Business Retirement Workshops

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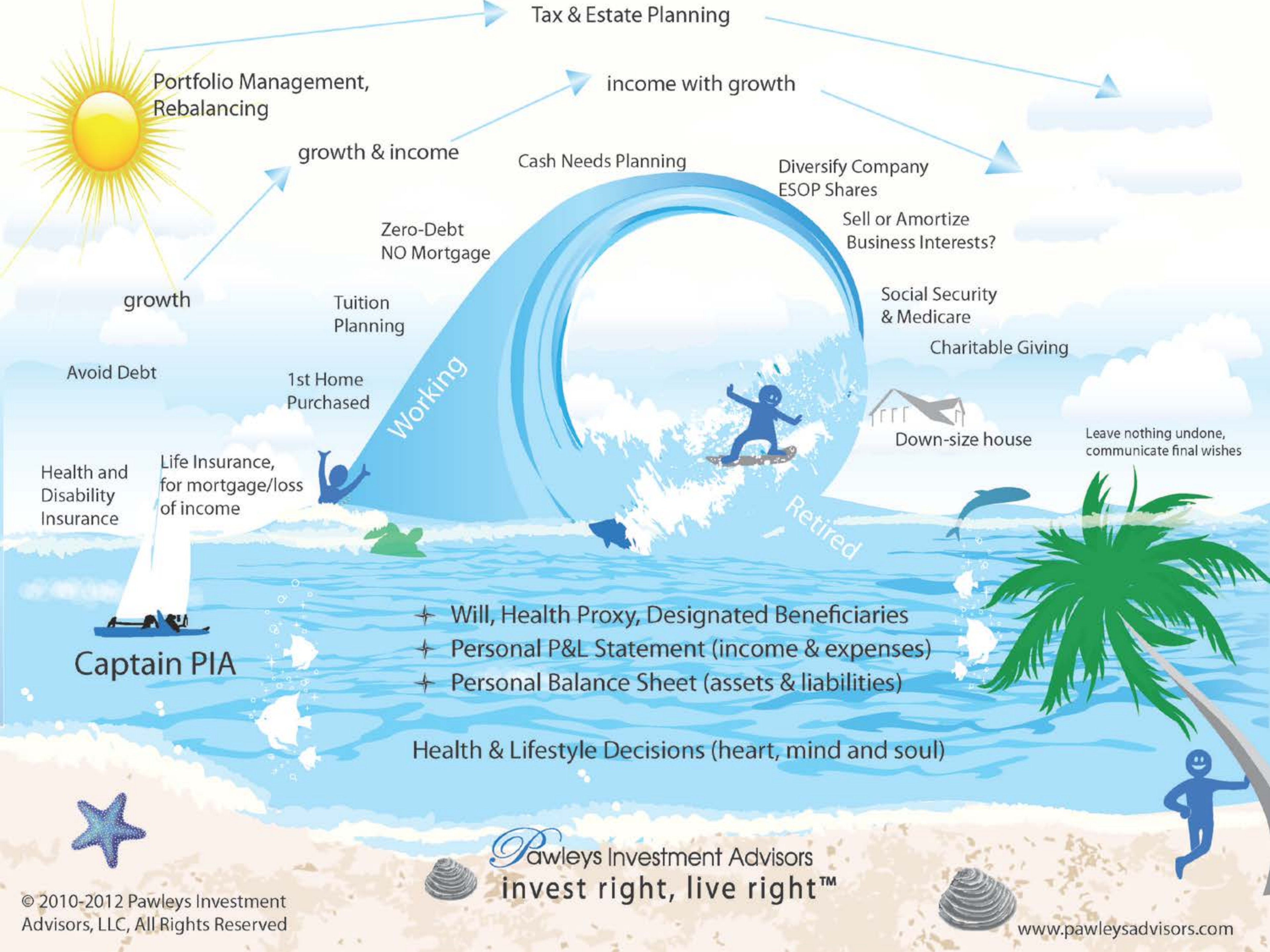
March 12, 2013

Business Retirement Workshop #1

- The Pawleys LifeCycle Wave
- The Personal Profit & Loss Statement and Balance Sheet
- Fibonacci's Rabbits – A Fun Tale of Compounding
- Case Studies - "How to turn yourself into a millionaire"
- *invest right, live right*™


Tax & Estate Planning
Portfolio Management,
Rebalancing
income with growth
growth & income
Cash Needs Planning
Diversify Company
ESOP Shares
Sell or Amortize
Business Interests?
Zero-Debt
NO Mortgage
growth
Tuition
Planning
Social Security
& Medicare
Charitable Giving
Avoid Debt
1st Home
Purchased
Working
Down-size house
Leave nothing undone,
communicate final wishes
Health and
Disability
Insurance
Life Insurance,
for mortgage/loss
of income
Retired
Will, Health Proxy, Designated Beneficiaries
Personal P&L Statement (income & expenses)
Personal Balance Sheet (assets & liabilities)
Captain PIA
Health & Lifestyle Decisions (heart, mind and soul)
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The Pawleys LifeCycle Wave

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- Title assets properly
- Keep beneficiaries updated
- Review your budget
- Stay positive and healthy
- Enjoy time with the people you care about

Personal P&L and Balance Sheet

The Profit & Loss Statement (aka your budget) is dynamic like a flowing river.

The Balance Sheet is a financial snapshot in time, like a still Reservoir where you can store assets for later use.

Income

		Monthly Amount	notes:
	Wages, Salaries		
	Alimony		
	Investment Income		
	Rental Income		
	Business Income & Royalties		
	Pension		
	Social Security		
	Other		
		$ -	total income

Expenses

Home	Mortgage or Rent		
	Insurance		
	Property Tax		
	Maintenance and POA Dues		
Utilities	Electric & Gas		
	Water & Sewer		
	Telephone		
Food	Groceries		
	Dining		
Health	Insurance		
	Fitness		
Family	Children, Parents		
	Pets		
Transportation	Auto, etc		
Charitable Giving	Donations, Tithing		
Debt	Loan Payments		
Entertainment	Cable & Computer		
	Hobbies & Travel		
Clothing	Apparel		
Savings	Retirement		
	College		
Miscellaneous	Household		
	Gifts		
		$ -	total expenses

Assets		**Estimated Value**	**notes:**
Cash	Checking		
	Savings		
	Money Market		
	Certificates of Deposit		
Investments	Mutuals Funds		
	Individual Securities		
	Private Placements		
	Company ESOP Shares		
	Vested Pension Assets		
	Other		
Real Estate	Primary Residence		
	Secondary Home		
	Investment Property		
Business Interests	Private Company Ownership		
Insurance	Life Insurance Cash Values		
	Annuities		
Personal Property	Antiques/Collectibles		
	Automobiles		
	Miscellaneous		
Other	Receivable Loans		
		$ -	total assets

Liabilities			
Mortage	Primary Residence		
	Second Home		
	Investment Property		
Debt on Depreciating Assets	Auto Loans		
	Revolving Debt (Credit Cards)		
	Other Personal Loans		
Miscellaneous	Student Loans		
	Business Loans		
		$ -	total liabilities

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The Time Value of Money

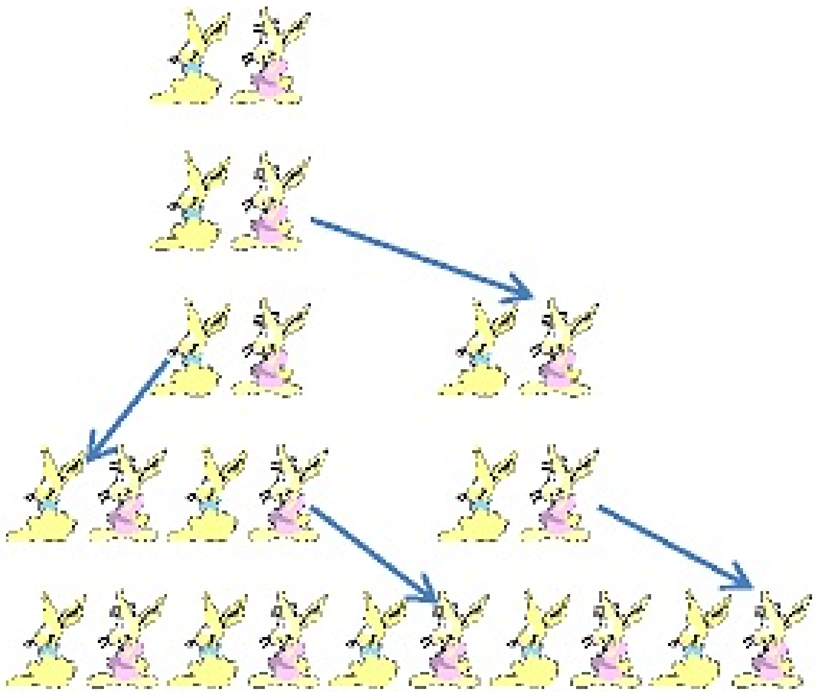
FV=future value
PV=present value
i=rate of interest
n=number of time periods

$$FV=PV(1+i)^n$$

Since n is an exponent, it determines how many times the base equation will be copied, leading to a higher number

Fibonacci's Rabbits

Let's forget the formula and just think about the dynamics of a rabbit farm!



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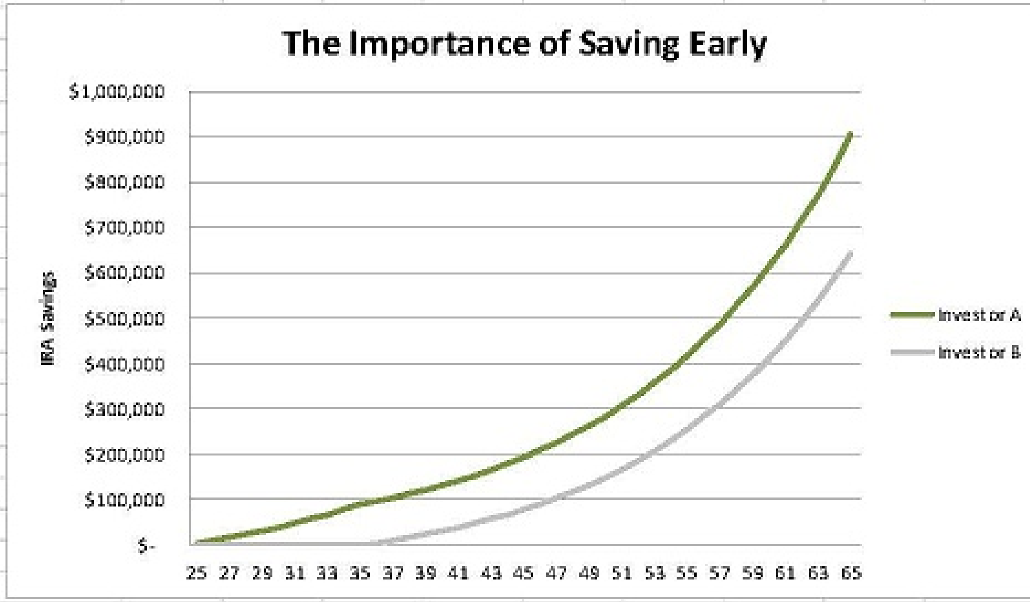
Age	Investor A		Investor B	
	Starts Early		Starts Late	
25	$	5,400	$	-
26	$	11,232	$	-
27	$	17,531	$	-
28	$	24,333	$	-
29	$	31,680	$	-
30	$	39,614	$	-
31	$	48,183	$	-
32	$	57,438	$	-
33	$	67,433	$	-
34	$	78,227	$	-
35	$	89,886	$	-
36	$	97,076	$	5,400
37	$	104,843	$	11,232
38	$	113,230	$	17,531
39	$	122,288	$	24,333
40	$	132,071	$	31,680
41	$	142,637	$	39,614
42	$	154,048	$	48,183
43	$	166,372	$	57,438
44	$	179,682	$	67,433
45	$	194,056	$	78,227
46	$	209,581	$	89,886
47	$	226,347	$	102,476
48	$	244,455	$	116,075
49	$	264,012	$	130,761
50	$	285,132	$	147,701
51	$	307,943	$	165,998
52	$	332,578	$	185,757
53	$	359,185	$	207,098
54	$	387,920	$	230,146
55	$	418,953	$	255,037
56	$	452,469	$	281,920
57	$	488,667	$	310,954
58	$	527,760	$	342,310
59	$	569,981	$	376,175
60	$	615,580	$	412,749
61	$	664,826	$	452,249
62	$	718,012	$	494,909
63	$	775,453	$	540,982
64	$	837,489	$	590,740
65	$	904,488	$	644,480



Investor A (green line) opens an IRA at age 25 and adds $5,000 annually until age 35, for total contributions of $55,000. Investor A never adds another dollar after age 35. Investor B (grey line) delays and finally opens an IRA at age 35, and adds $5,000 annually until age 50, and then adds $6,000 annually until age 65, for total contributions of $165,000. Both investors gain an average annual return in their portfolios of 8%. At retirement, Investor A's portfolio is worth $904,488 and Investor B has only $644,480. Investor B saved THREE times the amount of money that Investor A saved. By starting early, Investor A is able to reap the benefits of the time value of money, while Investor B, by delaying, is *never* able to catch up to Investor A, not even coming close.

Start early...*invest right, live right!*

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Retirement planning is easy if you START EARLY and take control!

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