Tax Pro Module 1 Section 4

# SAVING STRATEGIES



### AMERICANS WITH NO SAVINGS

56% of Americans (117M adult Americans) don't even have \$1,000 in savings for an emergency.

Instead, they turn to credit cards in times of need.\*

\* Note: A telephone survey of 1,004 American adults conducted in January 2022. Source: Bankrate

### SAVING STRATEGIES



# STEP 1:

# START AN EMERGENCY & OPPORTUNITY FUND

#### **TWO REASON:**

- 1. Unforeseen but expected 'Emergencies'
- 2. Unforeseen, but expected 'Opportunities'.

Stay dedicated, it will fluctuate and give tremendous security, flexibility and opportunity

# BUILDING YOUR "BUCKETS"



# 3 Bucket System

(more advanced principles in "Financial Freedom")



\*Implement a Debt Snowball if Needed





# SAVING VEHICLES

		Deposit	Return	Withdrawal
	Bank	No Deduction	Taxed	Any Time for Any Reason
				I
	Brokerage App	No Deduction	Taxed	Any Time for Any Reason
	Traditional IRA	Deduction	No Tax	Taxed
S S S S S S S S S S S S S S S S S S S	Roth IRA	No Deduction	No Tax	No Tax!!

<sup>\*</sup> For Illustration Purposes Only

# DEVELOPING A HABIT OF SAVING

### How to have a \$1 Million Roth at age 67

	20 Years old	30 Years old	40 Years old	50 Years old	60 years old (Age 70 goal)
WEEK	\$12	\$36	\$115	\$412	\$1,000
MONTH	\$45	\$145	\$450	\$1,650	\$4,000
YEAR	\$540	\$1,740	\$5,400	\$19,800	\$48,000

<sup>\*</sup>Assuming a 12% annual rate of return

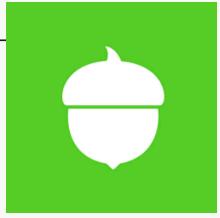
# WHY Acorns<sup>©</sup> App?



- Acorns<sup>©</sup> helps you Save...you can move the money to 'Invest'
- The process of setting up and maintaining an Acorns<sup>®</sup> account helps you establish and strengthen good habits
- You can be an example to your family and friends, young or old
- Starting Acorns<sup>®</sup> while you dig out of a financial hole gives you hope, purpose and a vision for the future

# THE "OTHER" BENEFITS OF Acorns®

#1



• Its for <u>Saving</u> NOT Investing

### **Beginners:**

4 Ways You build Your Savings!





Saving for Future Purchases S.T.

<u>#2</u>

Weekly Round Deposit Ups

**Your \$\$** 

Saving for Later Roth IRA L.T.

<u>#3</u>

Found Money

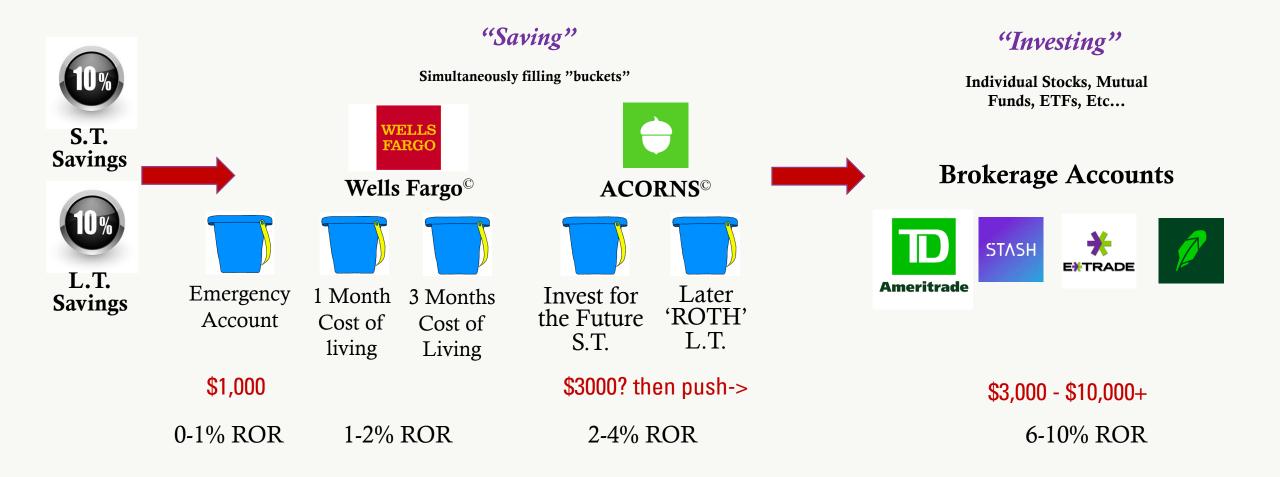
<u>#4</u>

Refer A Friend

Bonuses \$\$

\* For Illustration Purposes Only

# SAVING TO INVESTING



\* For Illustration Purposes Only

# INVESTING TO "SELF-DIRECTING"

### "Investing"

Individual Stocks, Mutual Funds, ETFs, Etc...

### **Brokerage Accounts**









\$3,000 - \$10,000+

6-10% ROR

#### 401k Accounts





Health Savings Accounts







### Kid's & Family Roths







College Savings Accounts





### "Self-Directing"

Real Estate, Notes, LLCs, Small Business, Crypto, Precious Metals, etc.....

**Self-Directed Accounts** 



by Directed Trust Company

\$20,000+

10-25%% ROR

\* For Illustration Purposes Only