



Financial Literacy Education

The foundation of your financial education

Name

Title

Date

beretirement™
ready

RETIREMENT | INVESTMENTS | INSURANCE

VOYA
FINANCIAL™



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You should consider the investment objectives, risks, and charges and expenses of the investment options carefully before investing. Prospectuses containing this and other information can be obtained by contacting me your Representative. Please read the prospectuses carefully before investing.

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Financial Literacy Education



Credit



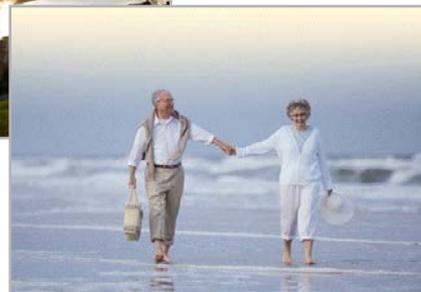
Banking



College Education



Home Ownership



Retirement



Credit





Credit

- Purchasing a car
- Buying a house



Credit – Purchasing a Used Car

- Loan amount: \$25,000
- Years: 4

Interest Rate	3.63%*	6.00%	9.00%
Monthly Payments	\$560	\$587	\$622
Total Payments	\$26,897	\$28,182	\$29,862
Interest Paid	\$1,897	\$3,182	\$4,862

The hypothetical results are for illustrative purposes only and should not be deemed a representation of past or future results. Actual interest rates may be more or less than those shown.

* Source: Bankrate.com; average auto loan rate for a used car as of 7/18/2012

Credit – Purchasing a Home

- Loan amount: \$235,000*
- Years: 30

Interest Rate	2.65%	3.65%**	4.65%
Mortgage Payments	\$947	\$1,075	\$1,212
Interest Paid	\$105,906	\$152,011	\$201,230
Total Payments	\$340,906	\$387,011	\$436,230

The hypothetical results are for illustrative purposes only and should not be deemed a representation of past or future results. Actual interest rates may be more or less than those shown.

*Source: Housewire.com; average mortgage amount in 2012

**Source: Bankrate.com; average mortgage rate as of 7/19/2012



Credit:

Ways to retain and/or improve your credit rating

- Monitor - www.annualcreditreport.com
- Pay your bills on time
- Don't request credit unless you need it
- Keep your personal information private
- Should you co-sign?





Banking



RETIREMENT | INVESTMENTS | INSURANCE





Banking

- Interest
- Insured (up to specified amount by the FDIC)
- Convenience





Banking

- Many banks offer you interest on checking and savings accounts - instead of paying interest you can accumulate interest
- FDIC – Federal Deposit Insurance Corporation, insures up to \$100,000 in deposits www.fdic.gov
- Paying with check card
- Monitor purchasing habits
- Building relationships

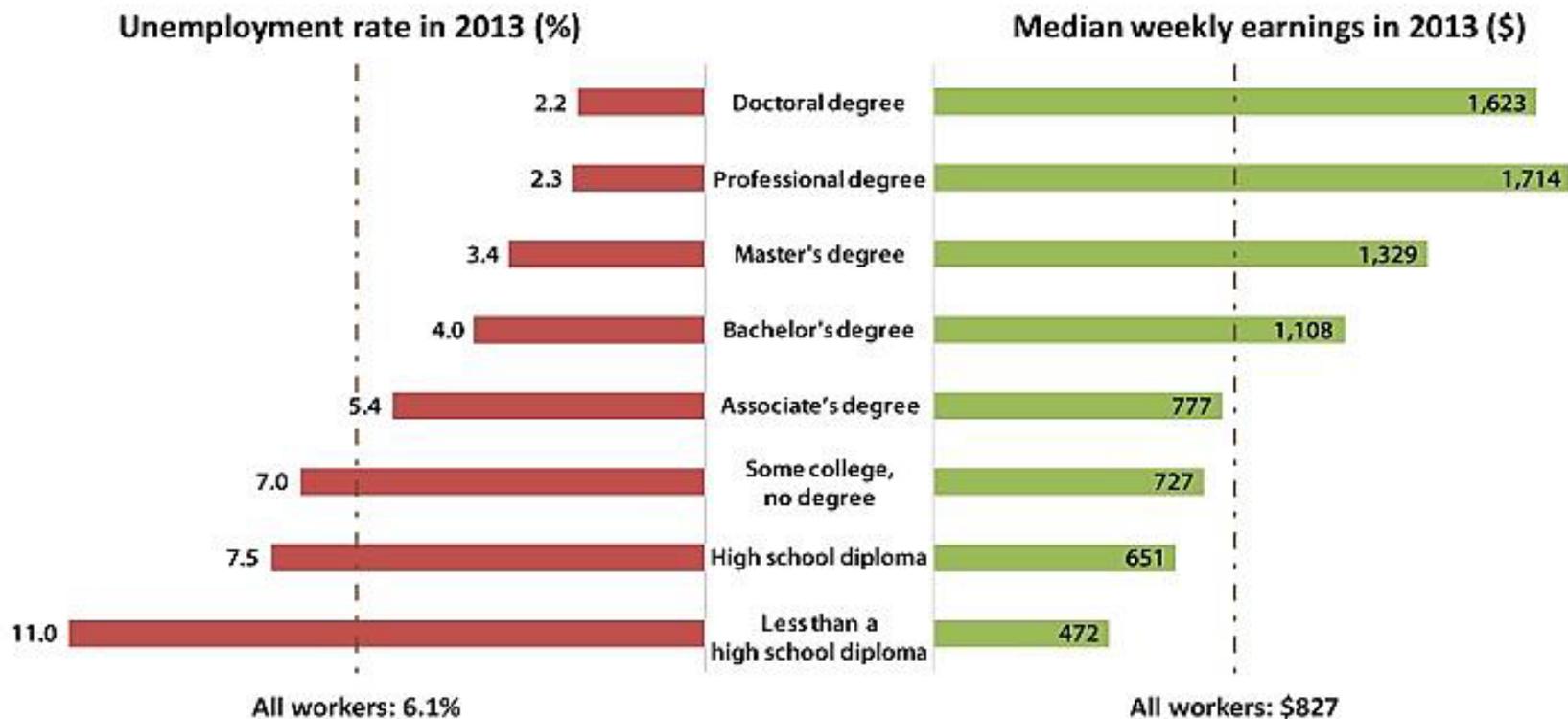


College Education



College Education

Earnings and unemployment rates by educational attainment



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.
Source: Current Population Survey, U.S. Bureau of Labor Statistics, U.S. Department of Labor

Bureau of Labor Statistics; Employment projections. http://www.bls.gov/emp/ep_chart_001.htm



College Education

The **average cost** of 4 years of college education today



Public (in-state) = \$91,304

Private = \$179,000

Tuition	\$35,572
Room & Board	\$37,992
Books & Supplies	\$4,828
Transportation	\$4,492
Other expenses	\$8,420

Tuition	\$120,376
Room & Board	\$43,292
Books & Supplies	\$5,012
Transportation	\$3,960
Other expenses	\$6,360

Based on a the CollegeBoard's annual survey of college pricing for the 2013-2014 school year



College Education: Methods of saving for college

- Personal savings account
- Section 529 plans
- Prepaid tuition plans
- Scholarships and Grants





College Education

- Average public four year college: **\$22,826*** per year
- Money you have saved for college: **\$0**
- Estimated cost of college 15 years from now^{**}: **\$169,241 total**
- Amount needed monthly to help reach your goal^{**}: **\$563**

*Based on a the CollegeBoard's annual survey of college pricing for the 2013-2014 school year

**Calculations are based on a ten year average inflation rate of 4.2% for public college listed by Trends in College Pricing 2013 by CollegeBoard, and a 6% interest on savings/investment vehicle. Calculations run by savingforcollege.com calculator.



Home Ownership



Home Ownership

- Equity
- Retirement
- Self Worth
- Nest Egg
- Wealth Transfer



Home Ownership

- Taxes – Property, State, Local, School
- Insurance – Home owners and PMI
- Maintenance – Upkeep of your house
- Interest rates
- Closing costs and points





Home Ownership

\$235,000* House	30 years	
1% Below Average	(2.65%)	\$340,906
\$947 per month	This excludes taxes and insurance	

\$235,000* House	30 years	
Average Rate**	(3.65%)	\$387,011
\$1,075 per month	This excludes taxes and insurance	

\$235,000* House	30 years	
1% Above Average	(4.65%)	\$436,230
\$1,212 per month	This excludes taxes and insurance	

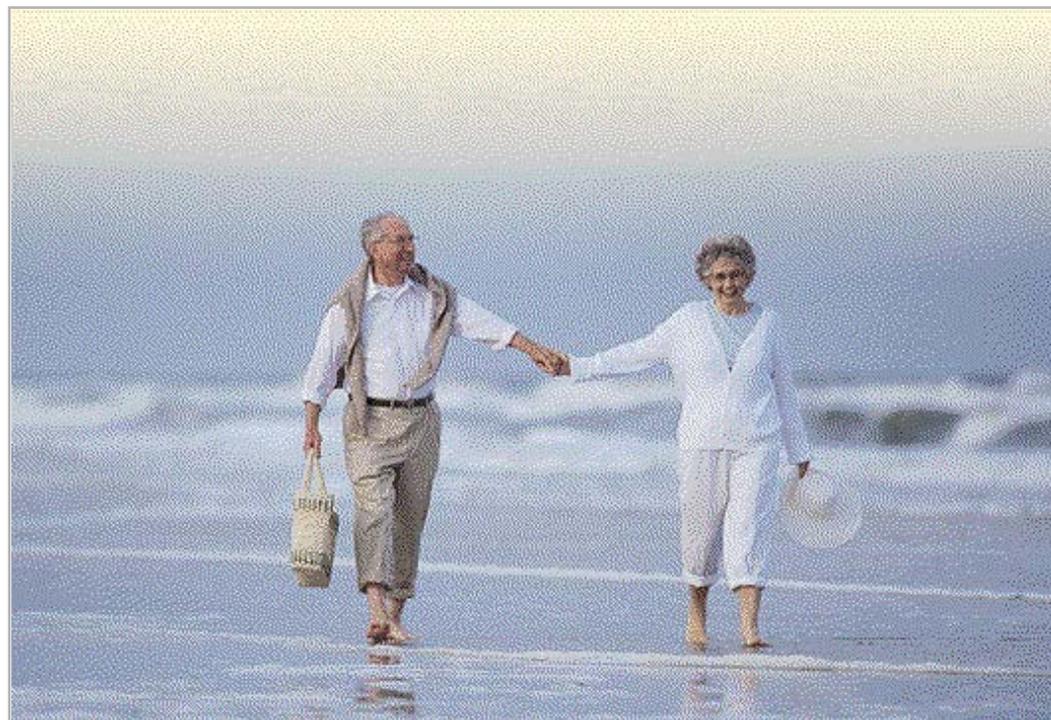
*Source: Housewire.com; average mortgage amount in 2012

**Source: Bankrate.com; average mortgage rate as of 7/19/2012

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Retirement





Retirement

It's all about **smart money management**.
The key is to **understand the options**.





Retirement

Your retirement income is the combination of the following three sources

1. Social Security

Was never designed to completely fund your retirement. It's more of a safety net.

2. Pension Payments

Many employers no longer offer pensions. If your current or a previous employer is one of the few who still does, your pension benefit will depend on how much you have earned and how long you have worked.

3. Your Savings

Is typically the largest slice of the retirement pie. Includes any savings set aside for retirement like prior 401(k)s, IRAs or mutual funds.



Retirement:

Your savings options

	Defined Contribution Plans: 401(k), 403(b), 457	IRA's	Mutual Funds
Definition	An employer-sponsored retirement investment plan 401(k), 403(b) and 457 plans	An individual retirement account (IRA)	A financial vehicle to save or invest money
Tax benefit	✓	✓	X
Compounding growth potential	✓	✓	✓
Employer contributions	✓	X	X
Loans (depending on plan document)	✓	X	X
Withdrawals	✓	✓	✓
Fund options	✓	✓	✓



Retirement:

Your retirement plan – your direction to retirement

- One of the most convenient and easiest ways to save for retirement and retire the way you want:
 - 401(k) contributions are automatically deducted from your pay pre-tax before Federal income tax is withheld*
 - You choose how much you want to save



Generally taxes are due upon withdrawal from define contribution plans. Withdrawals prior to age 59 ½ may be subject to an IRS 10% premature penalty tax, unless an exception applies.



Retirement: Tax benefits

	Saving after-tax outside the plan	Saving before-tax in the plan
Annual pay	\$30,000	\$30,000
Annual plan contributions	N/A	– 1,200
Income subject to tax	30,000	28,800
Federal taxes*	– 4,500	– 4,320
Net income	25,500	24,480
After-tax contributions	– 1,200	N/A
Spendable income	<u>\$24,300</u>	<u>\$24,480</u>

Hypothetical illustration. Systematic investing does not assume a profit or protect against loss. You should consider your ability to continue investing in up as well as down markets. These figures do not include fees or expenses that a product would assess, including mortality and expense risk charge (M&E), a daily asset charge and an administrative fee. If included, these fees would reduce the figures of the tax-deferred product shown above. Refer to the prospectus/prospectus summary/information booklet for more information about fees. Lower maximum tax rates on capital gains and dividends would make the investment return for the taxable investment more favorable, thereby reducing the difference in the performance between the accounts posted above. Consider your personal investment horizon as well as your current and anticipated income tax bracket when making an investment decision, as these may further impact the results of this illustration. Bear in mind that changes in tax rates and tax treatment of investment earnings may impact the comparative results.

* Assumes the 2014 federal tax rate of 15%.



Retirement: Tax benefits

	Saving after-tax outside the plan	Saving before-tax in the plan
Annual pay	\$60,000	\$60,000
Annual plan contributions	N/A	– 4,800
Income subject to tax	60,000	55,200
Federal taxes*	– 9,000	– 8,280
Net income	51,000	46,920
After-tax contributions	– 4,800	N/A
Spendable income	<u>\$46,200</u>	<u>\$46,920</u>

Hypothetical illustration. Systematic investing does not assume a profit or protect against loss. You should consider your ability to continue investing in up as well as down markets. These figures do not include fees or expenses that a product would assess, including mortality and expense risk charge (M&E), a daily asset charge and an administrative fee. If included, these fees would reduce the figures of the tax-deferred product shown above. Refer to the prospectus/prospectus summary/information booklet for more information about fees. Lower maximum tax rates on capital gains and dividends would make the investment return for the taxable investment more favorable, thereby reducing the difference in the performance between the accounts posted above. Consider your personal investment horizon as well as your current and anticipated income tax bracket when making an investment decision, as these may further impact the results of this illustration. Bear in mind that changes in tax rates and tax treatment of investment earnings may impact the comparative results.

* Assumes the 2014 federal tax rate of 15% total tax rate.



Retirement:

Employer contribution – a perfect match!

- For each contribution you make to your retirement plan, your employer may match a portion.
- Matching contributions are an added “bonus” (plan permitting)
- Your employer may also make a contribution to your account

**Don't leave money behind -
take advantage of matching contributions!**

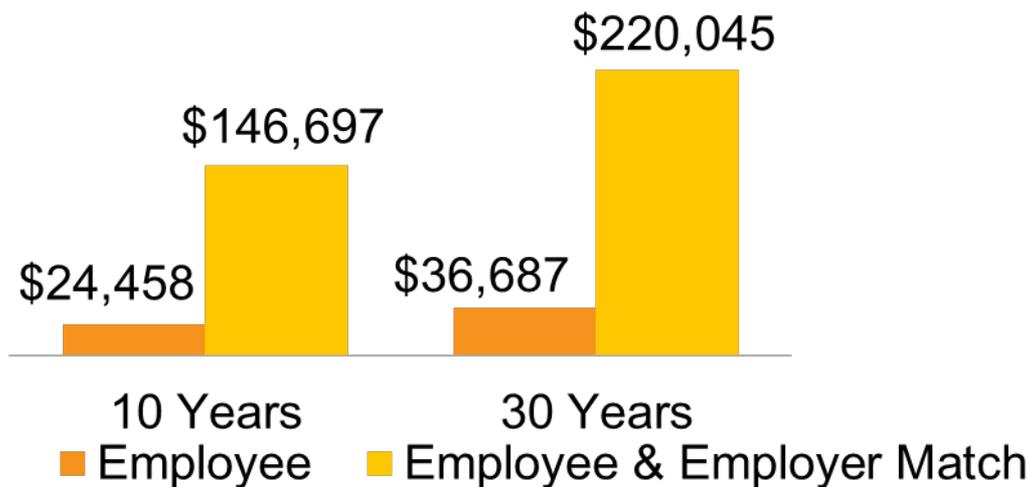


Retirement:

Take advantage of the match, when available



The difference the match can make over 30 years

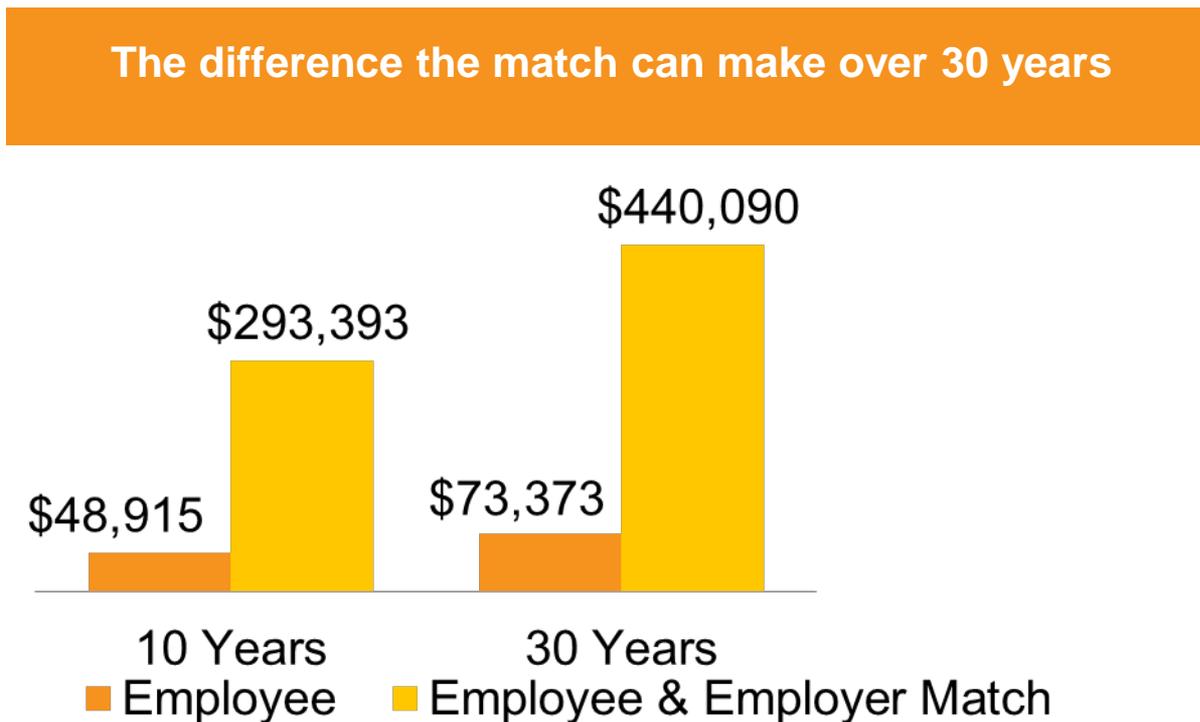


The illustration assumes \$30,000 annual salary and a 6 percent rate of return compounded monthly and contributions made at the end of each month. It assumes 26 pays per year. It does not reflect the performance of any specific investment and therefore no product fees are reflected. The returns are hypothetical and do not reflect the past or future performance of any specific investment product. Payment of income taxes is not reflected. Systematic investing does not ensure a profit or protect against loss. You should consider your ability to invest consistently in up-and down-markets.



Retirement:

Take advantage of the match, when available



The illustration assumes \$60,000 annual salary and a 6 percent rate of return compounded monthly and contributions made at the end of each month. It assumes 26 pays per year. It does not reflect the performance of any specific investment and therefore no product fees are reflected. The returns are hypothetical and do not reflect the past or future performance of any specific investment product. Payment of income taxes is not reflected. Systematic investing does not ensure a profit or protect against loss. You should consider your ability to invest consistently in up-and down-markets.



Retirement: Loans and Hardship Withdrawals

- The success of a long-term retirement savings requires smart decisions. Understand the impact of short-term actions such as taking loans and hardship withdrawals for current needs.
- Before taking a withdrawal, consider the current federal income tax rate and the early withdrawal penalty, as well as the lost of the compounding value of the those assets.
- Loans may impact your withdrawal value and limit participation in future growth potential. The key risk is having an outstanding loan when employment is terminated*



* If a loan is not repaid promptly upon termination, it becomes a plan distribution, taxes and possible penalties.



Retirement

401(k) plans are part of landscape of the
American dream:
Equal opportunity and financial well-being
for this nation's workforce.

Are we embracing the advantages?

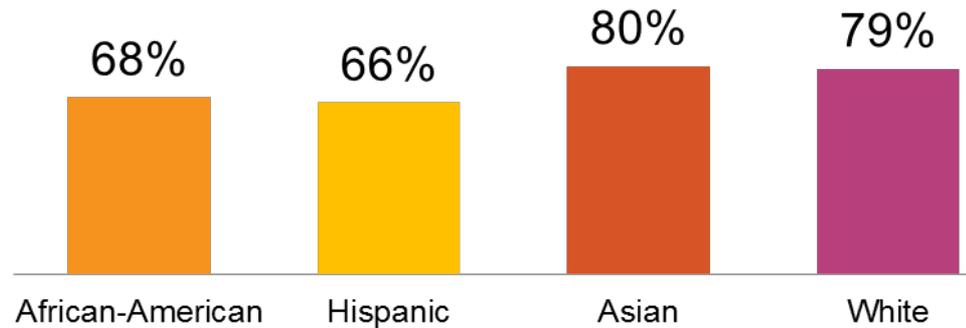




Retirement

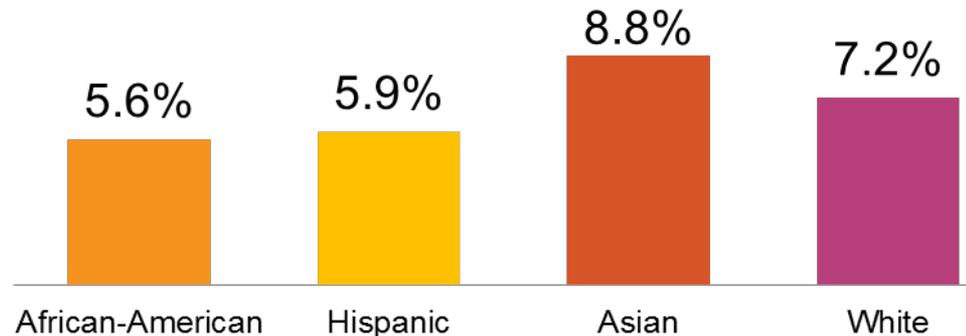
Plan Participation:

A lag of participation by African-Americans and Hispanics is found even after controlling factors as salary, job tenure and age



Savings Rates:

As salary levels increase, contribution rates also increase. But regardless of their salary levels, African-Americans and Hispanics have considerably lower contribution rates compared to Whites and Asians



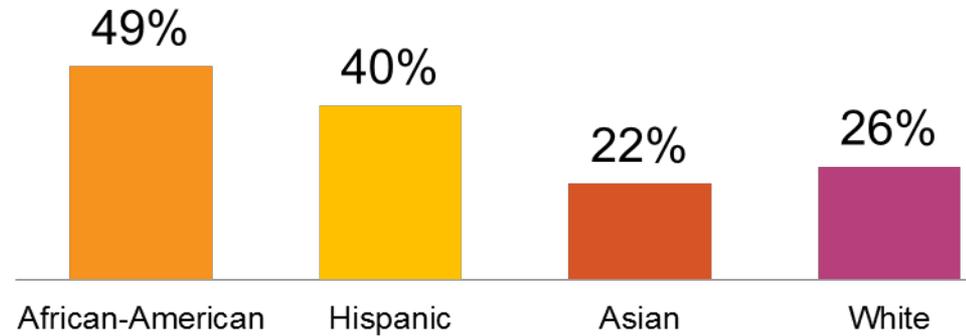
Source: The Ariel / Hewitt Study, 401(k) Plans in Living Color, 2012



Retirement

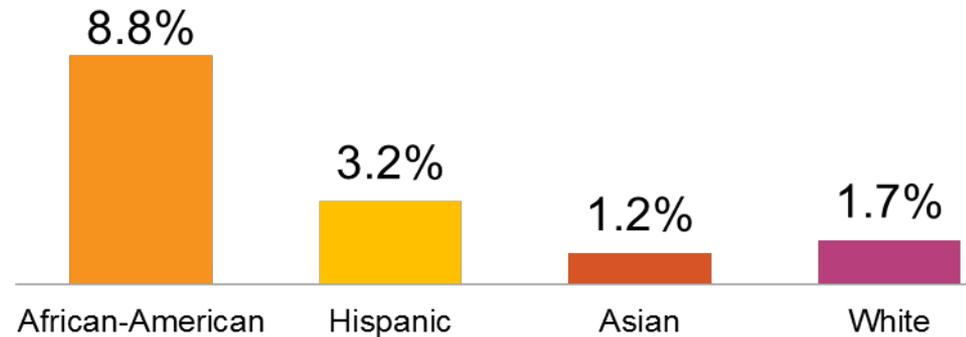
Loans:

African-Americans and Hispanics employees are most likely to have loans outstanding against their 401(k) account balances. Loans frequency peaks among employees with salaries between \$30,000 and \$89,999



Hardship Withdrawals:

African-Americans employees are by far the most likely to take a hardship withdrawal from their 401(k) plan accounts



Source: The Ariel / Hewitt Study, 401(k) Plans in Living Color, 2012



Retirement:

Adding it all up – average retirement account balance by salary

	\$0 - \$29,999	\$30,00 - \$59,999	\$60,000- \$89,999	\$90,000- \$119,999	\$120,000+
African-American	\$7,557	\$24,505	\$68,343	\$132,222	\$201,585
Hispanic	\$8,949	\$27,823	\$76,031	\$138,274	\$206,007
Asian	\$16,186	\$42,062	\$85,258	\$131,973	\$181,846
White	\$14,563	\$42,720	\$98,290	\$182,061	\$285,341

Adding the participation and saving rates and the loans and withdrawals figures is not surprising that the average account balances in 401(k) plans are lower for African American and Hispanic employees – even at the highest pay levels – than for white and Asian employees.

Source: The Ariel / Hewitt Study, 401(k) Plans in Living Color, 2012



Retirement:

Recognizing the problem and finding solutions

The fundamental reality about retirement today is that individuals hold the keys in their own financial futures.

Take steps to help ensure success:

1. Participate in your company's 401(k) plan and be proactive in saving and managing your money.
2. Before accessing your money in the short term (loans and withdrawals), understand and evaluate the long-term impact of doing so.
3. Review your retirement savings at least once a year to assess your strategy and consider any changes that need to be made.





Be Informed

Living in the United States offers us many opportunities that do not exist to all, in other countries. It also has its own unique risks.

Please educate yourself on these risks so you and your family have the tools to help you preserve what you've worked so hard to build.



Questions?



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