

Alpha Kappa Alpha Sorority, Incorporated®, Eta Alpha Omega Chapter,
presents



Protecting Your Financial Assets

September 19, 2020

Part of the *Building Your Economic Legacy Series*

EAO Tech Assist - email eaotechassist@gmail.com for basic questions with joining the meeting

Agenda

- Welcome - Wanda Reid, President of Alpha Kappa Alpha Sorority Incorporated®, Eta Alpha Omega Chapter
- Review Agenda- Kellie McCorvey
- Introduction of Speaker - Toni Steed-Smith
- Protecting Your Assets - Deidra Willis, CFP®, CFA®
- Questions and Answers - Tomiaka Wingard
- Wrap-Up - Kellie McCorvey



CREATING A LIFETIME OF FINANCIAL SECURITY

ETA ALPHA OMEGA Chapter of
ALPHA KAPPA ALPHA SORORITY, INC.

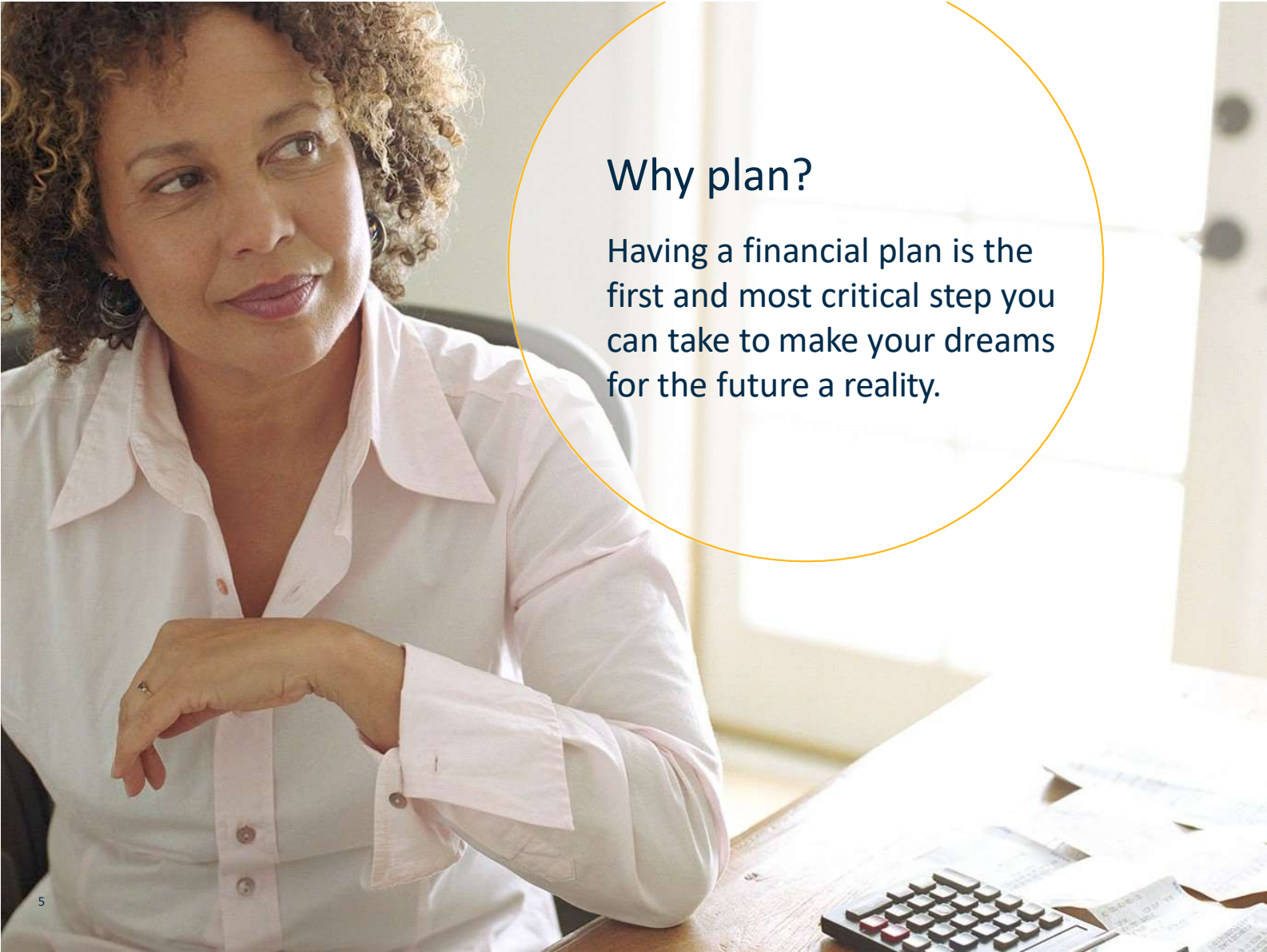
Deidra Willis, CFP®, CLU® | Financial Advisor
September 19, 2020

Today's Agenda

1. Protecting your financial assets (It's more than money).
2. What's involved?
3. Small steps you can start with today.

Let's get started!





Why plan?

Having a financial plan is the first and most critical step you can take to make your dreams for the future a reality.

3 Strategies for Creating a Financial Plan

1.

Protect against
the unexpected by
managing risk.

2.

Save and invest for
your future goals.

3.

Preserve what
you're working so
hard to achieve.



Strategy 1: Risk Management

What Is Risk Management?

Protecting your ability to reach your goals against things that are beyond your control, such as:



Experiencing an
accident or injury




Getting sick



Premature Death



Managing risk is one of the most important aspects of financial planning.

A photograph of a woman with short brown hair, wearing a light-colored sleeveless top and a necklace, sitting at a table in a cafe. She is smiling and talking on a mobile phone held to her ear. She is also holding a dark coffee cup. In the background, other people are blurred, and there are bottles on a counter. A large, thin yellow circle is overlaid on the right side of the image, containing the text.

What do you consider
your most important
asset?

Protect Your Income

Your ability to earn an income is your most valuable asset.

1 IN 4

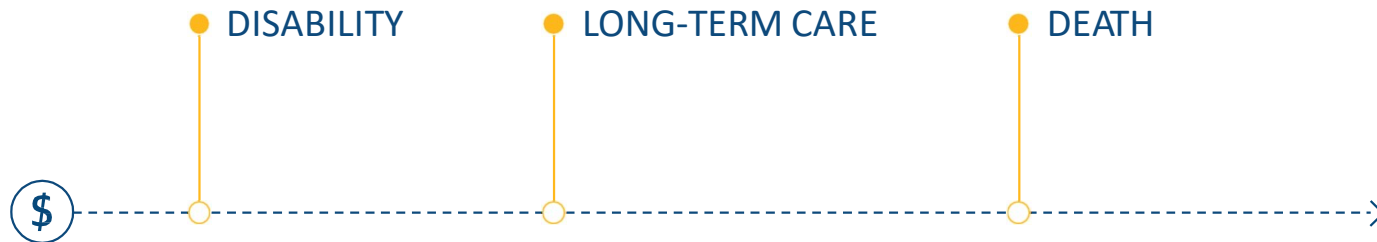
working professionals will be disabled for three months or more during their careers.



If you lose that earning power, what happens to your lifestyle?

What's Involved in Protecting Your Income?

Three basic threats to your long-term ability to earn income:



Disability

Most people think something catastrophic needs to happen in order to take advantage of disability insurance.

Some of the major causes of disability are:

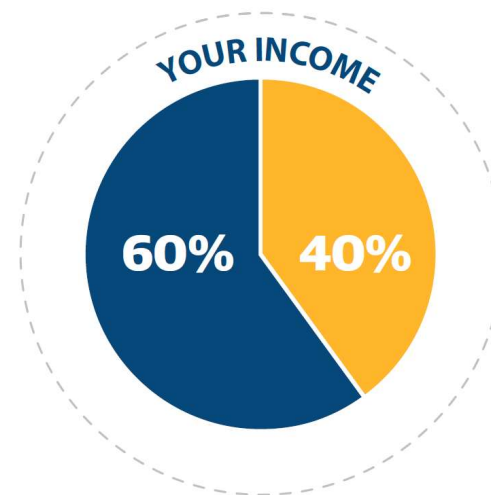
- Heart Attack or Stroke
- Cancer
- Back Problems
- Pregnancy Complications



Disability

Group disability insurance through your employer

- Usually has a cap
- Is taxable
- Covers only about 60% of your income
- Means you'd be taking a 40% cut in pay



We insure our cars and our homes against unforeseen events. Why not our income?

Long-Term Care

How many of you are currently providing care to a loved one or have done so in the past?

Data and studies show:

Disproportionate affects of African Americans in healthcare crisis and the after effects.

Caregiving in the United States



Over **75%**
of caregivers are
women¹



61% of
working caregivers
reported their jobs
were impacted by
their caregiving²

¹Institute on Aging, 2016 www.ioaging.org/aging-in-america

²Caregiving in the United States; National Alliance for Caregiving in collaboration with AARP. June 2015.

http://www.caregiving.org/wp-content/uploads/2015/05/2015_CaregivingintheUS_Final-Report-June-4_WEB.pdf

Caregiving in the United States

The typical family caregiver is a 49-year-old woman who:

- Is married.
- Has a job.
- Spends an average of 20 hours per week providing care for a loved one.

Talk With Your Parents

Questions that you can start with:

Are their accounts in joint name?
Which ones?

Are you or a sibling listed as
signers on their bank accounts?

Are their primary and contingent
beneficiaries current?

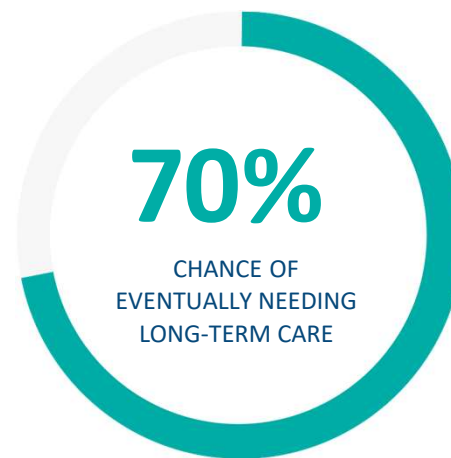
Should the house be transferred
to you, a sibling or a trust to
protect it in the future?

Do they have a plan for their
long-term care?

Should you, a sibling or both
consider paying for their
long-term care insurance?

Address Your Needs

If you live beyond the age of 65, there's a 70% chance you'll have some type of need for long-term care.



Extended long-term care is not covered by Medicare, Medicaid or health insurance plans.

Simply Not True...

What do you think about when you think about life insurance?

In contrast, our analysis finds that African Americans hold significantly more life insurance than whites after accounting for other confounding factors such as income and education.

Using multiple years of the US Census Bureau's [Survey of Income and Program Participation](#), we found that African Americans are two percentage points more likely to hold life insurance, from a baseline of 60 percent.

Source: *Public Health Post*
By [Timothy Harris](#) | [Aron Yelowitz](#)
March 8, 2018

Death – How should we plan for the right amount of protection?

What would you want to cover if you couldn't be there to financially support your loved ones?

Is there a mortgage to pay?

Will your children be able to go to college?

Would you want to be able to cover the costs of some or all of a child's wedding?

Do you expect to support family members in the future?

Do you want to leave a legacy to your children or grandchildren?

Understanding Your Type



TERM

- Provides temporary protection for a specified duration
- Much like renting, no equity is built
- May expire prior to death or you will need proof of insurability to change or purchase a new contract
- Some policies may be converted to a permanent policy
- Many policies have premiums that increase as you get older and have maximum age limits

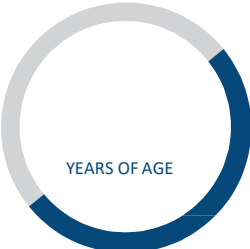


WHOLE LIFE (PERMANENT)

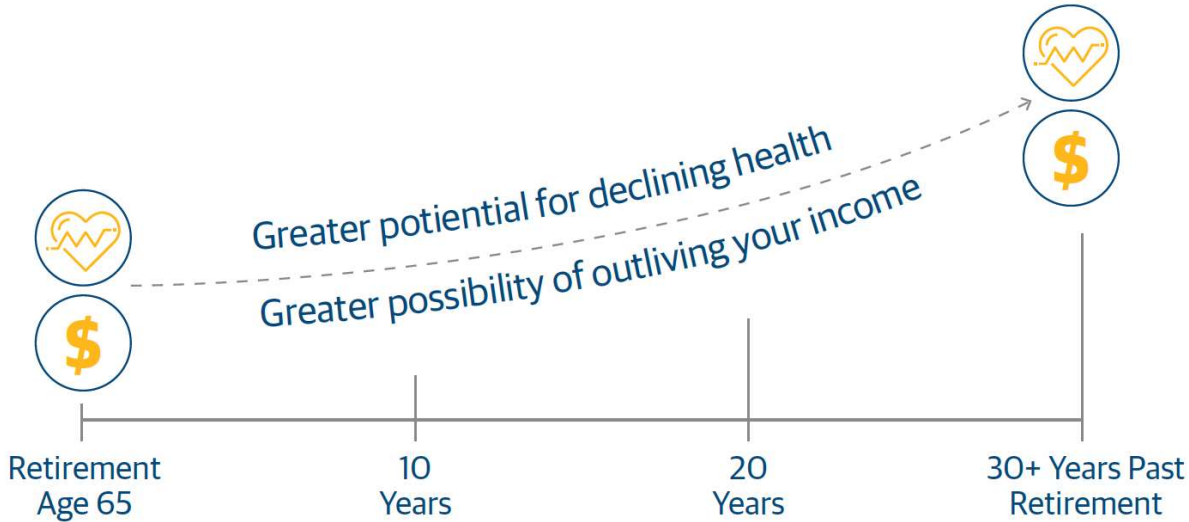
- A unique asset that can address evolving needs through all stages of life
- Provides lifetime protection
- Much like buying a home, it is an asset that builds equity over time
- Accumulated value** is guaranteed to grow tax deferred over time provided premiums are paid
- Participates in dividends*
- Provides flexibility with additional benefits that may help during a disability or if you need long-term care
- Most policies have level premiums
- Many options for how long to pay premiums
- May provide tax advantaged income**

Longevity

90



A woman who turns 65 today has a 50% chance of living to the age of 90.



Risk: Recap

Three unpredictable circumstances you can protect yourself against:


DISABILITY


LONG-TERM
CARE


DEATH



Strategy 2: Wealth Accumulation

Accumulating Wealth

Make the most of your money by making investment decisions that are right for you.

How you invest your money will impact your ability to achieve your goals.



In Times of: COVID-19, The Unknown, A Recession

The Question is, how do we protect what we have worked so hard for?

- Diversification
- Proper Estate Planning
- Regular Monitoring

Retirement Savings

Funding retirement is far different today than it was for your parents' or grandparents' generations. You're responsible for creating your own paycheck in retirement.



Invest your money in a way that gives you the greatest chance of achieving your goal.

Key Considerations

How much risk are you willing to take?

Are your investments in qualified or non-qualified accounts?

How long will you invest before your money is needed to meet financial goals?

Have you considered the impact of taxes—now and later—on your investments?

For how long will you be making withdrawals?

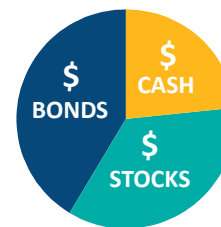
How to Leverage Diversification? Stocks? Bonds? Cash or Cash Equivalents?

Historically, each of these asset classes has responded differently to economic activity and market trends.



The process of dividing your investment portfolio among these various asset classes is called asset allocation.

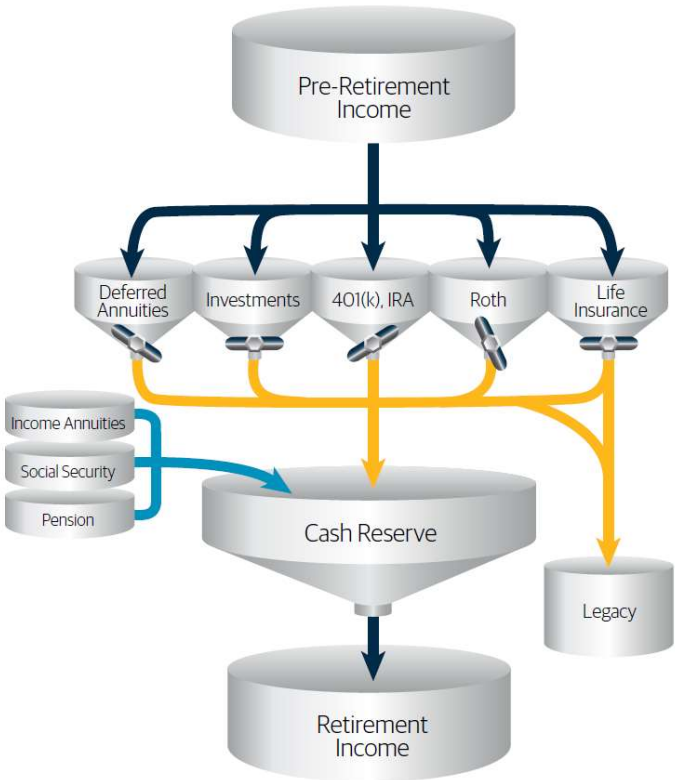
LOWER RISK





Strategy 3: Wealth Preservation and Distribution

Distribution of Assets



Protecting Your Financial Assets Goes A Step Further

Estate Planning

Estate planning is about getting the right things to the right people, at the right time, in the right way.

Estate Planning Basics

It's never too soon to plan for your estate



Age 18

Establish a power of attorney.

Marriage

Establish a will.

Having Children

Appoint a guardian and plan to leave money to your children, a charity or an alma mater.

Fund Your Legacy

An estate plan can help:

- Ensure that your wishes will be ultimately honored.
- Eliminate the friction and tension that can sometimes happen when assets are being distributed.



Your gift of a plan is as important as your gift of money.

Creating Financial Security



**Risk
Management**



**Wealth
Accumulation**



**Wealth Preservation
and Distribution**

Keep in Mind



Financial planning isn't one-size-fits-all.

- Your goals for your future are unique.



Financial planning is not a one-time event.

- Your financial circumstances and priorities are going to change.
- Your financial plan needs to evolve and align with those changes.



QUESTIONS?

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CHAPTER

THANK YOU!



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