Total Candor℠

Comprehensive Personalized Motivational Toolkit

SAMPLE

Prepared Especially For:

Carl and Catherine Smith

March 28, 2007

Note assumptions and limitations on page 16.

Table of Contents

Section	Page
Introduction	
Personalized Motivation and Total Candor	3
When?	
Never a Better Time to Save Than Right Now	4
The Early Bird Gets a Lot More Than Just Worms	5
Nothing Reduces Your Required Future Savings More Than Saving—Today	6
Procrastination Is Even More Expensive Than the Filet	7
I Knew Time Was Money But I Never Knew It Was So Expensive!	8
How Much More Do I Really Have to Save If I Wait a Little . . .Holy #$%#^!	9
Your Personal Ben, Henry, and Lauren Scenarios	10
How Much?	
Every Little Bit Counts—More Than You Thought	11
Share Part of Your Raise With Your Future	12
How Well?	
Playing It Safe Has Consequences Too	13
Where?	
The Road Less Taxable	14
Combination Plate	
Get The Biggest Bang for Your Buck: Save Now *and* Invest Aggressively	15
Assumptions and Limitations	16

Introduction

Your Comprehensive Personalized Motivational Toolkit (CPMT) provides an overview of how your actions in the near-term dramatically affect your financial future. Your CPMT is designed to help you:

- Understand the implications of your currently proposed assumed rate of savings
- Identify and react to the cost of delaying action
- Get excited for the future you can still create for yourself
- Receive a generalized kick in the pants

As in life, nothing is more important to financial planning than simply getting started. The recurring theme you will soon understand by reviewing your toolkit is the importance of taking advantage of today. In short, this likely means you must increase the amount you save. Not next year, or next month, but today. It's not that hard. Go ahead and make one decision today to save one dollar more than you ordinarily would. You are on your way.

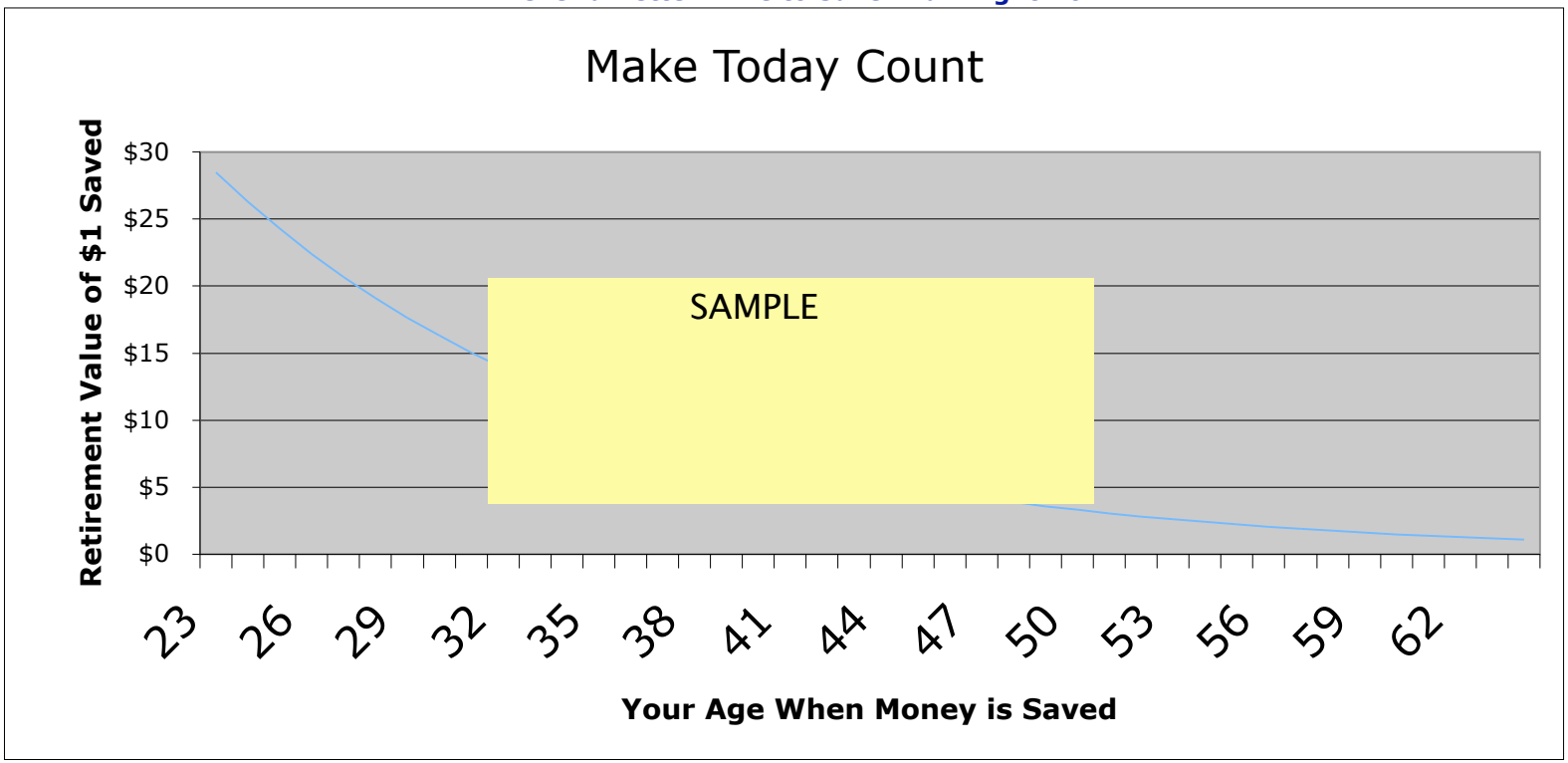
While some sacrifice may be required, truthfully, saving often entails little more than a conscious decision to periodically curb your spending. For additional information on delayed gratification, saving strategies, and how to balance it all, visit www.totalcandor.com.

For additional resources that can help you meet your goals through an unbiased financial education, including upcoming public workshops, please visit www.totalcandor.com.

Note assumptions and limitations on page 16.

When?

Never a Better Time to Save Than Right Now



A dollar that you save today will grow to $28.47 by age 65. But a dollar saved five years from now, when you are 28, will grow to just $19.11.

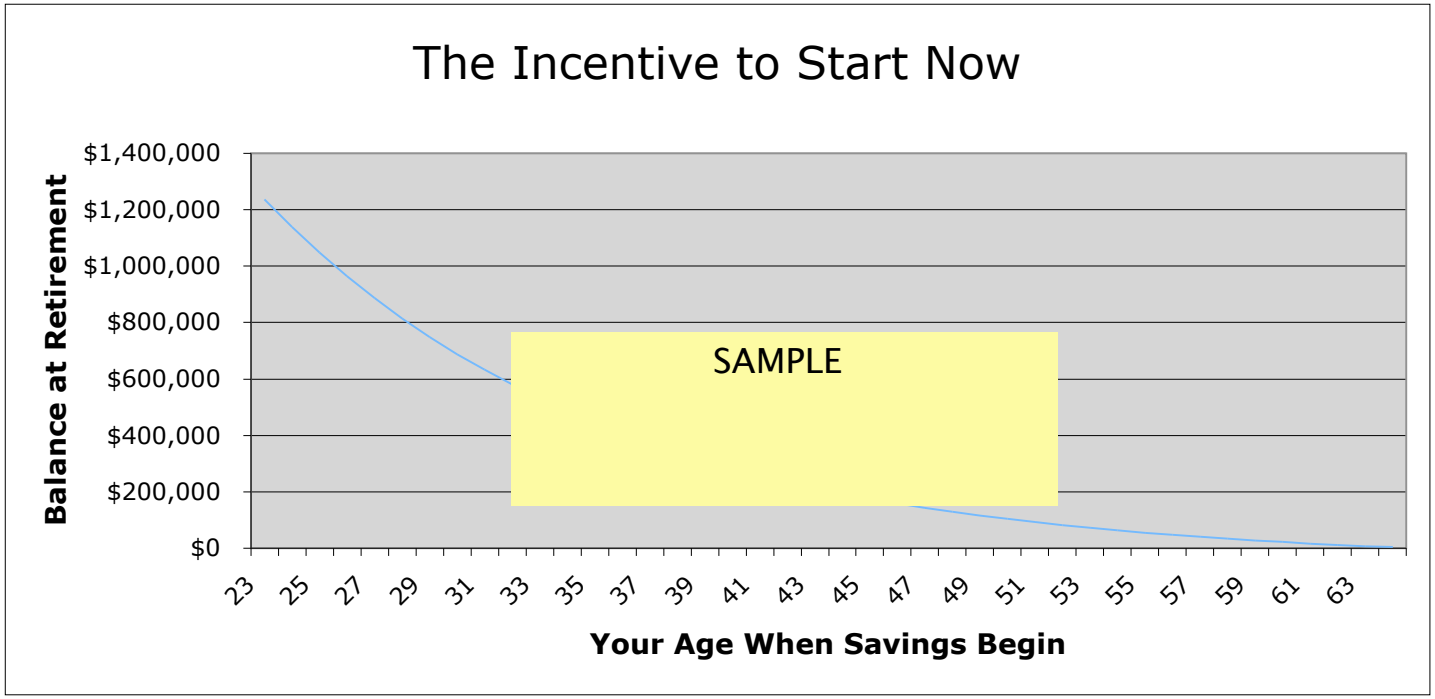
Look at the graph to see how much a dollar saved at age 50 will grow to by the time you retire. Only to $3.31!

How to read this graph:
On the horizontal axis, select an age and find the line. Then, note the coordinating value on the vertical axis. Each dollar that you save at the age selected will grow to that amount by your retirement age.

Note assumptions and limitations on page 16.

Total Candor℠

The Early Bird Gets a Lot More Than Just Worms



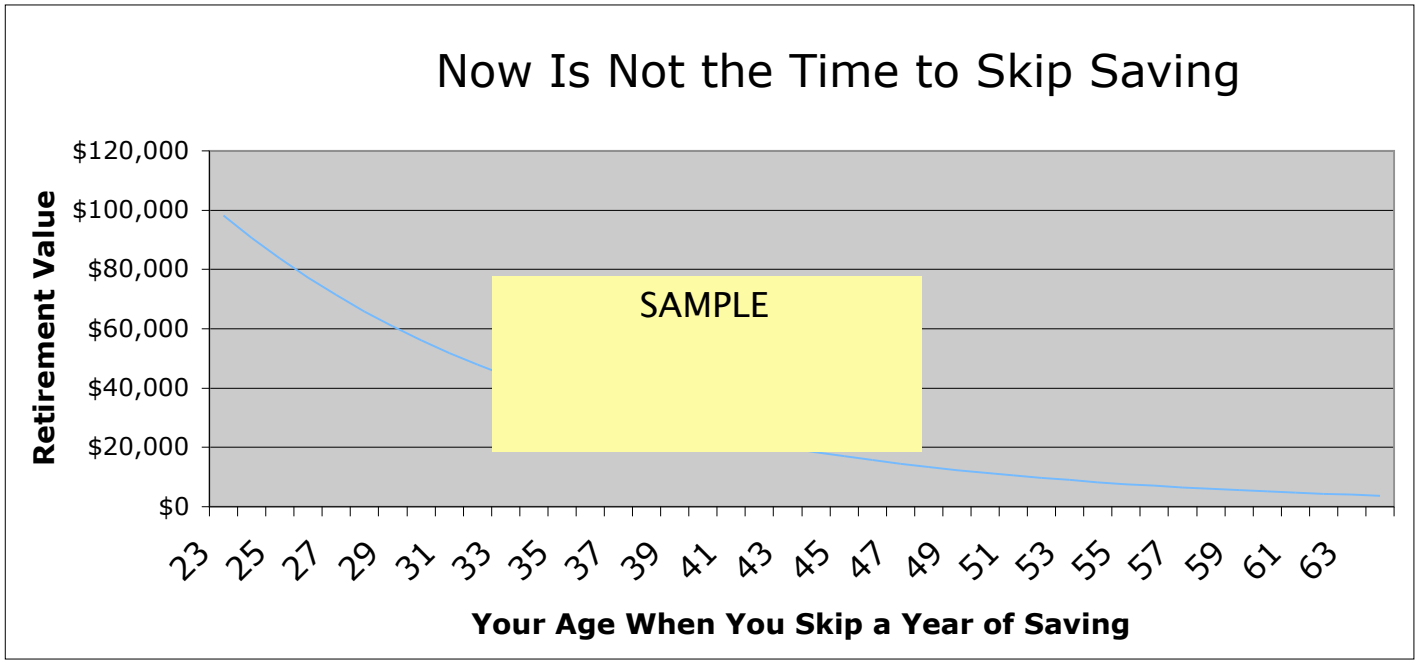
You can end up with big bucks if you get your act together now. By saving $3,600 per year—just $9.86 per day—you'll have $1,236,148 at retirement (age 65.)

There's a big drop-off if you wait. If you delay saving for five years, and then begin to save $3,600 each year, you'll end up with $814,920.

How to read this graph:
On the horizontal axis, select an age and find the line. Then, note the coordinating value on the vertical axis. That's the amount your savings will grow to by your retirement age, assuming you start at the selected age.

Note assumptions and limitations on page 16.

Nothing Reduces Your Required Future Savings More Than Saving—Today



For each age between now and retirement, the chart above shows how much money you'll have at retirement as a result of saving $300 per month, for that one year.

What's the point? The cost of waiting to start saving may be far greater than you thought. In fact, should you not save $3,600 for just this next year, you'll reach age 65 with $98,185 less for your retirement.

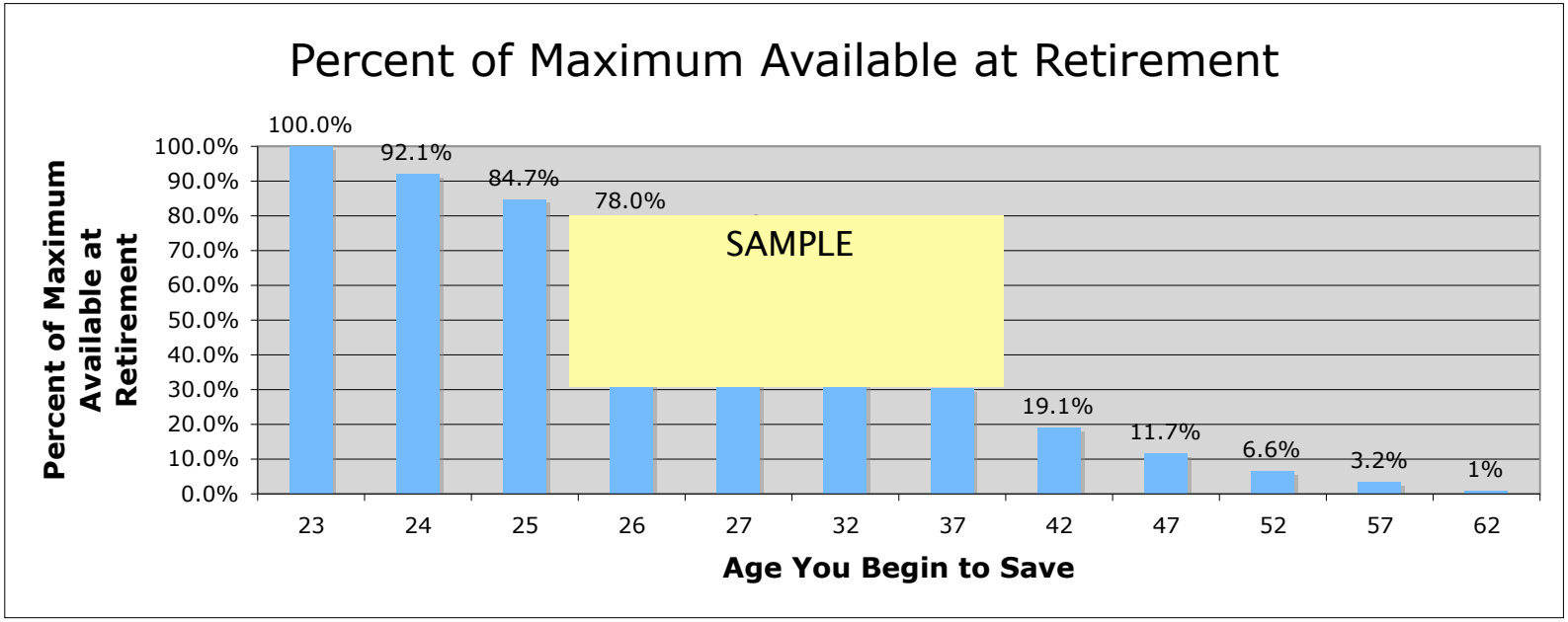
On the other hand, if you just had to skip one year of saving and instead of skipping this year, did not save for 12 months twenty years from now—when you turned 43—you'd only have $19,929 less for your retirement.

How to read this graph:

On the horizontal axis, select an age and find the line. Then, note the coordinating value on the vertical axis. That's the amount you won't have available at retirement by skipping saving during the year you turn the selected age.

Note assumptions and limitations on page 16.

Procrastination Is Even More Expensive Than the Filet



Since you can't go back in time, the cost of any delay is permanent.*

Each year you wait to save, the amount you'll have at age 65 is reduced. By starting to save this year, you will end up with the maximum possible as of this moment (100%).

Each year you wait, however, the amount you'll have upon retirement is reduced. And it is these next few years which are so critical. Even a delay of less than ten years means the most you'll end up at retirement is about 47% of what you could achieve by starting today.

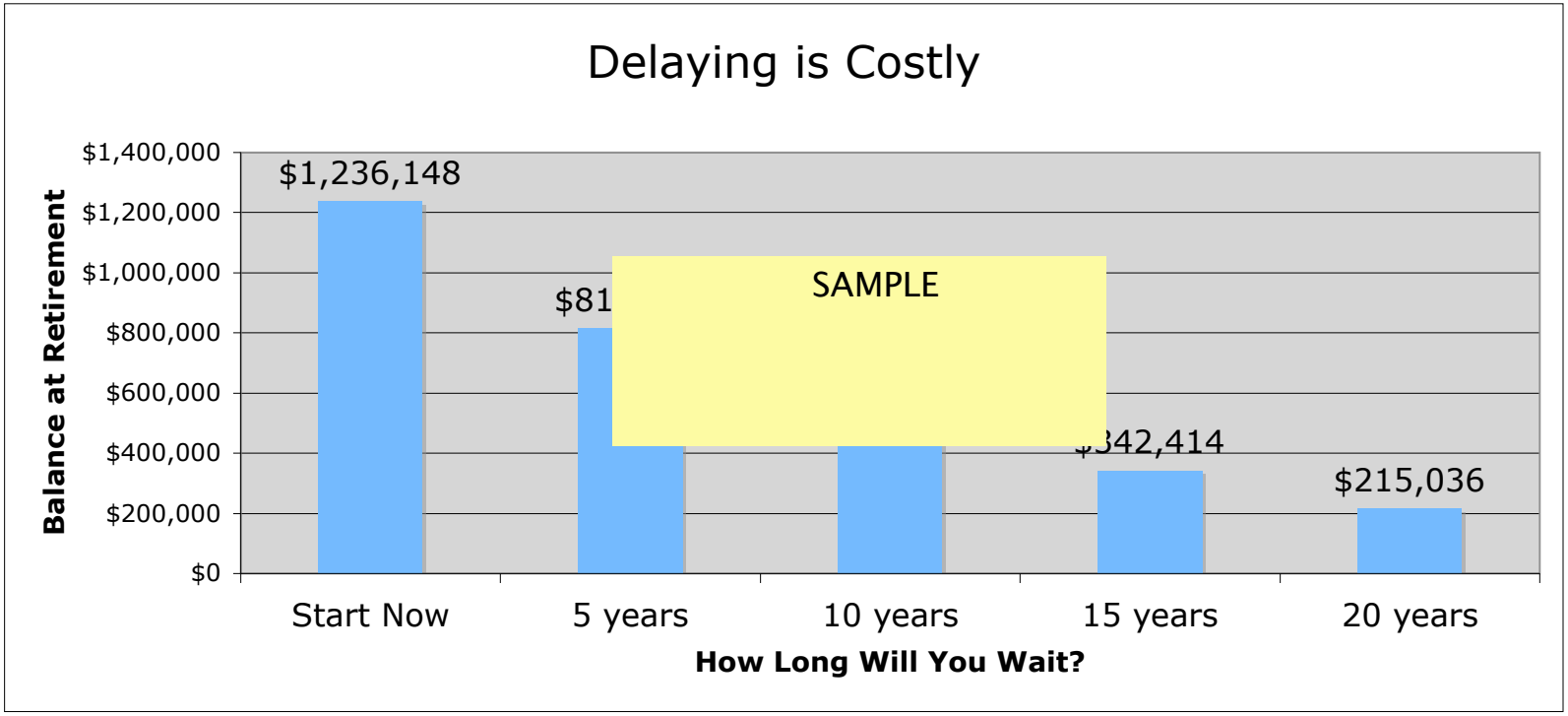
How to read this graph:

Select an age from the horizontal axis and look to the top of the bar. By waiting until the selected age, you'll enter retirement with that percentage of the amount you could have had if you had started saving now.

*If you can go back in time, money should be no problem for you, especially if you can manage to get to a certain town in southern Nevada.

Note assumptions and limitations on page 16.

I Knew Time Was Money But I Never Knew It Was So Expensive!



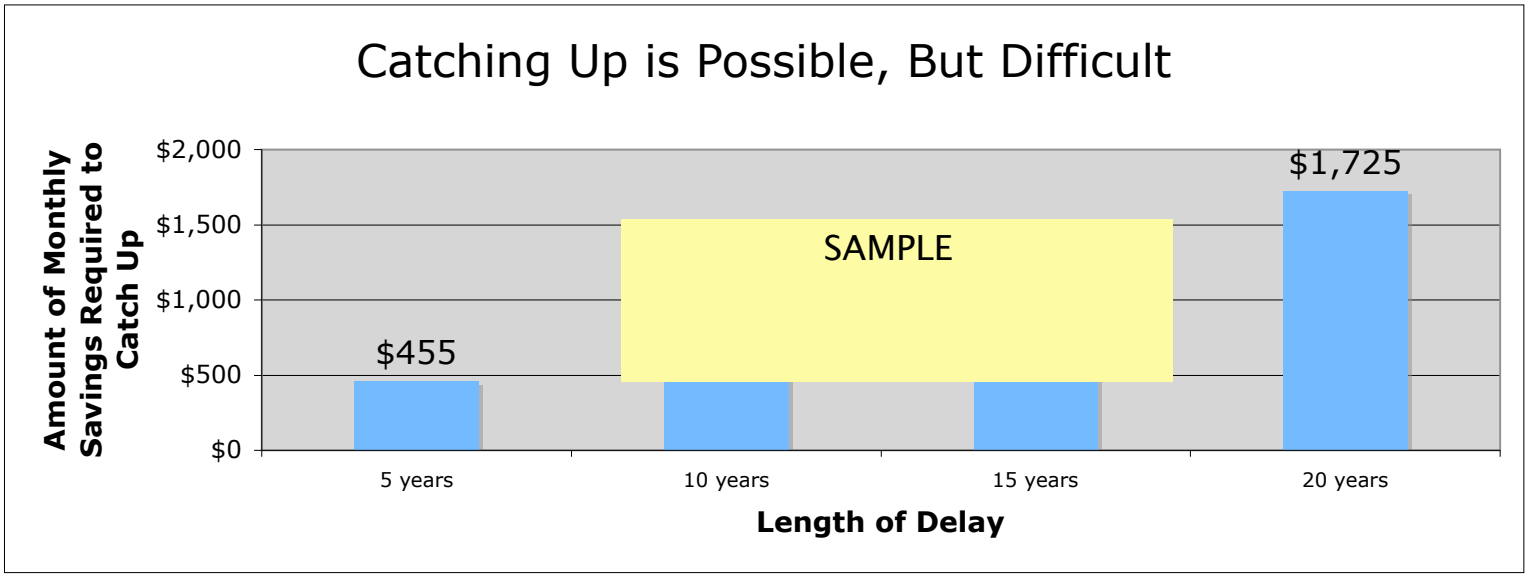
No time like the present. There's that dead horse again. Look at how much money you can have for retirement if you start now—about $1,236,148!

Each delay, demonstrated above, has significant consequences to your financial future. Time is on your side. Use it or lose it. By starting 10 years from now, you're looking at entering retirement with $532,187, instead of $1,236,148.

How to read this graph:

Select an age from the horizontal axis and look to the top of the bar. By waiting until the selected age, you'll enter retirement with that amount of money.

How Much More Do I Really Have to Save If I Wait a Little . . .Holy #$%#^!



Sure, you can theoretically make up for years of not saving by saving even more later. But remember the miracle of compounding interest, demonstrated in Chapter 1 of *Beyond Paycheck to Paycheck:* The benefit of starting early is huge and the price of waiting . . . expensive.

If, instead of saving $300 per month now, you wait 5 years to begin, you'll need to save $455, or 52% more, each month just to enter retirement with the same balance.

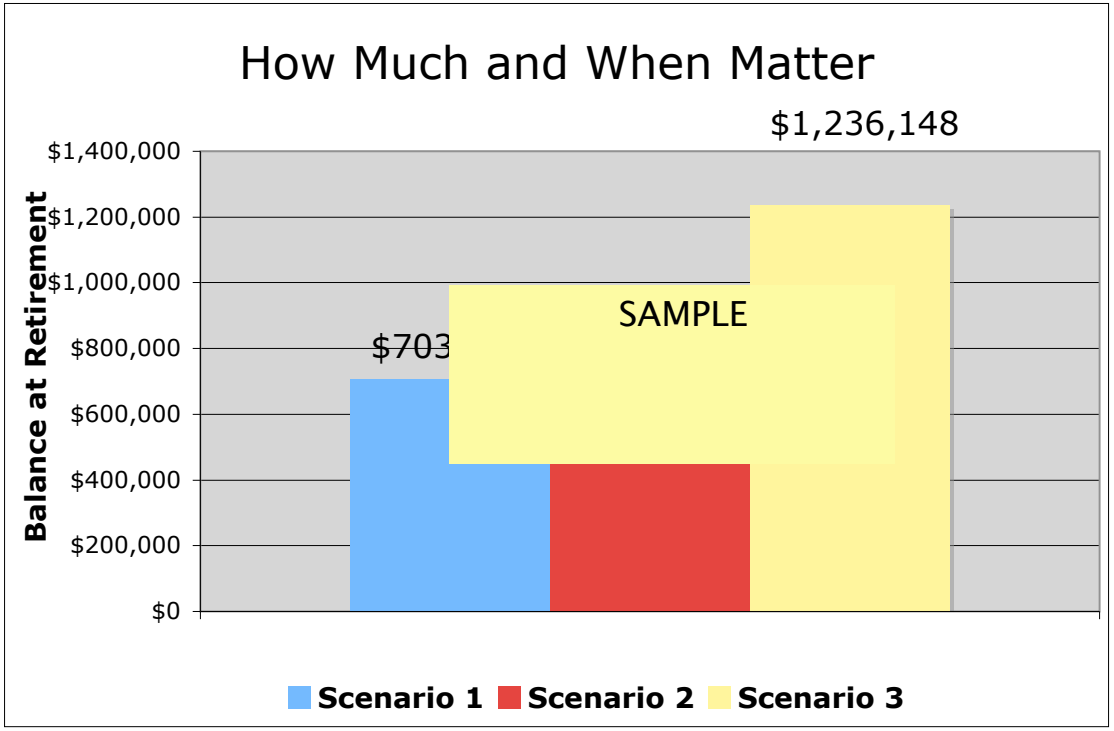
Wait longer and the impact is even more dramatic. Remember, no matter what your age, the best time to save for retirement, the most important time to start saving for retirement, is right now.

How to read this graph:

Select a length of time to delay saving from the x-axis and look to the top of the bar. By waiting this long, you'll need to save that much for retirement each month to enter retirement with the same amount of money you have had you started saving $300 per month today.

Note assumptions and limitations on page 16.

Your Personal Ben, Henry, and Lauren Scenarios



Here are your personal scenarios:

	Age Saving Starts	Age Savings Stops	# of Years Saved	Total Amount Saved
Scenario 1	23	33	10	$ 36,000
Scenario 2	33	65	32	$ 115,200
Scenario 3	23	65	42	$ 151,200

Just like for Henry in Beyond Paycheck to Paycheck, saving sooner will have enormous positive implications for you, too. Despite saving 3.2 times as much—in total—in Scenario 2 compared to Scenario 1, you wind up with 32% more money for your retirement in Scenario 1. The only reason this happens: you started saving sooner. So get on it.

Warning: Seeing the results of your saving can be addictive. You just might decide, at age 33, to keep going with your saving habit. If you keep it up until retirement, you've picked Scenario 3. Yup, the one where you enter retirement with $1,236,148. Not too shabby.

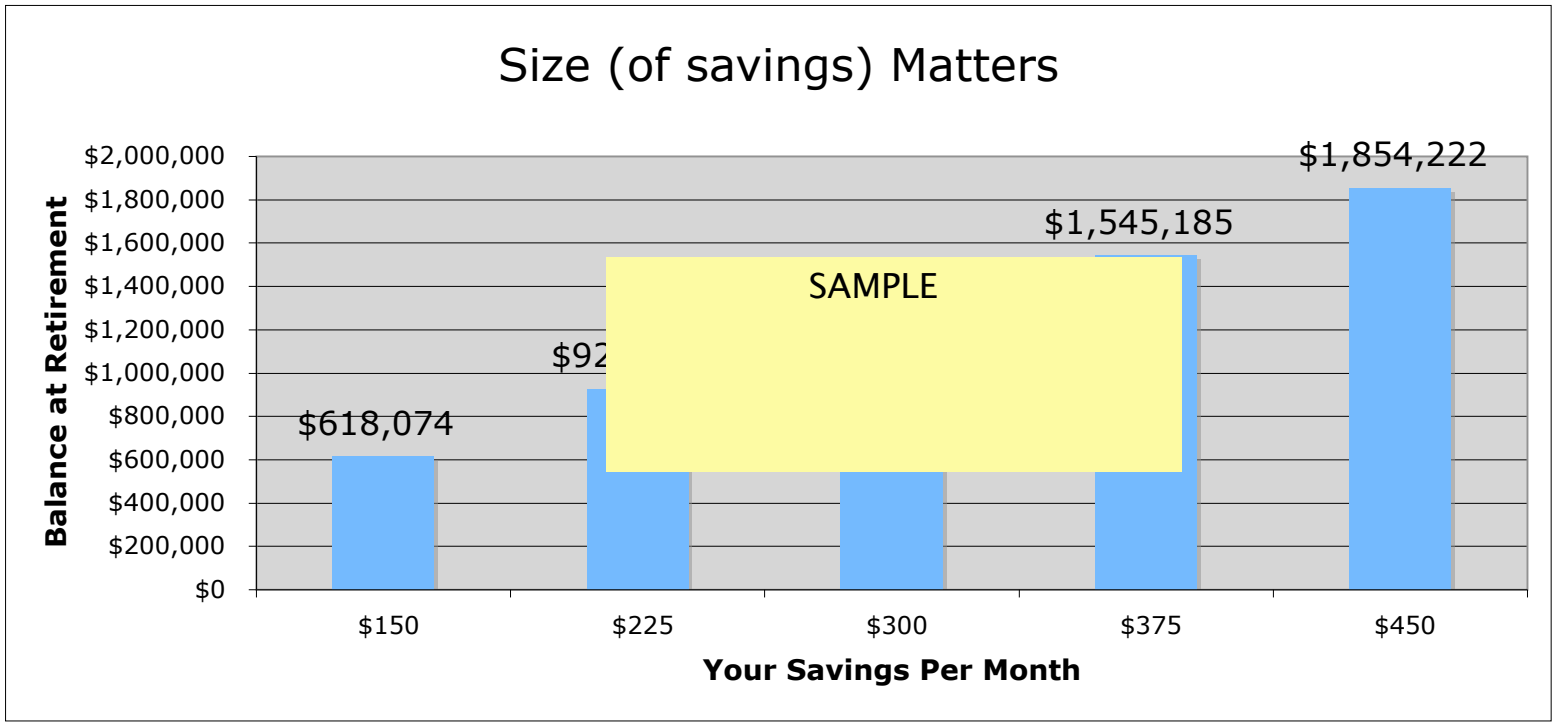
How to read this graph:

Review the scenarios described to the right of the chart above. Choose the corresponding scenario's bar. At the top of the bar is the amount of money you'll have at retirement under the selected scenario.

Note assumptions and limitations on page 16.

How Much?

Every Little Bit Counts—More Than You Thought



As discussed at the conclusion of Chapter 7 of *Beyond Paycheck to Paycheck*, the most important thing to stress over when it comes to investing is not *how* you invest. Rather, focus on *how much* you invest.

While saving soon is important, the amount you save is also critical. The more you save, the more you will have in the future. That's no surprise.

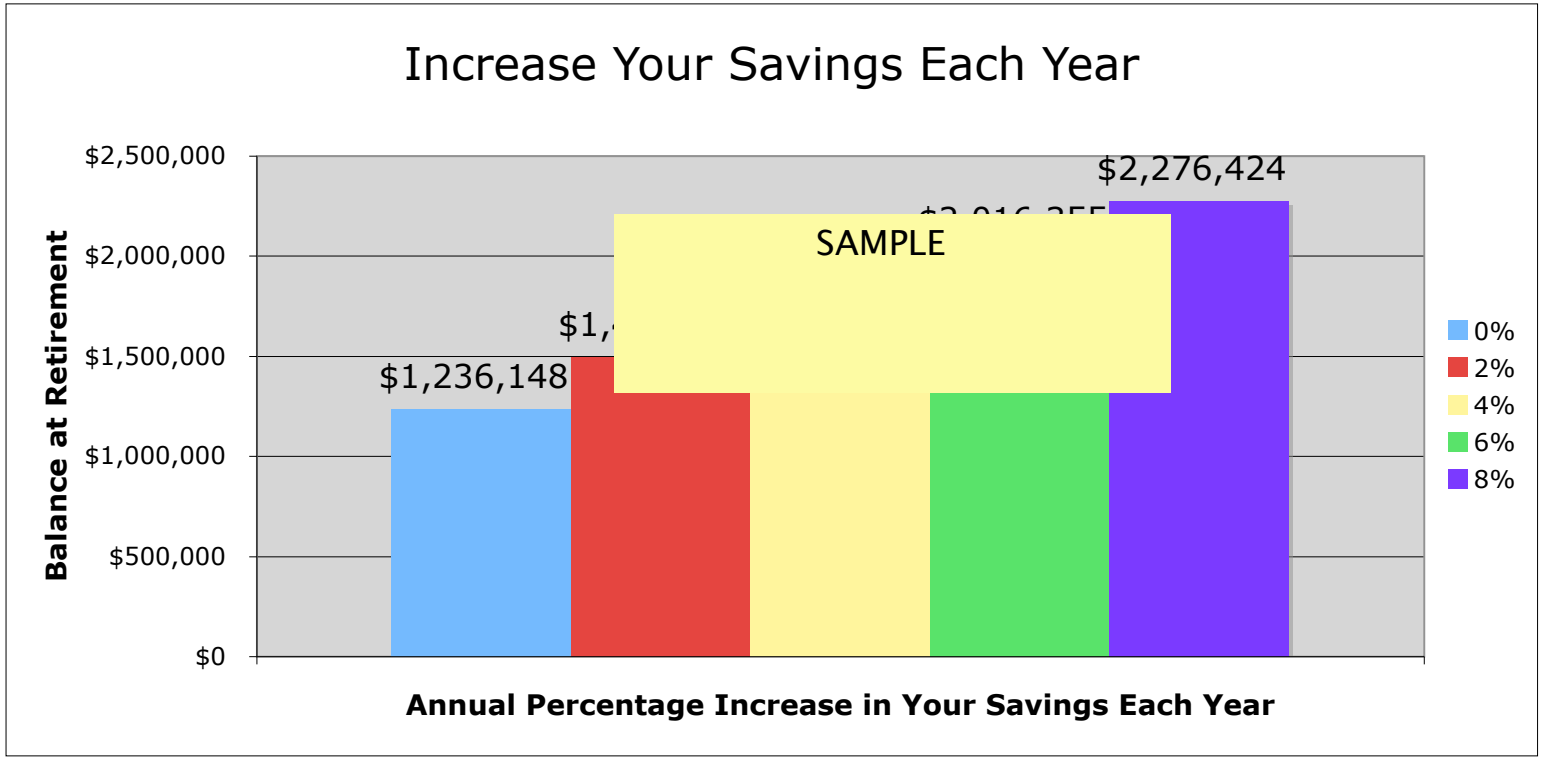
But the impact might be. By saving a little less than you indicated, say $225 per month—only about $8 per day—you'll end up with $927,111 by age 65.

Similarly, by increasing your saving level to $375, or $13 per day, you'll reach retirement age with $1,545,185. It's achievable.

How to read this graph:
Select a monthly saving amount from the horizontal axis and look to the top of the bar. By saving the selected amount starting this year, you'll enter retirement (age 65) with that amount of money.

Note assumptions and limitations on page 16.

Share Part of Your Raise With Your Future



If your debts are high right now, saving could be challenging. As discussed in *Beyond Paycheck to Paycheck*, eliminating any high-interest rate credit card debt you have is a high priority. Still, once you get your debt under control, begin to increase your savings. It's never too late. Consider increasing the amount you save every year—for example, save part of an annual raise. Doing so can have a meaningful impact on the amount you'll have available for your retirement.

Think about it this way. If you're saving $300 per month now, a 6% annual increase in savings means you save $318 per month next year. That's only an additional $0.60 per day. Yet look at the difference in the totals at retirement. We're talking an additional $780,206!

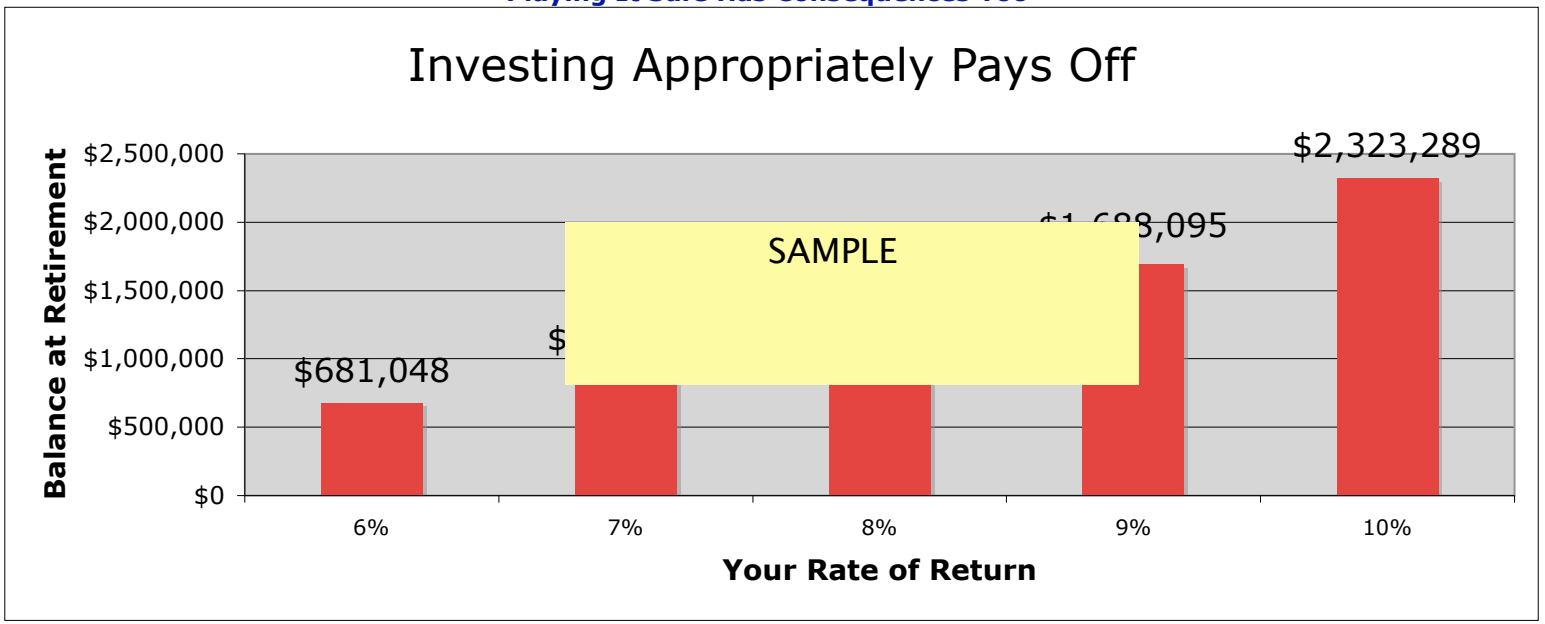
How to read this graph:

Select an annual amount to increase your savings by from the legend and find the corresponding bar. By increasing your savings (from $300 now) each year by the percentage selected, you'll enter retirement with the amount of money indicated by the vertical axis.

Note assumptions and limitations on page 16.

How well?

Playing It Safe Has Consequences Too



While your emphasis should be on how much you save—which you control—achieving higher rates of return on your investments will also significantly impact your retirement balance. The younger you are, the more aggressively you should invest for your retirement, since you have many more years to ride out the expected year-to-year fluctuations of your portfolio's value.

The rate of return you entered, 8%, means you will reach retirement with $1,236,148 Note the possible differences you'll receive from a more aggressive or conservative investing approach:

By saving $300 per month and obtaining a comparably aggressive 10% rate of return, you will end up with $2,323,289 when you retire. Investing more conservatively and realizing a 6% rate of return means you reach retirement with a balance of $681,048.

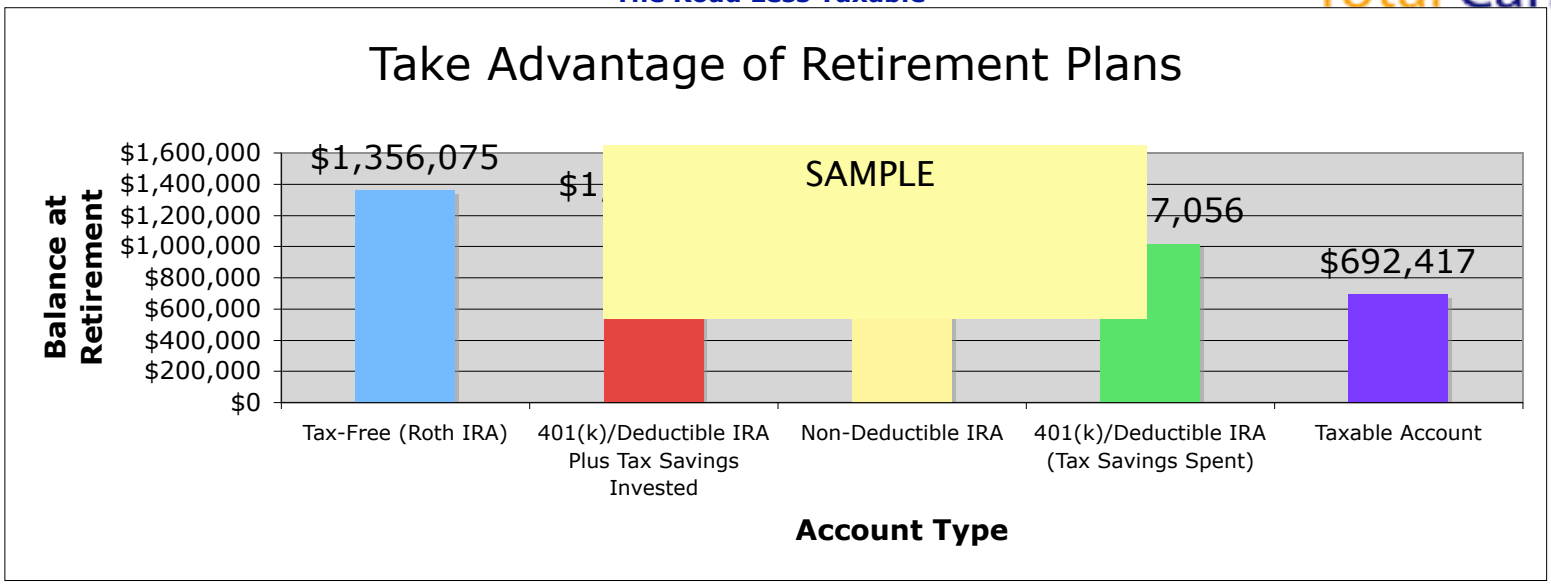
How to read this graph:

Select a rate of return from the horizontal axis and look to the top of the bar. By achieving the selected rate of return, you'll enter retirement with that amount of money, assuming you save $300 per month.

Note assumptions and limitations on page 16.

Where?

The Road Less Taxable



You put away the same amount of money ($300) in each of the scenarios above. Furthermore, your savings occur at the same time (from now until retirement) and achieve the same investment results (8%). Yet, you wind up with very different amounts of after-tax money available to you in retirement. Why? Such is the advantage of retirement plans.

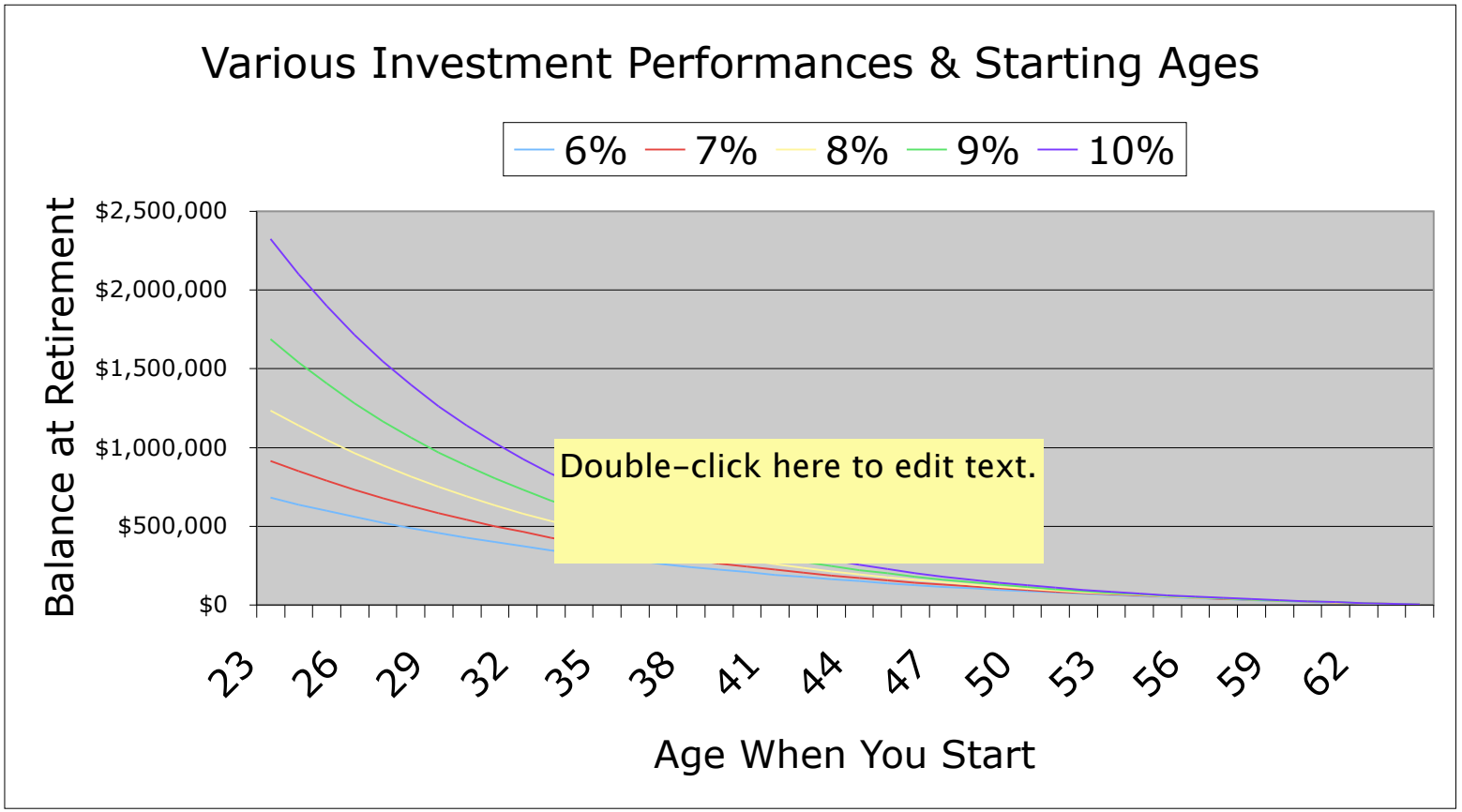
Note: The color of each paragraph below corresponds to the matching bar color in the graph above. If any of the terms below are unfamiliar to you, they won't be after you read Chapter 7 of Beyond Paycheck to Paycheck.

Since qualified retirement distributions from Roth IRAs are tax-free, the amount you have available to spend at the start of your retirement equals the amount your account balance is worth at age 65—there is no tax due. Every other type of account is affected by taxes.
A 401(k) contribution usually reduces your taxes. Furthermore, you may be able to deduct a contribution to your traditional IRA. If you save into one of those accounts and invest your tax savings in a regular taxable account, you'll enter retirement with $1,190,160 (after paying taxes on your distribution).
If you don't invest the tax savings of your retirement plan contribution, you'll wind up with somewhat less. In your case, $1,017,056 after paying taxes at retirement. This possibility is represented by the 4th bar from the left.
If you make a contribution to a non-deductible IRA (typically because your income is too great to contribute to a Roth IRA and because you and/or your spouse can participate in a workplace retirement plan), you'll enter retirement with $1,054,856 after paying taxes on your retirement plan distribution.
Finally, if you never take advantage of a retirement plan and instead apply all your savings into a taxable account, you will pay tax every year on much of its growth. As such, your account balance after you pay taxes (yet again) in retirement is $692,417.

Note assumptions and limitations on page 16.

Combination Plates

Get The Biggest Bang for Your Buck: Save Now *and* Invest Aggressively



See how every line slopes down? This means that no matter the rate of return you achieve (so long as it is at least 0%), you'll end up with more money at retirement by having saved sooner. Similarly, no matter when you start saving, you'll have more money at retirement by achieving a higher rate of return.

But notice how the biggest differences, the biggest opportunities, come from actions you take today. That's because the true magic comes from saving today and investing for the long-term. After all, your retirement will never be further away than it is right now.

How to read this graph:

Review the legend on top of the chart and select an investment performance curve. Then, choose an age from the horizontal axis that represents when you will start saving. Look to the vertical axis to see how much money you'll have entering retirement.

Note assumptions and limitations on page 16.

Assumptions and Limitations:

Financial projections are inherently those: projections. To our knowledge, no financial projection ever created forecasting a period greater than 8 minutes has ever been completely accurate when looking back years later.

Things change. Sometimes assumptions are bad. Sometimes assumptions are good but something unexpected happens later causing those assumptions to not be nearly as good as we all thought at the time. Furthermore, while this has been checked, rechecked, and checked once more, it's still possible that there are computational errors.

So keep all that in mind as you think about and reflect on the charts and commentary contained in your report. Also, note the following:

The information provided in this report is provided for informational purposes only and does not constitute legal, investment or accounting advice. You should consult a competent accountant, investment advisor or legal counsel, as applicable, in order to obtain specific advice tailored to your situation. We make no representations or warranties with respect to the accuracy or completeness of the contents of this document and shall in no event be liable for any loss of profit or any other damage, including, but not limited to special, incidental, consequential or other damages.

Some Important Assumptions:

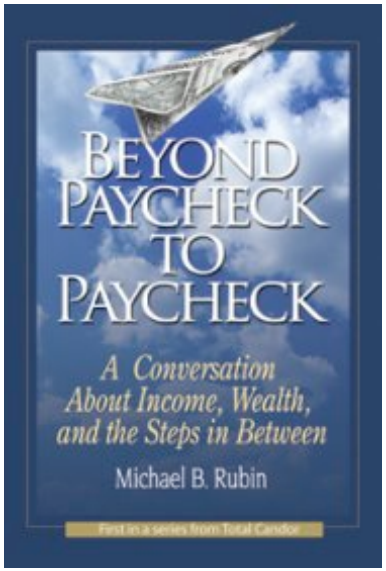
To prepare these projections, we have made many assumptions, several of which you told us when you requested your toolkit. Here are some critical assumptions:

- You start saving at the end of the first month in which you turn age 23 since, as of the date your CPMT was prepared, you were nearest to that birthday. By way of example, if a chart says you will start saving at age 23, that means you start(ed) on: May 20, 2007
- You will retire, on your birthday, when you reach age 65.
- Except where noted otherwise, you will receive a rate of return of 8%. Your money is compounded monthly and, except for the chart on page 14, is not taxed. As you know all too well from Chapter 4 of Beyond Paycheck to Paycheck, other than a Roth IRA, you'll be paying tax sooner or later—or both.
- Your savings (you can always choose to do more, you might have to do less from time to time) are $300 every month and are invested at the end of the month.

About Total Candor

Like the beacon from a lighthouse, Total Candor illuminates the way at a critical yet unlit crossroads by providing an explicitly honest, thorough, and unbiased personal financial planning education. We remove ignorance and allow you to overcome procrastination by creating empowerment for you.

Too often, people live to regret the improper financial decisions they made earlier in their lives. We think this regret is unfair because one cannot be expected to be intelligent about a topic one was never taught in the first place. Total Candor removes financial ignorance, the true cause of those prior poor financial decisions. We do this by providing transformational workshops. We break through the inertia of procrastination. Yes, it's a totally different way to learn personal financial planning Take a peek at the many ways to learn at www.totalcandor.com.



About *Beyond Paycheck to Paycheck*

With honesty, humor, and a touch of sarcasm, *Beyond Paycheck to Paycheck* will motivate and empower you with the tools necessary to start or continue down your personal road to financial success. You might not only survive, but also thrive, on the very income you earn today. You'll enjoy:

guidance on your financial priorities (I have an extra $50. Should I pay off some credit card debt, increase my 401(k) plan contribution, or bet on the Yankees?)

understanding of the implications of your decisions (Why does the cappuccino cost more than the five bucks I just paid?)

appreciation for the benefits of controlling your destiny (Cappuccinos are important to me, so here's how I can make those happen and still meet my other goals.)

empowerment from knowing how to put it all together (My debts are decreasing, my investments are increasing, and I feel energized—or is that the caffeine?)

fair warning about people like Gary, a commission-obsessed salesman (Gary's shtick allows you to recognize and avoid his kind in the real world.)

Purchase your copy of *Beyond Paycheck to Paycheck* today at www.totalcandor.com.

Note assumptions and limitations on page 16.