



**GIBNEY DANCE**

## Retirement Planning Seminar

*Tuesday, July 12<sup>th</sup>, 2016*

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## Introduction

ODI Financial® has been providing accountants, lawyers, business owners and individuals with innovative solutions that can help build secure financial futures for their clients, their businesses and their families. As the world of complex planning has changed throughout the years, ODI Financial® has remained on the cutting edge. Drawing on sophisticated tax, estate and business succession consulting, financial planning, portfolio management and traditional and newly-emerging insurance products, ODI Financial® builds tailored solutions to meet each client's individual situation.

ODI Financial® professionals share a dedication to providing superior service that's second-to-none and a commitment to delivering innovative financial solutions. Our experience and expertise in financial planning service is unparalleled. Our professionals are among the best in their respective fields.

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## Retirement Savings 101



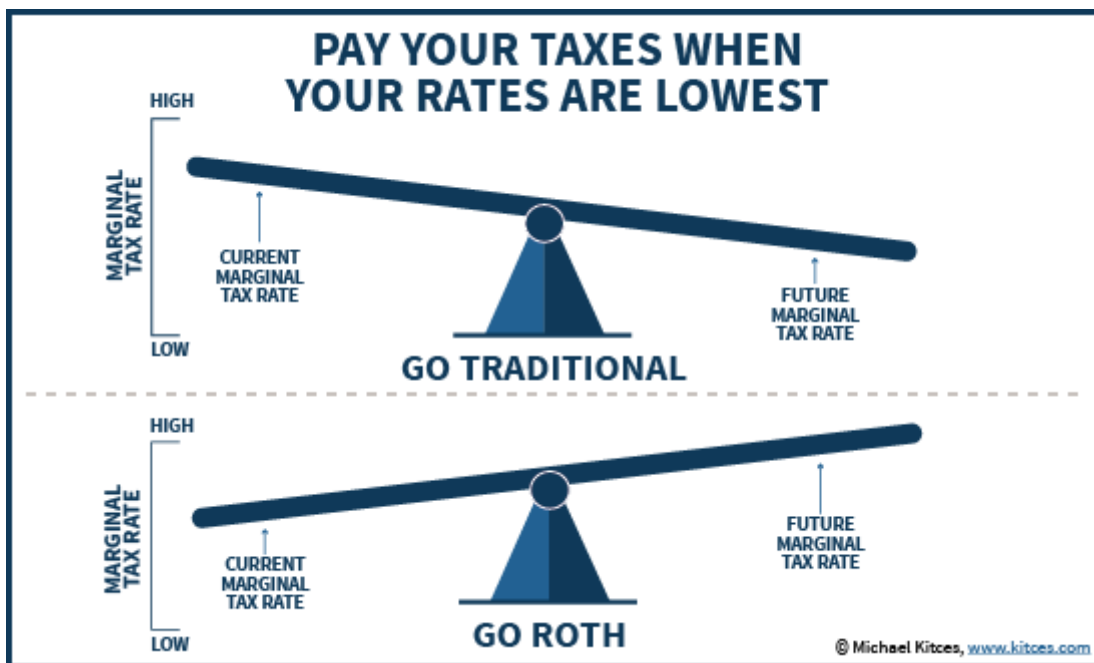
Individual Retirement Savings		
	IRA	Roth IRA
Contributions	Tax Deferral + Tax Deduction	Taxable Contributions. Tax-Free Growth
Withdrawals	Taxed @ Ordinary Income Rate	Tax-Free
Limits	\$5,500 + \$1,000 Catch-up	\$5,500 + \$1,000 Catch-up
Income Limits	Phase outs on deductions	Phase outs on contributions

Corporate Retirement Savings		
	401k	Roth 401k
Contributions	Tax Deferral + Tax Deduction	Taxable Contributions. Tax-Free Growth
Withdrawals	Taxed @ Ordinary Income Rate	Tax-Free
Limits	\$18,000 + \$6,000 Catch-up	\$18,000 + \$6,000 Catch-up
Income Limits	No Limitations	No Limitations



## Traditional vs. Roth Retirement Account

	Traditional 401(k)	Roth 401(k)
Tax Status of Contributions	Pretax contributions reduce current taxable income.	After-tax contributions do not affect current taxable income.
Tax Status of Distributions After Age 59½	Taxed as current income for at least five years	Tax free and penalty free for those who have had the account.
Rollovers to IRAs	May be rolled over to a traditional IRA with no tax payment. May also be converted to a Roth IRA, which requires a tax payment.	May be rolled over directly to a Roth IRA with no tax payment.

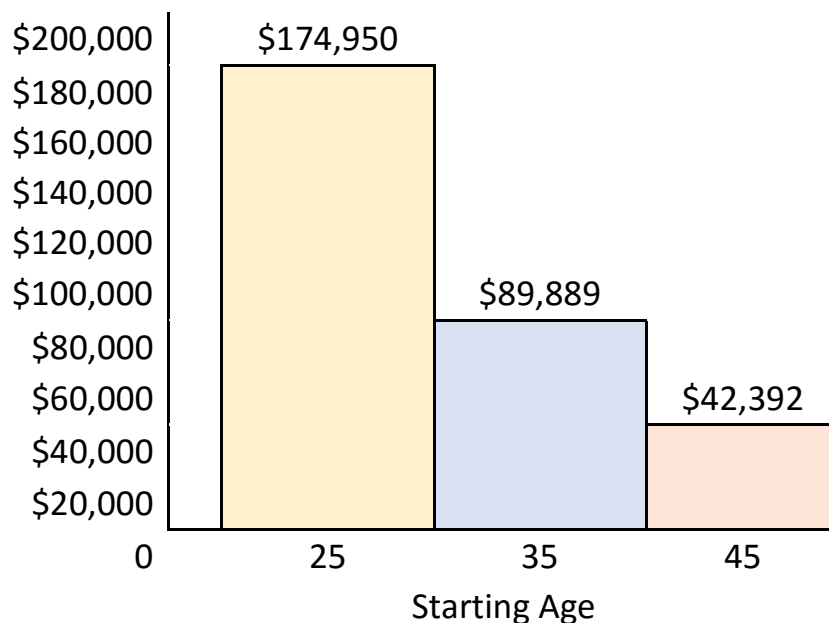


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1. Start saving, keep saving, stick to your goals
2. Know your retirement needs
3. Contribute to your 401k/403b or IRA
4. Consider basic investment principals
5. Don't touch your retirement savings!

**Let's say you save \$1,000 every year until you retire at 65 years old. How much money could you have at retirement if you earn an average of 6% interest each year?**



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What Could My Account Look Like Contributing \$20/Week				
Year	Beginning Balance	Annual Contribution	Growth	End of Year
Year 1	\$0	\$1,040	6%	\$1,102
Year 2	\$1,102	\$1,040	6%	\$2,271
Year 3	\$2,271	\$1,040	6%	\$3,510
Year 4	\$3,510	\$1,040	6%	\$4,823
Year 5	\$4,823	\$1,040	6%	\$6,214
Year 6	\$6,214	\$1,040	6%	\$7,690
Year 7	\$7,690	\$1,040	6%	\$9,253
Year 8	\$9,253	\$1,040	6%	\$10,911
Year 9	\$10,911	\$1,040	6%	\$12,668
Year 10	\$12,668	\$1,040	6%	\$14,531
Year 11	\$14,531	\$1,040	6%	\$16,505
Year 12	\$16,505	\$1,040	6%	\$18,597
Year 13	\$18,597	\$1,040	6%	\$20,816
Year 14	\$20,816	\$1,040	6%	\$23,167
Year 15	\$23,167	\$1,040	6%	\$25,659
Year 16	\$25,659	\$1,040	6%	\$28,301
Year 17	\$28,301	\$1,040	6%	\$31,102
Year 18	\$31,102	\$1,040	6%	\$34,070
Year 19	\$34,070	\$1,040	6%	\$37,217
Year 20	\$37,217	\$1,040	6%	\$40,552
Year 21	\$40,552	\$1,040	6%	\$44,088
Year 22	\$44,088	\$1,040	6%	\$47,836
Year 23	\$47,836	\$1,040	6%	\$51,808
Year 24	\$51,808	\$1,040	6%	\$56,019
Year 25	\$56,019	\$1,040	6%	\$60,483

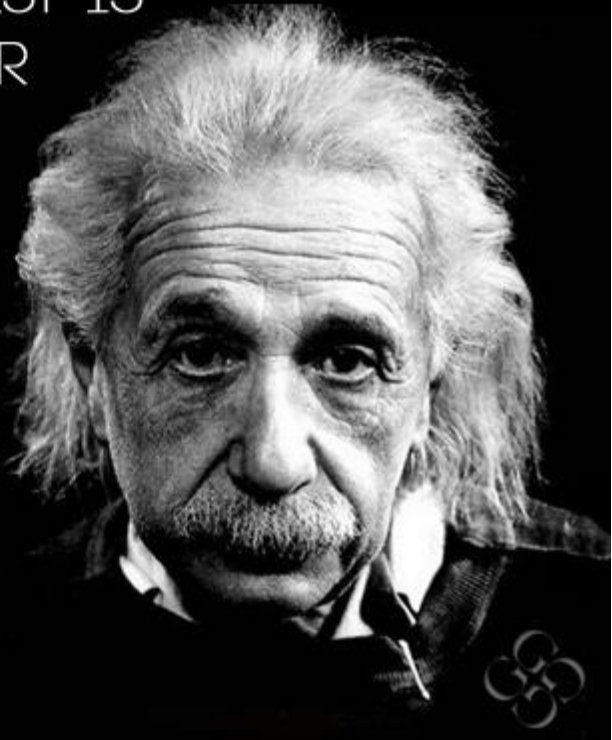
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## The Power of Compounding

“COMPOUND INTEREST IS  
THE EIGHTH WONDER  
OF THE WORLD. HE  
WHO UNDERSTANDS  
IT, EARNS IT ... HE  
WHO DOESN'T ...  
PAYS IT.”

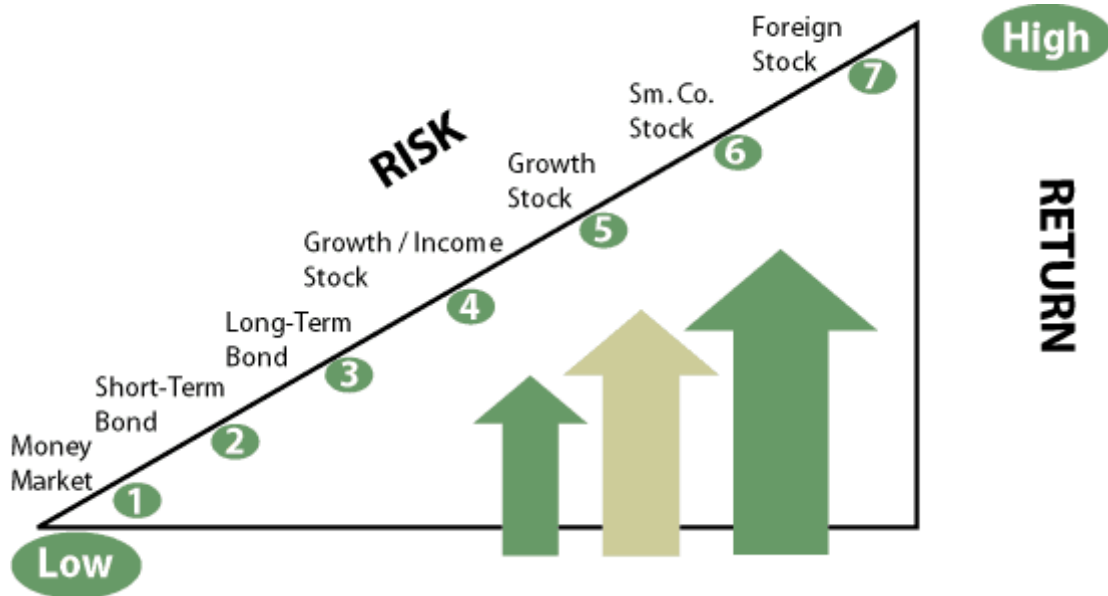
-ALBERT EINSTEIN



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## Risk Vs. Return



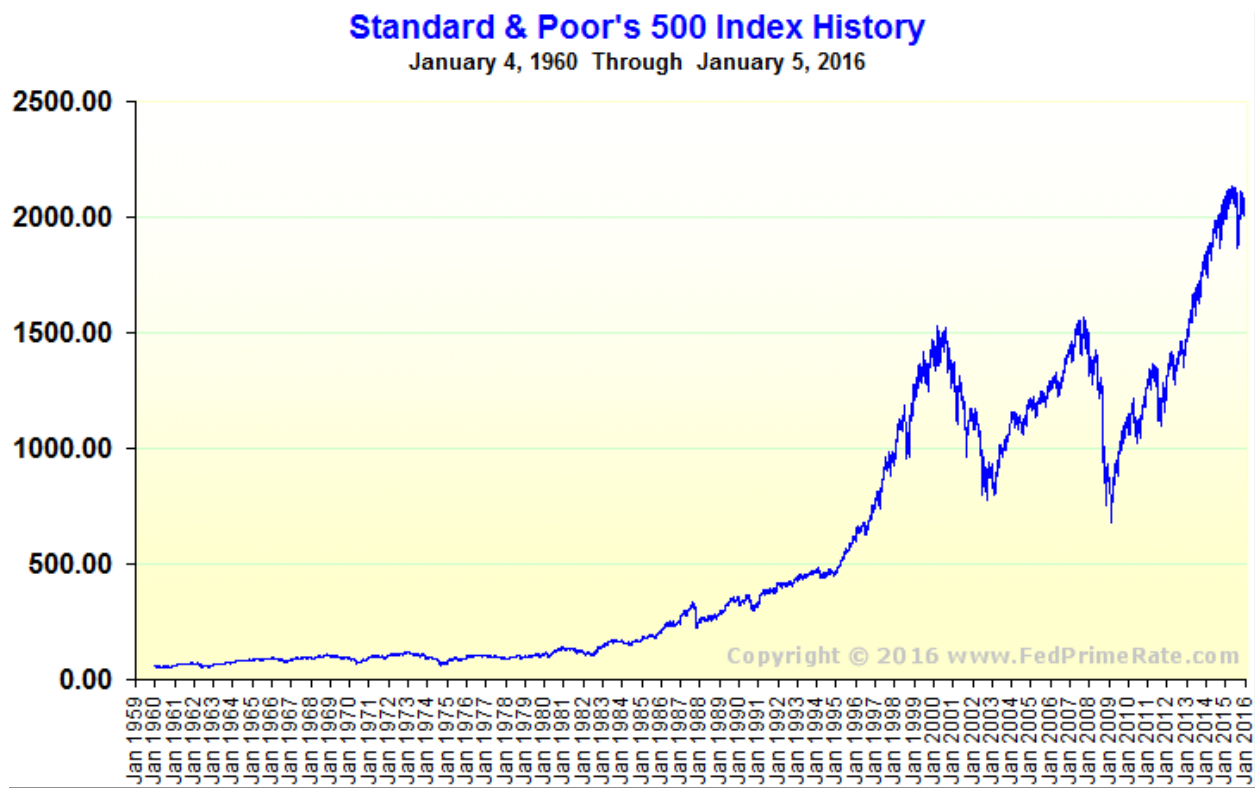
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## Investing Overview

The stock market is the market in which shares of publicly held companies are issued and traded either through exchanges or over-the-counter markets. Also known as the equity market, the stock market is one of the most vital components of a free-market economy, as it provides companies with access to capital in exchange for giving investors a slice of ownership in the company.



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# Diversification



2008	2009	2010	2011	2012	2013	2014	2015
Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%
Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%
Asset Alloc. -25.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%
High Yield -26.9%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%
Small Cap -33.8%	Small Cap 17.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%
Comdty. -35.6%	Large Cap 26.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%
Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%
REITs -37.7%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%
DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%
EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%

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## Resources

### Retirement Savings Calculator:

<https://www.nerdwallet.com/investing/retirement-calculator>

### Retirement and Investment Glossary

<http://www.morningstar.com/InvGlossary/>

### Filing Your Tax Return

<https://www.irs.gov/filing>

### Avoid These Retirement Mistakes:

<http://money.usnews.com/money/retirement/articles/2015/07/23/10-big-retirement-blunders>

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