purchased, one thing is consistent. As the example illustrates, investing regularly through market ups and downs may help lower the overall cost of your investment—whether the market is rising, falling or something in between.

Getting started

Dollar cost averaging doesn't require large amounts of money, but it does require discipline. You have to be willing to keep investing even during periods of falling prices. To decide if you would like to set up a dollar cost averaging program consider:

1. **How often you want to invest** (monthly, quarterly, annually)
2. **How much you want to invest** each period ($100, $500, $1,000, etc.)
3. **The source you'll use** to fund your investment (paycheck, checking account, savings, money market fund, etc.)

Whether you have a lump sum to invest or want to begin saving for a future goal, a regular investment program of dollar cost averaging can help you remain invested no matter what's happening in the market.

To learn more about dollar cost averaging and how it can help you make the most of your investment plan, contact your BMO Harris Financial Advisor.

Dollar Cost Averaging in a **FLUCTUATING** Market

Money Invested	Investment	Offering Price	Number of Shares
Month 1	**$200**	$20	10
Month 2	**$200**	$25	8
Month 3	**$200**	$10	20
Month 4	**$200**	$15	13
Month 5	**$200**	$10	20

Average price per share = $20 + $25 + $10 +$15 + $20 divided by 5 = **$18**

Average cost per share = Total amount invested divided by total number of shares purchased. $1,000 divided by 71 shares = **$14.08**

These numbers are hypothetical and are used for illustrative purposes only. Actual results will vary.

Dollar-cost averaging does not assure a profit or protect against loss in declining markets. This type of plan involves continuous investment in securities, regardless of fluctuating price levels. Investors should consider their ability to continue investing during periods of low markets.

Do you have enough?

Life insurance can help provide funds to meet your family's immediate and ongoing needs in the event of either spouse's premature death.

Use the following information and worksheet to help determine how much life insurance you and your spouse need to protect your family's standard of living.

We suggest doing a separate calculation for each person.

A. Immediate Cash Needs (Estimate expenses that will have to be paid within a relatively short time after death.)

1. **Final Expenses** Include appropriate amounts for items such as funeral costs, final medical bills not covered by health insurance, and estate administration costs. .... ▶ $________________ **(A1)**

2. **Debts** Enter the current balance of all debt that should be paid in full at death such as mortgages, credit cards, car loans or student loans. .... ▶ + $________________ **(A2)**

3. **Current Bills and Emergency Fund** Generally, it is recommended that four to six months' income should be set aside to meet the family's immediate daily living expenses and to create a liquid emergency fund. Enter the amount you wish to provide for these needs. .... ▶ + $ ________________ **(A3)**

4. **Education Fund** Enter the amount you wish to provide as an education fund for your children, or follow the steps below to estimate future college expenses. Do a separate calculation for each child, and enter the total for all children. .... ▶ + $________________ **(A4)**

a) Current one-year college cost: .... ▶ ________________

b) Number of years child will attend school: .... ▶ ________________

c) Total current cost (a x b): .... ▶ ________________

d) Discount factor from table below: .... ▶ ________________

Years until Start of College	Discount Factor	Years until Start of College	Discount Factor	Years until Start of College	Discount Factor
1	0.980	7	0.871	13	0.773
2	0.961	8	0.853	14	0.758
3	0.942	9	0.837	15	0.743
4	0.924	10	0.820	16	0.728
5	0.906	11	0.804	17	0.714
6	0.888	12	0.788	18	0.700

Note: Assumes 2 percent annual inflation and 4 percent annual rate of return.

e) Lump sum needed for education (c x d):..................... ▶ $ ________________

A. Total Estimated Cash Needs (Sum of A)... ▶ $ ________________ (A)

B. Ongoing Family Income Need

1. **Annual Income Objective** Enter the annual gross income your family will need following the death of a spouse. Generally, it is estimated that a family will require 60 – 80 percent of prior total family income following the death of one spouse.......... ▶ ______________________ **(B1)**

2. **Income From Other Sources** Enter all existing sources of income including the surviving spouse's earnings, Social Security survivor benefits (see next page), rental income and employer-provided benefits. In estimating the income needed, remember to deduct the mortgage and other amounts provided for in the Immediate Cash Needs section. .... ▶ – ______________________ **(B2)**

3. **Net Income Needed Upon the Death of a Spouse**. .... ▶ = ______________________ **(B3)**

   (Subtract Line B2 from B1)

4. **Discount Factor** From the following chart, select the discount factor corresponding to the total number of years family income must be provided. .... ▶ ______________________ **(B4)**

   Discount Factor

Years Income Needed	Discount Factor	Years Income Needed	Discount Factor	Years Income Needed	Discount Factor
1	.9804	15	12.8493	29	21.8444
2	1.9416	16	13.5777	30	22.3965
3	2.8839	17	14.2919	31	22.9377
4	3.8077	18	14.9920	32	23.4683
5	4.7135	19	15.6785	33	23.9886
6	5.6014	20	16.3514	34	24.4986
7	6.4720	21	17.0112	35	24.9986
8	7.3255	22	17.6580	36	25.4888
9	8.1622	23	18.2922	37	25.9695
10	8.9826	24	18.9139	38	26.4406
11	9.7868	25	19.5235	39	26.9026
12	10.5753	26	20.1210	40	27.3555
13	11.3484	27	20.7069		
14	12.1062	28	21.2813		

Note: Assumes 2 percent annual inflation and 4 percent annual rate of return.

B. Total Family Income Needs (B3 x B4) .... ▶ **$** ______________________ **(B)**

C. Current Life Insurance Need

1. Total Survivor Needs (**A + B**) .... ▶ $______________________ **(C1)**

2. Minus Existing Liquid Assets Available (e.g. savings, investments) .... ▶ – $______________________ **(C2)**

3. Minus Death Benefit Provided by all Existing Life Insurance .... ▶ – $______________________ **(C3)**

C. Additional Life Insurance Needed (C1 - C2 - C3) .... ▶ **$** ______________________ **(C)**

______________________ Client Signature

______________________ Date Completed

Social Security Survivor Benefits

This table[1] shows the approximate monthly benefits payable to your family if you have had a typical earnings history.

Approximate Monthly Benefits for Survivors

Your Age in 2016	Beneficiary	Your Present Annual Earnings					
		$20,000	$35,000	$50,000	$65,000	$80,000	$118,500 and Up
66	(1)	$933	$1,283	$1,633	$1,984	$2,167	$2,639
	(2)	667	917	1,168	1,418	1,549	1,887
	(3)	700	962	1,225	1,488	1,625	1,979
	(4)	1,400	2,237	2,984	3,473	3,793	4,619
60	(1)	986	1,354	1,722	2,090	2,292	2,796
	(2)	705	968	1,231	1,494	1,639	1,999
	(3)	740	1,016	1,291	1,567	1,719	2,097
	(4)	1,480	2,351	3,152	3,658	4,012	4,893
55	(1)	986	1,354	1,722	2,090	2,292	2,806
	(2)	705	968	1,231	1,494	1,639	2,006
	(3)	740	1,016	1,292	1,567	1,719	2,105
	(4)	1,480	2,351	3,152	3,658	4,012	4,912
50	(1)	987	1,355	1,723	2,091	2,293	2,816
	(2)	705	968	1,231	1,495	1,639	2,014
	(3)	740	1,016	1,292	1,568	1,719	2,112
	(4)	1,480	2,352	3,153	3,659	4,013	4,929
45	(1)	987	1,355	1,723	2,091	2,293	2,827
	(2)	705	969	1,232	1,495	1,639	2,021
	(3)	740	1,016	1,292	1,568	1,720	2,120
	(4)	1,480	2,352	3,153	3,660	4,013	4,947
40	(1)	987	1,356	1,724	2,092	2,294	2,833
	(2)	705	969	1,232	1,496	1,640	2,025
	(3)	740	1,017	1,293	1,569	1,720	2,125
	(4)	1,480	2,354	3,154	3,662	4,014	4,958
30	(1)	991	1,363	1,734	2,106	2,301	2,871
	(2)	708	974	1,240	1,505	1,645	2,052
	(3)	743	1,022	1,300	1,579	1,726	2,153
	(4)	1,487	2,373	3,168	3,685	4,028	5,025

[1]Source: 2016 Guide to Social Security, Mercer LLC, Louisville, Kentucky

Use these descriptions for the numbers in the first column at right.

(1) Spouse Survivor Benefit

The benefit for your widow(er) at full retirement age (FRA). The FRA for surviving spouse benefits is 65 for persons born in 1938 but gradually rises to 67 for persons born in 1962 and later.

(2) Early Spouse Survivor Benefit

If your surviving widow(er) begins taking benefits early, at age 60.

(3) Child or Spouse Survivor Benefit

The benefit for a child under age 18 (up to 19 if in high school); also a widow(er) under age 61 with eligible child who is under age 16 or disabled before age 22.

(4) Family's maximum benefit

The sum of all widow(er) and children's benefits cannot exceed this amount.

NOTE: While the earliest age for retirement is 62, a widow(er) without eligible children can receive survivor benefits as early as age 60. If there are eligible children, the widow(er) parent can receive benefits at any age.

How much will the additional life insurance cost?

Ask your American General Life representative to prepare a personalized proposal for you and your family.

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Dollar Cost Averaging

Monthly Investment vs. Lump Sum Investment

By investing a fixed dollar amount at regular intervals, an investor can further reduce their market risk in growth investments.

		$100 Monthly Investment For 12 Months			$1,200 Lump Sum Investment Beginning of 12 Month Period		
Month	**Fund Price**	**Amount Invested**	**Shares Purchased**	**Account Value**	**Amount Invested**	**Shares Purchased**	**Account Value**
January	10.00	100	10.00	100	1,200	120.00	1,200
February	9.32	100	10.73	193	0	0.00	1,118
March	8.01	100	12.48	266	0	0.00	961
April	7.97	100	12.55	365	0	0.00	956
May	8.14	100	12.29	472	0	0.00	977
June	7.70	100	12.99	547	0	0.00	924
July	8.45	100	11.83	700	0	0.00	1,014
August	8.31	100	12.03	789	0	0.00	997
September	8.97	100	11.15	951	0	0.00	1,076
October	9.17	100	10.91	1,072	0	0.00	1,100
November	9.70	100	10.31	1,234	0	0.00	1,164
December	10.13	100	9.87	1,389	0	0.00	1,216
Average	**$8.82**	**$100**	**11.43**	**$673**	**$100**	**10.00**	**$1,059**
Year End Totals		**$1,200**	**137.14**	**$1,389**	**$1,200**	**120.00**	**$1,216**
Return on Investment		**15.77%**			**1.30%**		

The above chart demonstrates that the value of the portfolio has increased over the year by more than the change in the actual fund price due to the advantages of Dollar Cost Averaging.

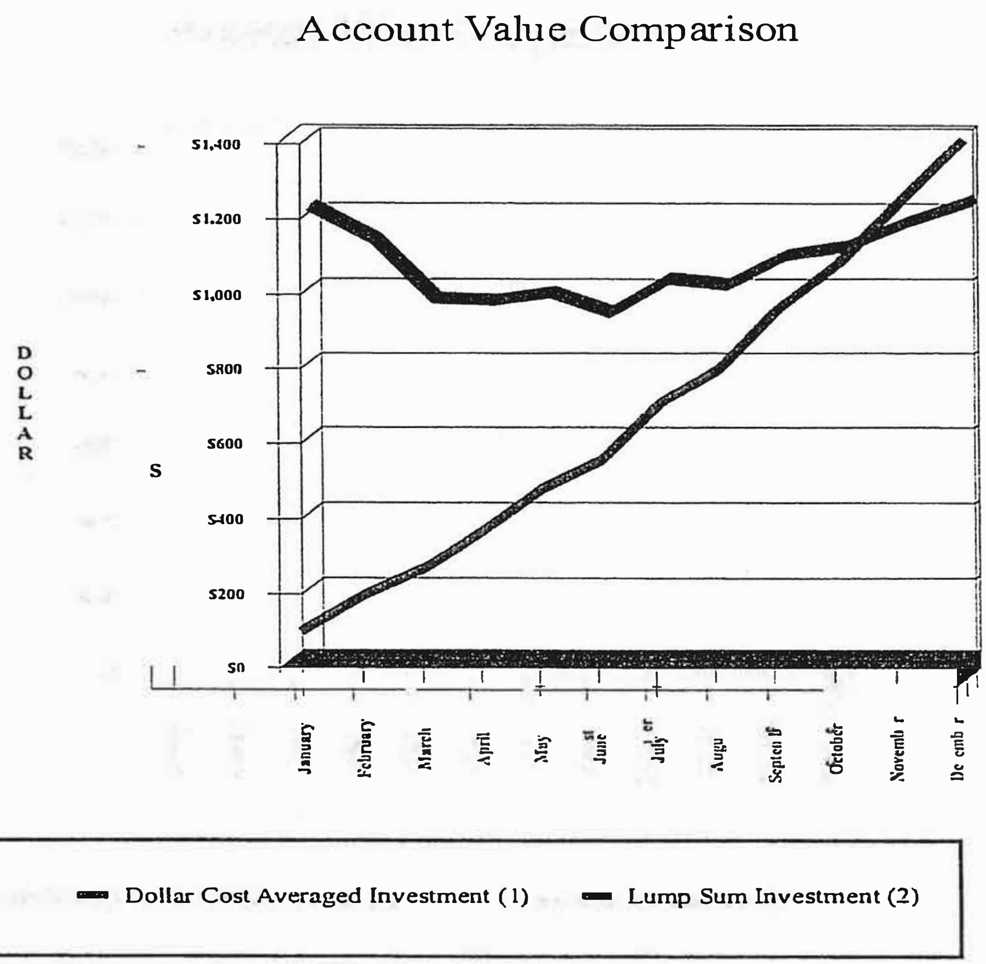
This report illustrates the effect of different fund prices which are not guaranteed.

Early Investor

Malinka Financial Corp (www.malinkafinancial.com) APR 30,2012 E.&O.E.

Dollar Cost Averaging

Monthly Investment vs. Lump Sum Investment



(1) $100 Monthly Investment with Fluctuating Unit Prices

(2) $1,200 Lump Sum Investment

This chart illustrates the effect of different fund prices which are not guaranteed.

Early Investor

APR 30,2012 E.&O.E.

Find a suitable investment strategy

Your investing strategy should reflect the kind of investor you are—your personal investor profile. This quiz will help you determine your profile and then match it to an investment strategy that's designed for investors like you.

The quiz measures two key factors:

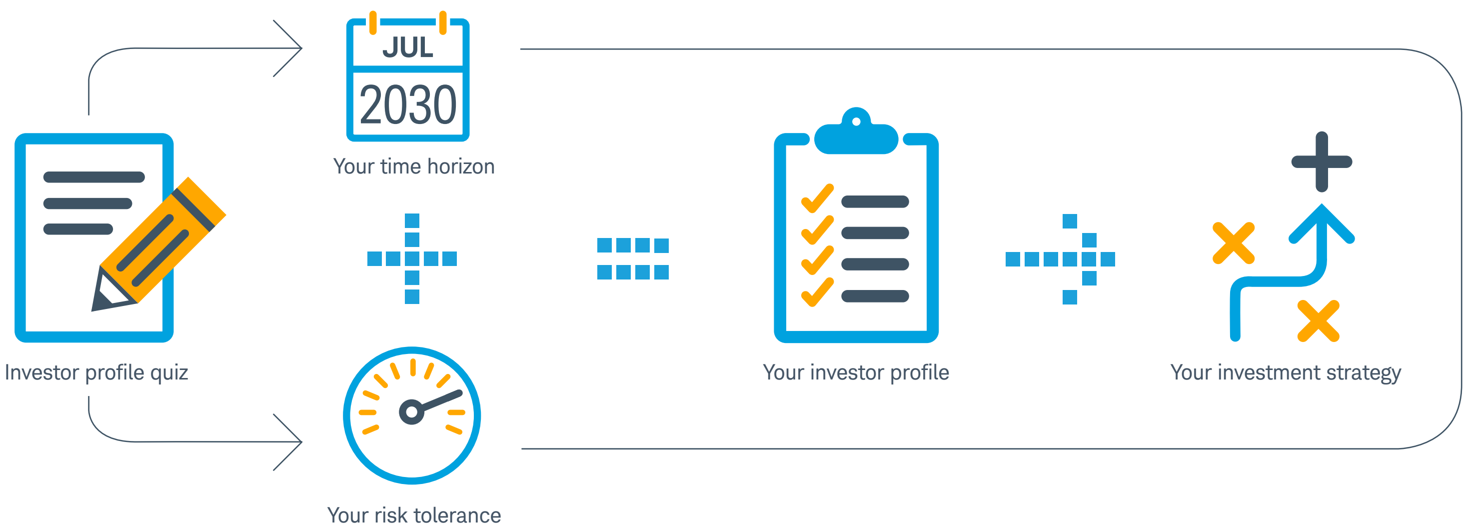
YOUR TIME HORIZON

When will you begin withdrawing money from your account and at what rate? If it's many years away, there may be more time to weather the market's inevitable ups and downs and you may be comfortable with a portfolio that has a greater potential for appreciation and a higher level of risk.

YOUR RISK TOLERANCE

How do you feel about risk? Some investments fluctuate more dramatically in value than others but may have the potential for higher returns. It's important to select investments that fit within your level of tolerance for this risk

How to make your choice



TIME HORIZON

Circle the number of points for each of your answers and note the total for each section.

1. I plan to begin withdrawing money from my investments in:

Less than 3 years	1
3–5 years	3
6–10 years	7
11 years or more	10

2. Once I begin withdrawing funds from my investments, I plan to spend all of the funds in:

Less than 2 years	0
2–5 years	1
6–10 years	4
11 years or more	8

Enter the total points from questions 1 and 2. **Time Horizon Score:** ______

If your Time Horizon Score is less than 3, stop here. If your score is 3 or more, please continue to Risk Tolerance.

A score of less than 3 indicates a very short investment time horizon. For such a short time horizon, a relatively low-risk portfolio of 40% short-term (average maturity of five years or less) bonds or bond funds and 60% cash investments is suggested, as stock investments may be significantly more volatile in the short term.

RISK TOLERANCE

3. I would describe my knowledge of investments as:

None	1
Limited	3
Good	7
Extensive	10

4. When I invest my money, I am:

Most concerned about my investment losing value	0
Equally concerned about my investment losing or gaining value	4
Most concerned about my investment gaining value	8

5. Select the investments you currently own :

Bonds and/or bond funds	3
Stocks and/or stock funds	6
International securities and/ or international funds	8

Example: You now own stock funds. In the past, you've purchased international securities. Your point score would be 8.

6. Consider this scenario:

Imagine that in the past three months, the overall stock market lost 25% of its value. An individual stock investment you own also lost 25% of its value. What would you do?

Sell all of my shares	0
Sell some of my shares	2
Do nothing	5
Buy more shares	8

7. Review the chart below.

We've outlined the most likely best-case and worst-case annual returns of five hypothetical investment plans. Which range of possible outcomes is most acceptable to you?

The figures are hypothetical and do not represent the performance of any particular investment.

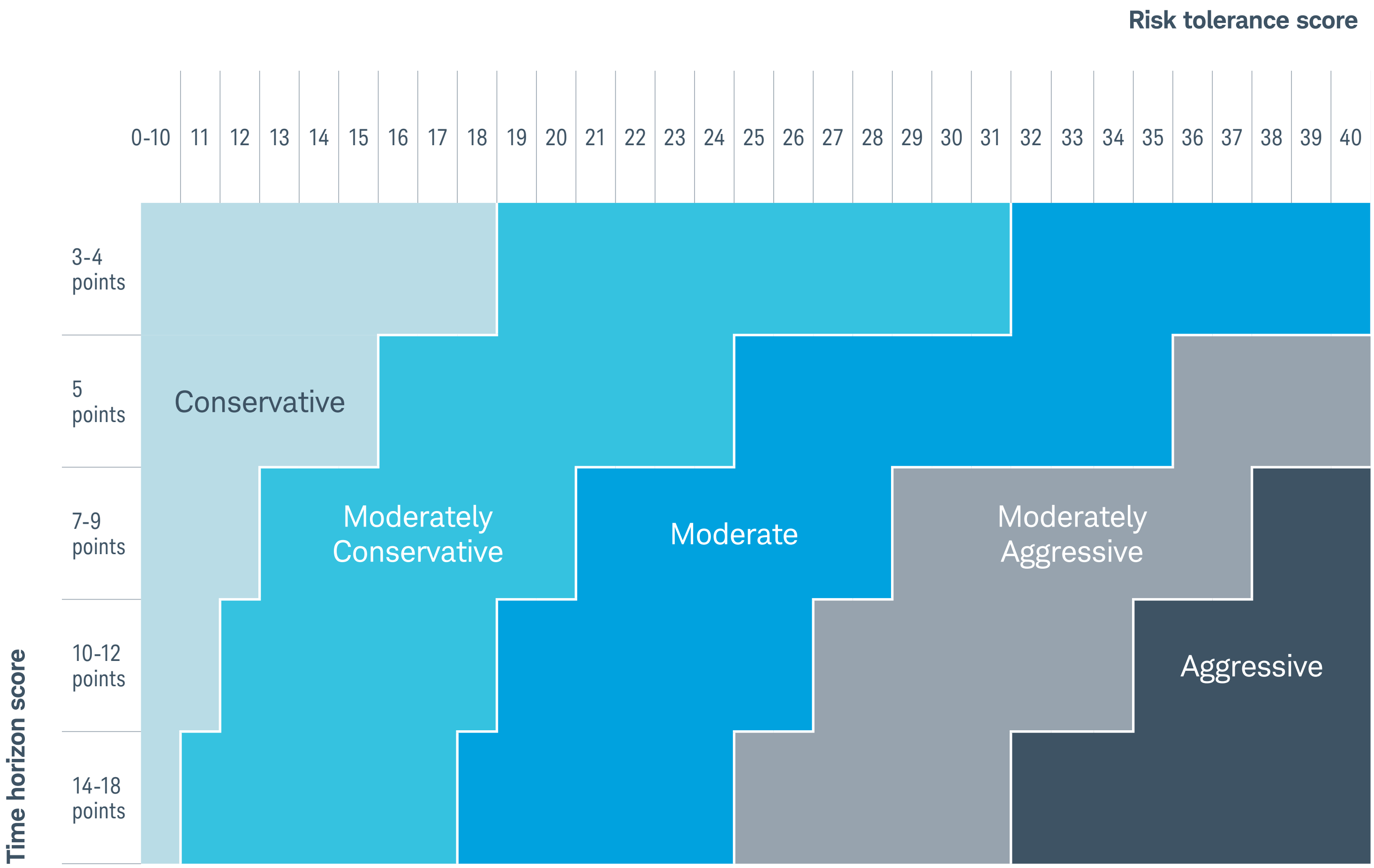
Plan	Average annual return	Best-case	Worst-case	Points
A	7.2%	16.3%	-5.6%	0
B	9.0%	25.0%	-12.1%	3
C	10.4%	33.6%	-18.2%	6
D	11.7%	42.8%	-24.0%	8
E	12.5%	50.0%	-28.2%	10

Enter the total points from questions 3 through 7. **Risk Tolerance Score:** ______

DETERMINE YOUR INVESTOR PROFILE

The chart below uses the subtotals you calculated in the preceding two sections.

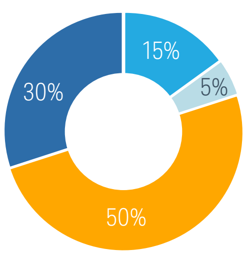
To determine your Investor Profile, find your Time Horizon Score along the left side and your Risk Tolerance Score across the top. Locate their intersection point, situated in the area that corresponds to your Investor Profile. On the next page, select the investment strategy that corresponds to your Investor Profile.

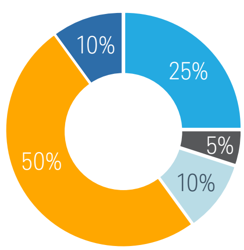


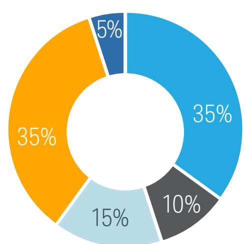
These investment strategies show how investors might allocate their money among investments in various categories. Please note that these examples are not based on market forecasts, but simply reflect an established approach to investing—allocating dollars among different investment categories. Keep in mind that it's important to periodically review your investment strategy to make sure it continues to be consistent with your goals.

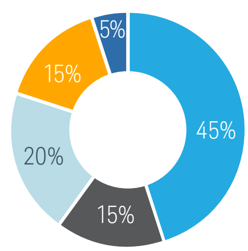
If one of the investment strategies below matches your Investor Profile, you can use this information to help you create an asset allocation plan.

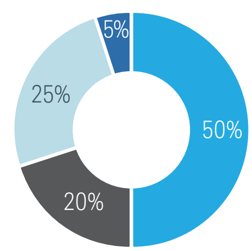
Conservative allocation	**Moderately conservative**	**Moderate allocation**	**Moderately aggressive**	**Aggressive allocation**
Average annual return: 7.6% Best year: 22.8% Worst year: -4.6%	Average annual return: 8.8% Best year: 27.0% Worst year: -12.5%	Average annual return: 9.5% Best year: 30.9% Worst year: -20.9%	Average annual return: 10.0% Best year: 34.4% Worst year: -29.5%	Average annual return: 10.3% Best year: 39.9% Worst year: -36.0%
For investors who seek current income and stability and are less concerned about growth.	For investors who seek current income and stability, with modest potential for increase in the value of their investments.	For long-term investors who don't need current income and want some growth potential. Likely to entail some fluctuations in value, but presents less volatility than the overall equity market.	For long-term investors who want good growth potential and don't need current income. Entails a fair amount of volatility, but not as much as a portfolio invested exclusively in equities.	For long-term investors who want high growth potential and don't need current income. May entail substantial year-to-year volatility in value in exchange for potentially high long-term returns.











■ Large-Cap Equity ■ Small-Cap Equity ■ International Equity ■ Fixed Income ■ Cash Investments

Brokerage Products: Not FDIC-Insured ▪ No Bank Guarantee ▪ May Lose Value

Source: Schwab Center for Financial Research with data provided by Morningstar, Inc. The return figures for 1970-2017 are the compounded annual average and the minimum and maximum annual total returns of hypothetical asset allocation plans. The asset allocation plans are weighted averages of the performance of the indices used to represent each asset class in the plans, include reinvestment of dividends and interest, and are rebalanced annually. The indices representing each asset class in the historical asset allocation plans are S&P 500® Index (large-cap stocks); CRSP 6–8 Index for the period 1970–1978 and Russell 2000® Index for the period 1979–2017 (small-cap stocks); MSCI EAFE® Net of Taxes (international stocks); Ibbotson Intermediate-Term Government Bond Index for the period 1970–1975 and Bloomberg Barclays U.S. Aggregate Bond Index for the period 1976–2017 (fixed income); and Ibbotson U.S. 30-day Treasury Bill Index for the period 1970–1977 and Citigroup 3-month U.S. Treasury Bills for the period 1978–2017 (cash investments). Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly. Past performance is no guarantee of future results.

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From the T. Rowe Price Information Library

Getting Started:

Investing With Mutual Funds

If you have been reviewing your financial situation and realize you need to invest more effectively to meet your goals, you've already taken a big step in the right direction. The next step, choosing those investments, may seem particularly daunting if you're a new investor—or just a busy person.

Don't lose heart. A major advantage of deciding to invest with mutual funds is that you don't need to know everything there is to know about investing. Your major responsibility, discussed in more detail later on, is to choose a fund whose investment objective and risk level are suitable for you. The portfolio manager's task is to invest a pool of money, including yours, in pursuit of the fund's specific objective.

By investing with mutual funds, you gain access to:

- *Professional management.* With a mutual fund, you pay a small annual fee to have your investment managed by experienced professionals. The fund manager selects individual securities, such as stocks, bonds, or money market instruments, that are intended to help the fund achieve its particular objective. Many managers work closely with a team of research and credit analysts in making buy and sell decisions.
- *Diversification.* Each mutual fund share you own is one slice of a huge pie composed of many different stocks, bonds, or other securities. The greater the number and variety of holdings within the portfolio, the smaller the impact on the fund's share price if a particular holding performs badly. Of course, diversification cannot assure a profit or protect against loss in a declining market. Diversification is a cornerstone of risk management. Funds are required by law to meet certain standards of diversification, and many funds exceed them. Most funds own anywhere from several dozen to hundreds of different securities—a degree of diversification that could be impractical for you to match on your own.
- *Liquidity.* It's easy to sell your shares if you need cash. You can sell them any business day at the current market price less sales charges or

How Mutual Funds Are Organized

A mutual fund company may offer anywhere from one to more than a dozen different types of funds. Each fund is incorporated and has a Board of Directors or Trustees that selects a manager or management team to oversee the portfolio day to day.

Two kinds of expenses are charged by all mutual funds: a management fee, paid to the investment advisor for managing the portfolio, and a fee for administrative and servicing costs (for example, shareholder recordkeeping, mailing fund reports, disbursing dividends, auditing fund statements, and so on). The annual expenses are expressed as a percent of fund assets and are deducted from assets each day before the share price is calculated and any distributions are made. Some funds charge another kind of annual fee called a 12b-1, which is deducted from fund assets to help pay for marketing costs. You will find details on fees and charges at the beginning of each fund's prospectus.

redemption fees, if any. Keep in mind, however, that the share price will reflect financial market developments and may be higher or lower than the price you originally paid. The only exception is money funds, which are managed—but not guaranteed—to maintain a stable share price.

- *Services.* Services vary among mutual fund companies, but the larger ones provide a broad array that makes investing basically hassle free. For instance, most mutual funds will automatically reinvest your dividends in additional shares and also keep track of your transactions for tax purposes—for free. Many funds also provide systematic investment and withdrawal plans, telephone and sometimes electronic exchange privileges that let you transfer your money from one fund to another (or between your fund and bank accounts), detailed account statements, regular fund reports, and year-end tax information.

How your fund investment can work for you

Mutual funds can provide capital growth and income through the following:

- *Rising share price.* If the overall value of the securities in a fund increases, so does the price of each of your fund shares. This growth is increased (compounded) if you reinvest fund distributions in additional shares. Of course, there is no guarantee the price will rise. If it falls, you may lose money on your fund investment.

- *Income distributions.* Mutual funds pay out net income earned on the securities in the portfolio. Most bond and money funds pay dividends monthly, while stock funds make quarterly or annual income distributions. If you reinvest all or a portion of these distributions in additional fund shares, in effect earning income on income, the income stream will grow at a compounded rate.

- *Capital gain distributions.* If profits from sales of fund securities during a year exceed losses from such sales, the fund will pay shareholders the resulting net capital gains once or sometimes twice a year. (If losses exceed gains, the net loss is carried forward by the fund to the next year.) As with income dividends, reinvesting these distributions can help your account grow faster.

Buying Fund Shares

When you invest in a mutual fund, you buy shares. The share price you pay (the "net asset value" or NAV) is calculated at the end of each business day by adding up the value of all the fund's assets, deducting the expenses, and dividing that total by the number of shares outstanding. To find a share price, consult the financial pages of major newspapers, call the fund's toll-free number, or visit the fund company's Web site.

Mutual fund companies sell shares directly to the public or through a sales force. Funds that sell shares directly to the public advertise in major financial magazines, the business section of newspapers, and sometimes on radio or TV. By calling the 800 number in the advertisement or visiting the Web site, you can request the fund's prospectus as well as information on how to invest. Most funds sold directly are "no load," meaning there are no sales charges.

Mutual fund shares may also be purchased through brokers, financial planners, insurance agents, banks, and other institutions. Purchasing shares through a sales force usually involves a sales charge (or "load") that must be paid in addition to the fees you pay indirectly to the fund's investment manager. However, some directly sold funds also have loads—check the fee table in the prospectus.

Choosing investments: A step-by-step guide

Once you understand the basic concept of mutual funds, the next step is choosing ones that make sense for you. To do this, you'll first need to define your financial goals, and second, determine the level of risk you can live with. You'll also need to be acquainted with some basic investment principles, terms, and types of mutual funds.

Step one: Define your financial goals

What do you want? Your choice of investments should always be driven by what you want to do with your money. You may have a long-term goal, such as building a nest egg for retirement, or a precise near-term goal, such as accumulating money for a down payment on a house. You may want an investment that provides income or one that can serve as a rainy-day fund for emergencies. Taking time to figure out your goals will help you choose the right investments.

When do you want it? Set a time for achieving your goals. This is important because different time horizons require different investment strategies. The sooner you need your money, the safer and more accessible you want that money to be. In contrast, the longer you can leave your money invested, the less you need to worry about ups and downs in the value of your investment and the more you can focus on your goal of earning a high return over time.

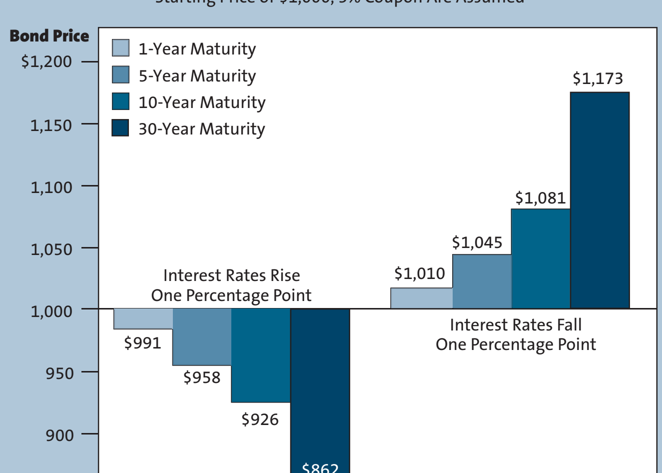
Step two: Understand risk and your risk tolerance

For most investors, risk represents the chance of losing money. This is a valid concern since the prices of shares in stock and bond funds will reflect inevitable fluctuations in the value of their portfolio holdings — up and down. Your risk tolerance simply refers to your willingness to accept downward fluctuations in your principal value. This risk, which for simplicity's sake we will call "market risk," is one of two major types. The other is "inflation risk."

■ *Market risk: Stocks.* Many factors can cause stock prices to fluctuate: actual or anticipated developments within a particular company or industry; changes in the outlook for the economy as a whole; and shifts in investor attitudes toward the stock market in general, from optimism to pessimism, for example.

How Changes in Interest Rates Affect Bond Prices

Starting Price of $1,000, 5% Coupon Are Assumed

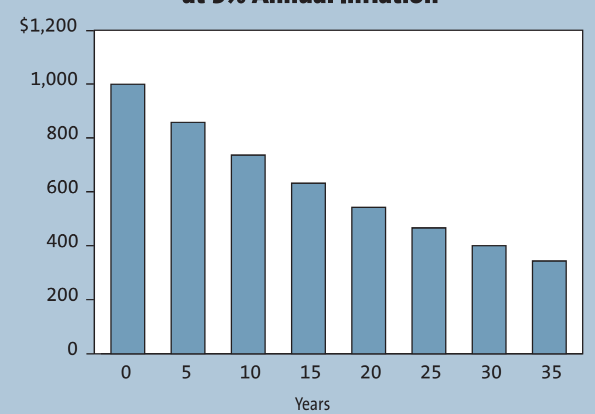


This example assumes a 5% coupon and $1,000 par value for each bond and shows value changes apart from fluctuations caused by other market conditions or factors. Calculations as of 12/31/07. This chart is for illustrative purposes only and is not intended to represent the return of any specific security.

■ *Market risk: Bonds.* Bond prices fluctuate with changes in interest rates, rising when interest rates fall and falling when interest rates rise. The longer the maturity of the bond or bond fund, the more the price will rise or fall in response to a given change in rates, as shown in the chart below, left. Bond prices also respond to changes in the creditworthiness of the issuer. Bonds of a company whose finances are deteriorating will probably fall in price as the risk of default (failing to meet required interest and principal payments) increases.

■ *Inflation risk.* All investments are subject to this risk, which is erosion in the purchasing power of the money invested due to rising prices. Any level of inflation above zero means that a future dollar is worth less than a present one. Therefore, an important investment goal is to earn a rate of return that exceeds inflation, at a very minimum.

Purchasing Power of $1,000 at 3% Annual Inflation



Step three: Finding funds to match your objectives

Now that you have defined your financial goals and have a basic understanding of risk, you can choose specific funds. You will find that the concepts of risk, return, and time horizon are all related as you consider your choices. The higher a fund's potential return over time, for example, the more suitable it probably is for your more distant goals. A long investment horizon enables you to take on higher risk because it allows you to more easily ride out losses and benefit from positive longer-term trends. In contrast, funds that are relatively stable in price and provide more modest returns are more suitable for your near-term needs.

Since the most common investor goals are *stability, income,* and *growth,* most funds are organized around these objectives. Each fund's objectives and investment program are explained in its prospectus.

■ *Stability.* Investing for stability means that your main concern is to protect your principal (the initial amount you invested) from loss. *Only money market mutual funds are managed to maintain a stable share price.* All other funds have prices that vary—some modestly, some a great deal.

Money funds, which invest in very short-term, high-quality securities, are the lowest-risk investment among all mutual funds, but they also usually provide the lowest returns. Unlike many bank accounts, *an investment in a money fund is not insured or guaranteed by the FDIC or any other government agency. Although these funds seek to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in them.* When interest rates are low, you won't make very much, but when rates rise, a money fund's short maturity means that its yield should also rise fairly quickly.

Among mutual funds, money funds are the best choice for stability. If you can accept modest price fluctuations, however, short-term bond funds should provide a higher income return and the potential for a higher overall return in addition to their higher risk.

■ *Income.* If your main objective is a reasonable level of monthly income, you should select some type of bond, or fixed-income fund. Bonds represent loans to governments or corporations, which, in turn, must pay interest to the investor over the life (or maturity) of the bond. Which bond fund you choose depends on how much income you wish to earn and how well you tolerate share price increases and decreases—the risk/reward trade-off.

The higher the income paid by a bond fund, the higher the risk in the form of greater swings in the fund's share price. If you want to keep price swings to a minimum, select a bond fund with a weighted average maturity under five years and high overall credit quality. But, if you can tolerate price changes in exchange for higher income, choose a longer-term fund or perhaps one with lower average credit quality.

Lastly, you may wish to consider whether you would benefit from tax-exempt bond funds. Income earned on municipal bonds issued by state and local governments is not subject to federal income taxes and may also be exempt from state and local income taxes in the state of issuance. The catch is that municipal bonds usually offer lower interest rates than comparable bonds that are taxable, so you need to compare the income you would actually keep on each type of bond after paying taxes at your particular marginal tax rate.

■ *Growth.* Growth means growth of capital. If you are investing now to build a reservoir of money for the future—at least five years from now—you should select a stock fund. Stocks represent ownership of a company, so if the company prospers, its stock price should rise.

Cumulative Investment Returns and Inflation

Periods Ended 12/31/07

	Years			
	5	**10**	**15**	**20**
Stocks — S&P 500	**83%**	**78%**	**346%**	**833%**
Bonds — Intermed. Gov't.	**20**	**78**	**143**	**297**
Treasury Bills — 30 Day	**15**	**42**	**77**	**141**
U.S. Inflation (CPI)	***16***	***30***	***48***	***82***

Source: Ibbotson Associates

This chart is for illustrative purposes only and does not represent an investment in any specific security. Past performance cannot guarantee future results. Unlike stocks, U.S. Treasury securities are guaranteed as to the timely payment of principal and interest. It is not possible to invest in an index.

While stocks have the greatest potential market risk, they also have the lowest inflation risk and offer the highest potential for growth over time.

Stock funds come in every imaginable variety. If you are a conservative investor, look for one that includes income among its main objectives; such funds tend to have more moderate price fluctuations than those that de-emphasize income. Likewise, funds that invest across a wide variety of industries should be less volatile than those investing in a narrow sector, such as technology or energy. If you expect to invest in several stock funds, consider diversifying overseas. Since international stocks do not usually move in concert with U.S. stocks, they can help smooth out the ups and downs of your total stock holdings and increase the potential for higher long-term returns. However, along with these benefits comes a higher level of risk. While political and economic instability, illiquid markets, and regional concentration must be considered, one of the primary concerns of investing abroad is currency risk. As always, the greater the risk you are willing to tolerate, the greater your potential long-term growth of capital.

Several types of mutual funds offer programs that allow you to accomplish more than one investment goal in a single investment. You may need some income and some capital growth, for instance. Instead of choosing separate income and growth funds, you may prefer a single fund that invests for both objectives.

Some Types of Mutual Funds — by Objective

Stability	Growth
Money market	Conservative
	Balanced
	Equity income
Income	Moderate
Conservative	Large- and medium-sized company growth
Short-term bond	Growth and income
Moderate	Global stock
Ginnie Mae (GNMA)	Aggressive
Intermediate-term bond	Small-company stock
Aggressive	International stock
International or global bond	Sector (e.g., precious metals, science and technology, health sciences)
Long-term bond	
High-yield bond	

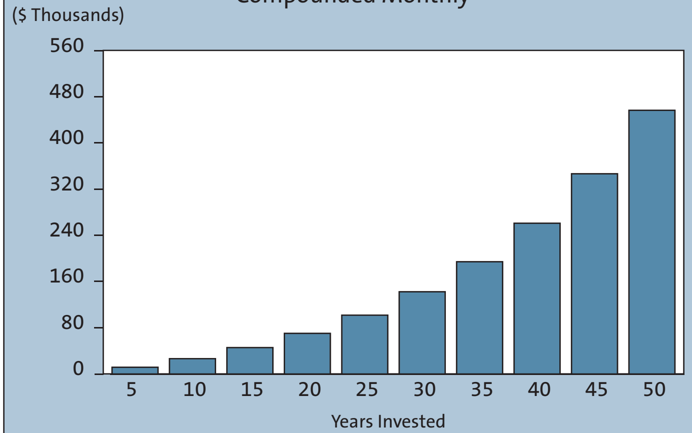
The best time to invest

The markets will always fluctuate, and waiting for the ideal moment is an exercise in futility. Time is money in the investment world. You want to put your money to work, add to it regularly if possible, and, if you can forgo the current income, reinvest the earnings to benefit from the power of compounding.

As the following chart shows, compounding over time can mean a difference of hundreds of thousands of dollars in investment returns. A $2,000 investment at the beginning of each year, which compounds monthly at a 5% annual rate, is worth about $45,764 after 15 years, $101,960 after 25 years, and $456,913 after 50 years.

The Power of Compounding

Growth of an Annual $2,000 Investment at 5% Return, Compounded Monthly



This chart is for illustrative purposes only and is not intended to represent the returns of any specific security.

So when is the best time to invest? Answering this frequently asked question is easy. The best time is *now*.

Summary

Mutual funds offer a convenient, efficient way to invest for income and capital growth. They can help you realize your financial objectives — but only if you invest in funds that are suitable to your particular needs and circumstances. Before investing, review your objectives, your tolerance for risk, and your time horizons. Be sure to read the prospectus and any other literature supplied by the fund before you become a shareholder.

Useful Terms

Average Weighted Maturity and Quality – Numbers provided by money market and bond funds to give you an idea of the fund's potential market and credit risk and its overall return, respectively. Other things being equal, the longer a fund's maturity and the lower its quality, the greater its potential risk and reward—and vice versa.

Automatic Reinvestment – A fund's dividend and capital gain distributions are automatically used to buy more shares, enabling them to benefit from compounding.

Distributions – Payments to shareholders of net income earned on portfolio holdings or net gains from the sale of securities in the portfolio.

Diversification – Spreading investments among a number of securities or mutual funds to reduce risk. Mutual funds must meet certain diversification standards.

Equity Funds – Invest primarily in common stocks.

Fixed-Income Funds – Invest primarily in bonds or money market securities.

Management Fee – Charged by mutual fund advisors for managing the fund's assets.

Mutual Fund Company – A corporation or trust that invests a pool of assets in pursuit of a specific investment objective.

Net Asset Value Per Share – The market value (price) of one share of a mutual fund, found by totaling the values of all the assets, deducting liabilities and expenses, and dividing the result (net assets) by the number of shares outstanding.

Load and No-Load Funds – Load funds charge a commission to buy and sell shares; no-load funds do not.

Profile – A summary of key information about the fund, normally shorter than a prospectus.

Prospectus – A booklet describing the fund. The U.S. Securities and Exchange Commission requires each prospectus to explain the fund's investment objectives, policies, and restrictions; risks; fees and charges; and other information, such as how shares can be bought and sold.

Real Rate of Return – The total return on an investment after subtracting the rate of inflation, e.g., a fund that returns 10% for a year in which inflation averages 4% has a "real" return of 6%.

Total Return – Measures the overall change in value of an investment over a designated period of time. A fund's total return reflects any income earned and the net increase or decrease in the share price; it assumes that all distributions were invested in additional fund shares during the given period.

Yield – A fund's income for a given day or period of time, expressed at annual rates, divided by its share price on a particular day or its average price for the particular period. Yield is not the same as total return.

Request a prospectus or a briefer profile; each includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

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