

Investing 101

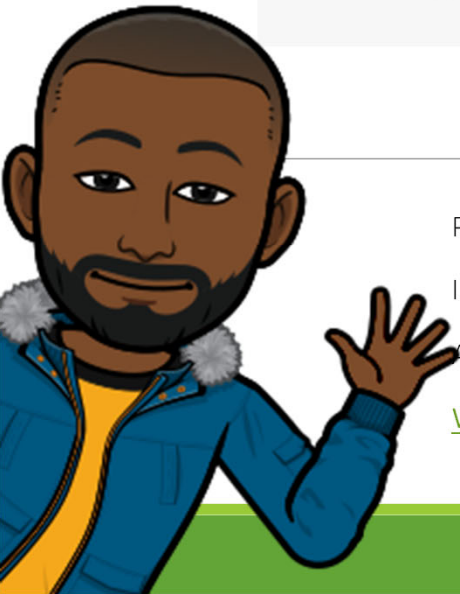
AskLovely
podcast

HIS & HER
MONEY

CNBC

Qube
Money

P&B



PRESENTED BY LAWRENCE DELVA-GONZALEZ

IG HANDLE: @GQ_ACCOUNTANT

AND @THENEIGHBORHOODFINANCEGUY

WWW.THENEIGHBORHOODFINANCEGUY.COM



Also on

The Financial Griot

[LISTEN HERE](#)

TFG Promise and Ongoing Commitment

For more information,

TheNeighborhoodfinanceguy.com



What The Financial Griot Offers?

90% of which is all FREE!

The Financial Griot Podcast

1-2 Episodes Weekly on all Platforms

The Neighborhood Finance Guy

Website

Over 400 Blog Posts and Over 65 **FREE** Resources.



The Financial Griot Team

Because We Can't Tackle Wealth Building Alone.

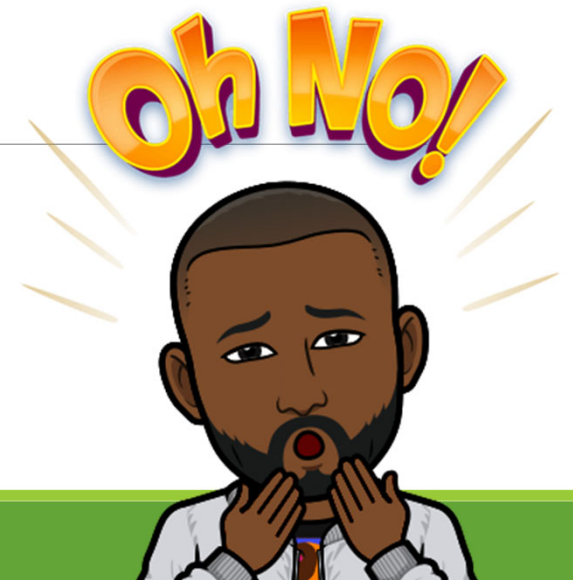
Over \$3M in Assets.

Over 45 years of Experience in the field of Accounting, Taxation, Auditing, Finance, Small Business Incubation, Medical Insurance, Tech, Marketing and Sales.

And, "Way too much of Lawrence hating on Brunch."



*“Having an Investment Plan
means that you don’t have to
work until you die.”*



Sometimes the end is better...

- Dropped out of the Master's Program for Accounting/Taxation
 - A total \$110k in student loans (2012) + \$10k Interest Capitalization
- \$0 in savings, \$0 in retirement with Negative \$125,000 in Net Worth
 - My post failure job was as an Admin. Secretary (\$23k/year Pre-Tax)
- As of March 2023 - \$831,000+ in Net Worth with a credit score of 835.

 - Additionally, traveled to over 24 Countries, Got Married and Got a Pandemic Puppy, and 2x Homeowner which includes an out of state, new EV car loan, and rental property.
 - Currently making about \$117.5k (2022) -> \$125k (2023)



Alright Enough
with the Intro!

Why Should We Take Advice from You?

Started January 2014 with \$500 in a
retirement investment account.

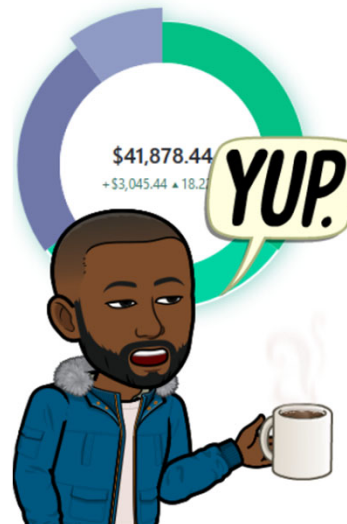
As of March 31, 2023, my wife and I
amassed **over \$500,000** in investments.

INVESTING MADNESS

HOW TO START INVESTING NOW

+10% Returns!

If you invest \$100 (or \$500 in an IRA), you will receive \$10 to invest
this link, <https://ml.finance/SYdqDJ2SyADC>



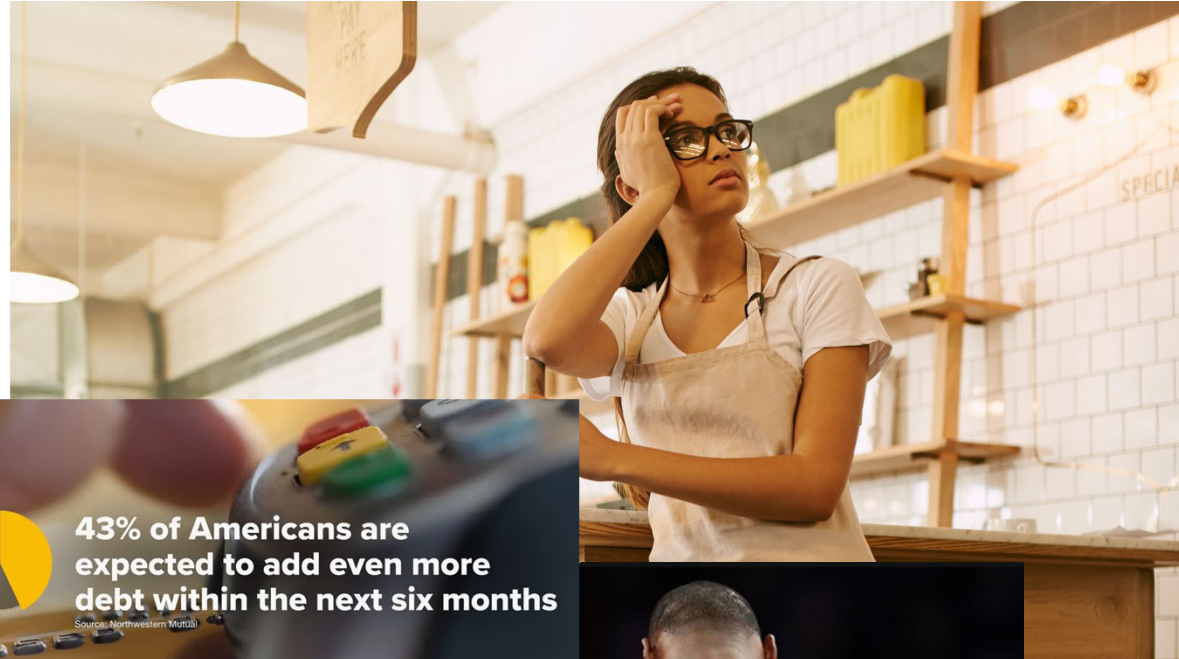
Life is filled with Opportunities

Earned Dividends

Total Earned Dividends ⓘ
\$1,538.63

Name	Value
TNFG REITs and Upgrades+ ⓘ	\$591.18
TNFG's US Domestic Staples ♦	\$416.53
TNFG Global Mkt 🍌	\$205.83
TNFG Futures ETF	\$134.48

📷 📘 @THENEIGHBORHOODFINANCEGUY



So Instead of Breaking News 2023



Post Pandemic?

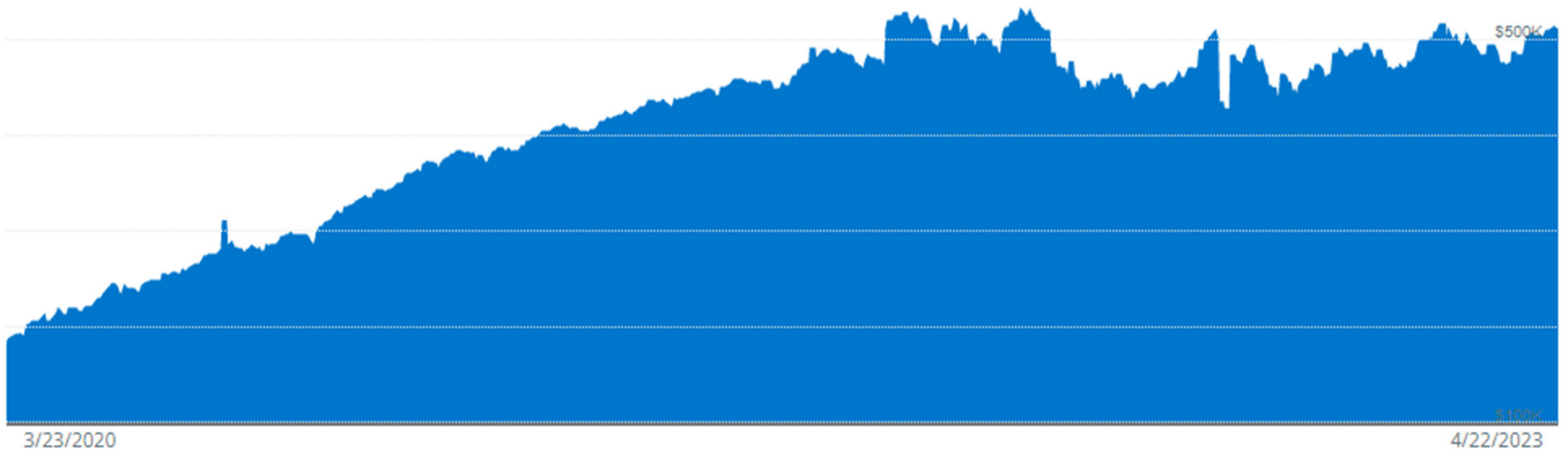
Data Pulled from Personal Capital

All Cash Investment Credit Loan Mortgage Other

Custom 3/23/2020 to 4/22/2023

Investment
1126 days +\$336,117

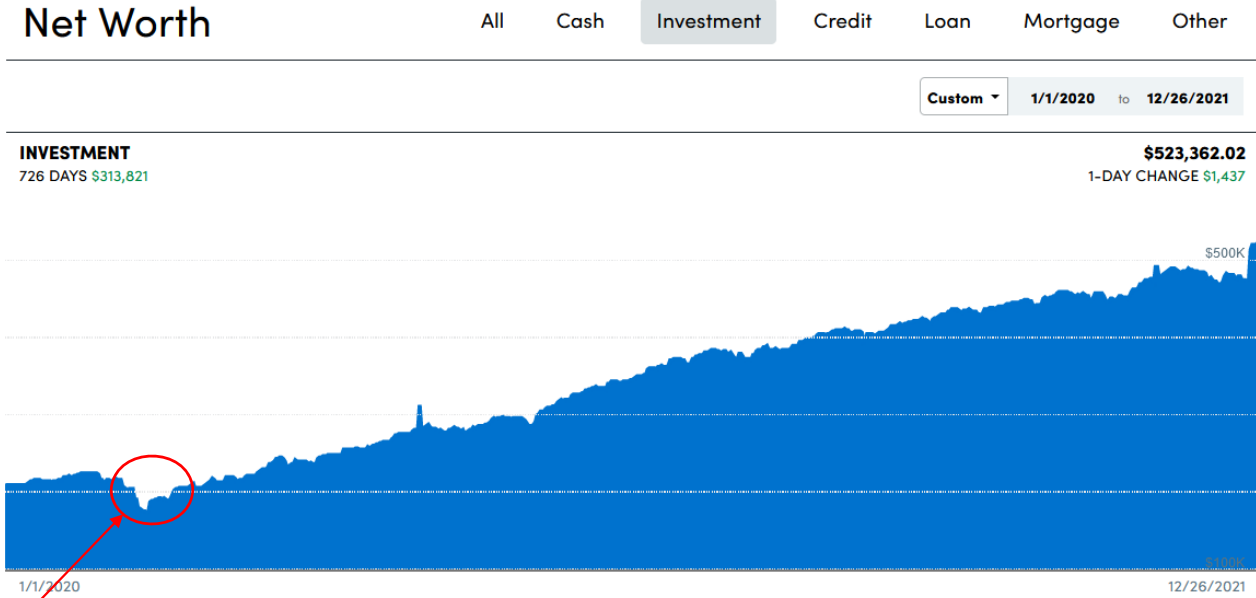
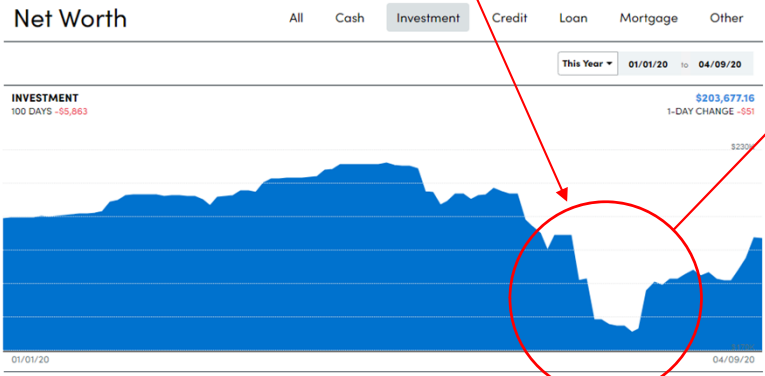
\$509,863.58
1-day change -\$1,525



TNFG Portfolio as of 12.26.21



-\$50,000



Tracking through "Personal Capital"

+ \$523,362

Website Recommendations – Yahoo Finance or Google Finance
Click here for the [S&P500 Performance Calculator](#)

S&P 500 (^GSPC) ☆
SNP - SNP Real Time Price. Currency in USD
4,725.79 +29.23 (+0.62%)
At close: December 23 05:03PM EST

Ameritrade
Open an IRA today

\$0 Disclosure
Online Listed Equity Trade Commissions

Indicators Comparison Jan 01, 2020 - Dec 26, 2021 1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max Interval 1W Line Draw

Settings Share Reset



Has the Stock Market Moved On From COVID-19?

Year-to-date performance of major U.S. stock market indices as of June 10, 2020

Index	Performance
Nasdaq	+11.68%
S&P 500	-1.26%
Dow Jones	-5.43%

Source: Yahoo! Finance

statista

Recently Viewed

Symbol	Last Price
^GSPC	4,725.79 +29.23 +0.62%
GM	56.91 +0.83 +1.48%

Cryptocurrencies

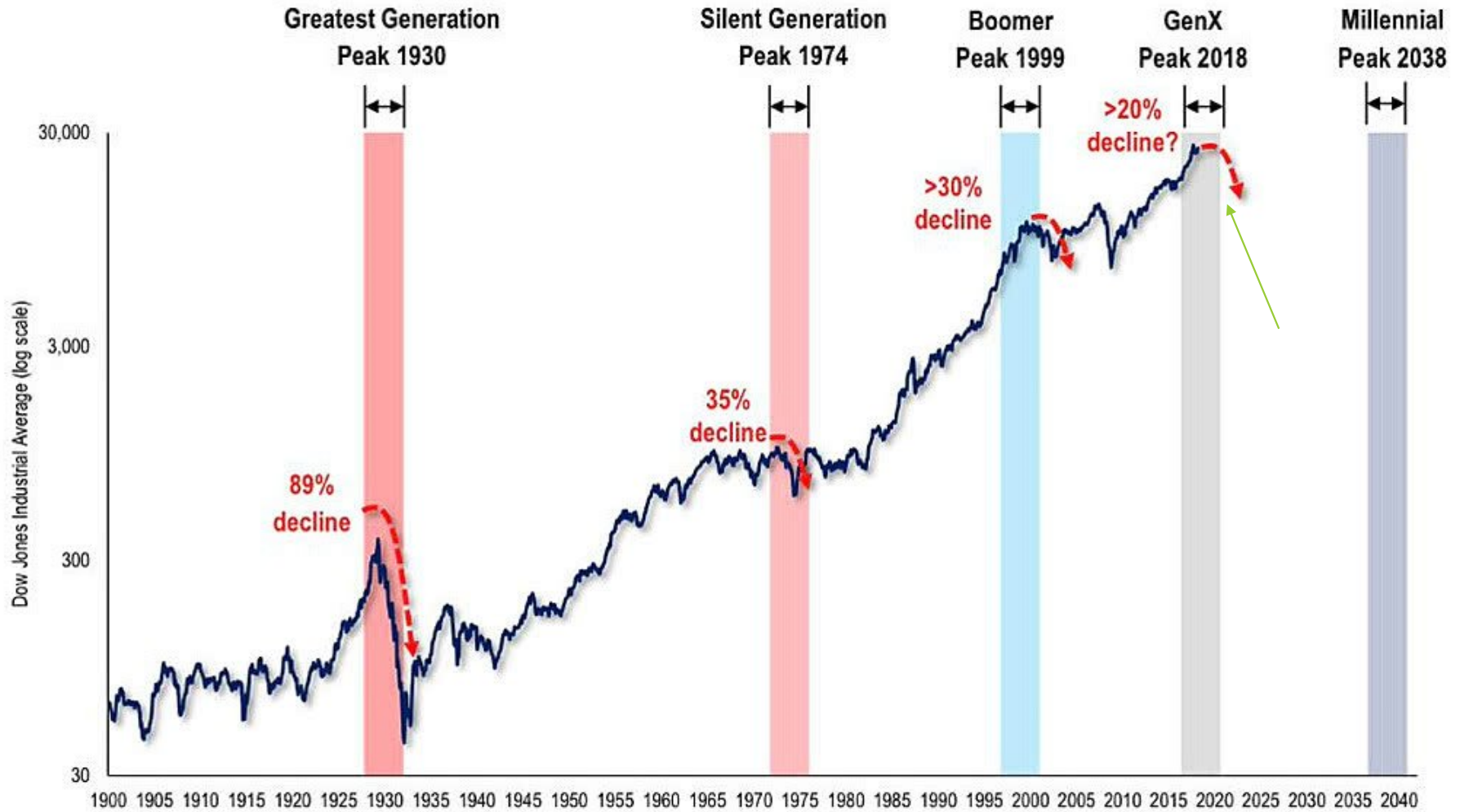
Symbol	Last Price
BTC-USD	49,738.28 -1,038.20 (-2.04%)
ETH-USD	4,040.44 -32.19 (-0.79%)
BNB-USD	541.32 -5.11 (-0.94%)
USDT-U...	1.0001 -0.0018 (-0.1815)
SOL-USD	196.68 +5.41 (+2.83%)

Trending Tickers

Symbol	Last Price
MATIC...	2,824.9 +0.2892 (+11.40)
NAKD	5.86 -0.39 (-6.24%)
FTM-USD	2,257.4 +0.1929 (+9.343)
LUNA1...	99.22 +2.01 (+2.07%)

Is The Market Empty, Is it Half Full or Half?

Figure: Dow Jones Industrials Average
Since 1900



Source: Fundstrat, Bloomberg

The Investment Special Outline

Let's Figure this Out!

The Mkt. Vocabulary

Building Blocks

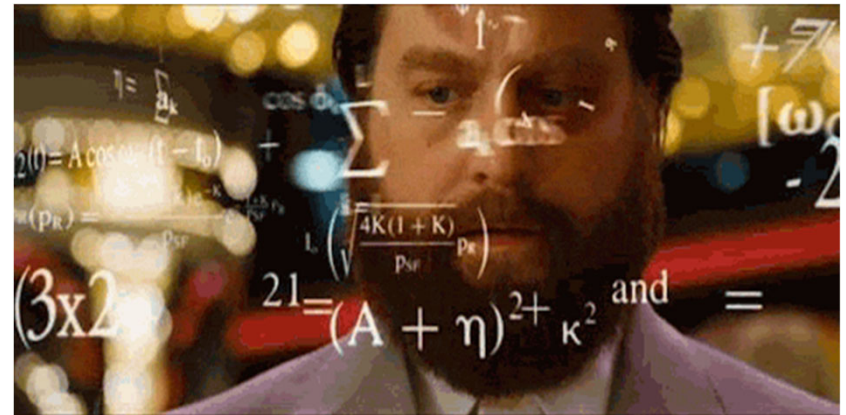
The Investment Process from beginning to end

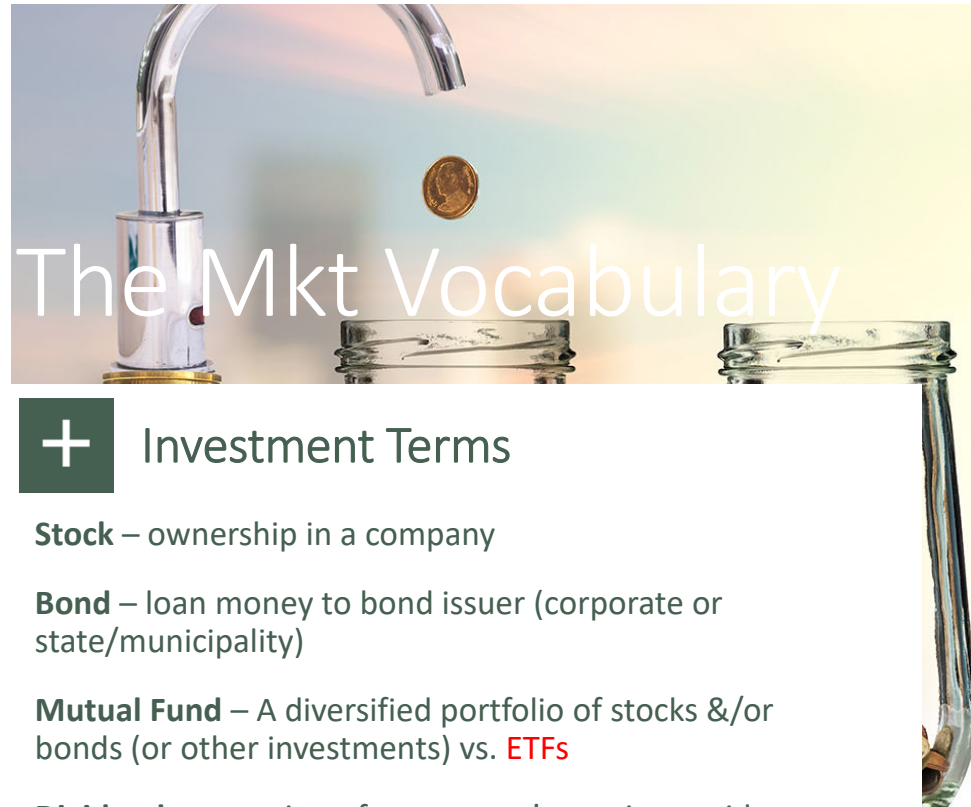
*Capital Gains Taxes, Tax Loss Harvesting, etc...

*How to build a portfolio

◦ [Million Dollar Portfolio](#)

*How to test that portfolio





The Mkt Vocabulary

+ Investment Terms

Stock – ownership in a company

Bond – loan money to bond issuer (corporate or state/municipality)

Mutual Fund – A diversified portfolio of stocks &/or bonds (or other investments) vs. **ETFs**

Dividend – a portion of a company’s earnings paid to stockholders

Capital Gain (loss)–increase (decrease) in value of investment – occurs only when you actually sell

Rate of Return (or Yield) –total return on investment expressed as a % of price

+ What’s Your Strategy?

BUY and #HODL anticipates long-term economic growth

Dollar-cost averaging buys at “below average” costs – Invest same amount every month – Set up automatic deposit.

Portfolio diversification

- Reduces volatility

Asset allocation

- % to desired investment categories – Rebalance yearly to desired %
 - **Rule of 120** i.e. 80% stocks/20% bonds
-

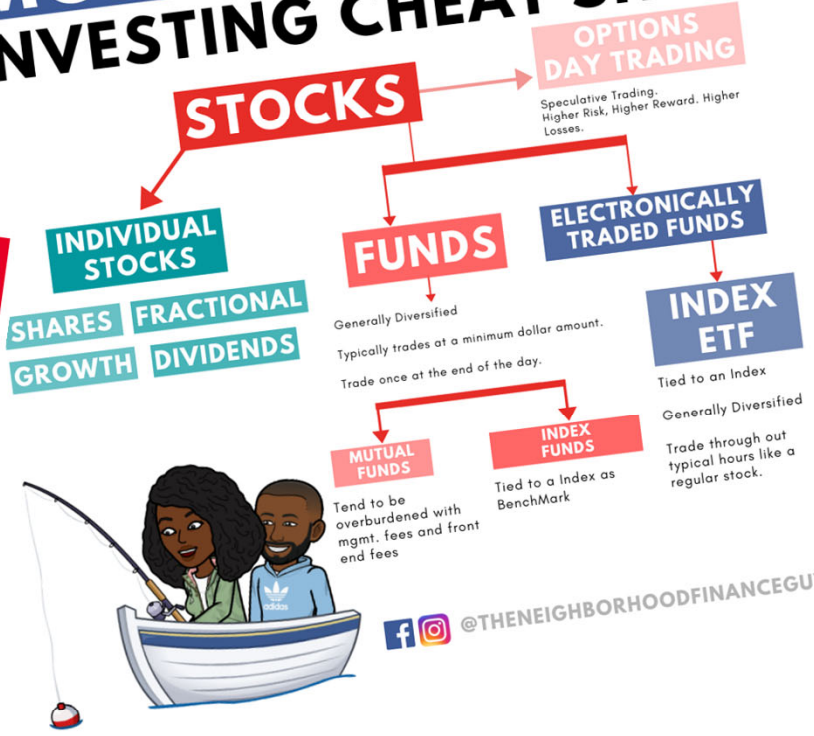
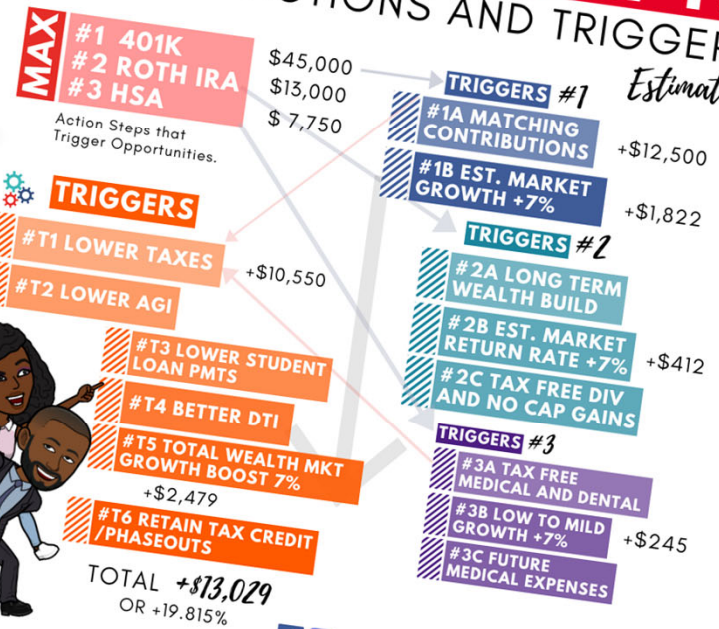
#FirstInvestments

MONEY CONCEPTS INVESTING CHEAT SHEET



MONEY CONCEPTS

EST. 2023 ACTIONS AND TRIGGERS



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#Saving vs Investing Analysis

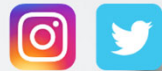
WHAT DO YOU MEAN BY...

SAVINGS

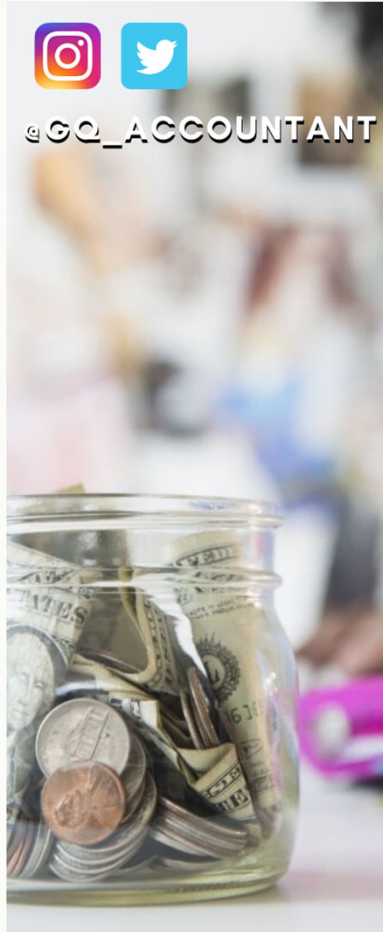
Since I'm personally guilty of adding to this confusion; it's important to say that savings and investments can be two entirely different things.

- People typically save for shorter time windows or for a cushion ie emergency savings.
- **Sinking funds**, popularized by Dave Ramsey, tend to highlight big expenditures such as weddings, vacations, new car, a home, holiday shopping, and etc.
- **Savings typically have a low payout.** High-interest savings are going for 2% as of 2.2020

SAVINGS = SHORT TERM



@GO_ACCOUNTANT



VS



@GO_ACCOUNTANT

WHAT DO YOU MEAN BY?

INVESTMENTS

The BIG difference between Savings or Investments is time horizon (and potential growth). If you don't need the money for one year or more, you may as well invest it. Common investments:

- Stock Market
- Employer-Sponsored Retirement Accounts such as a 401k, 403b, or 457b
- Tax-advantage investing tools such as the Traditional IRA, ROTH IRA, SEP IRA, or Simple IRA

INVESTING = MEDIUM AND/OR LONG TERM

Example #1


Putting 2021 into Perspective

www.google.com

www.Bankrate.com

<https://www.calculator.net/investment-calculator.html>

[TVM Calculator](#)



**SUCCESS IS
NEVER OWNED,
IT'S RENTED.
AND THE RENT IS
DUE EVERYDAY.**

Results #1A

You Can't Save Yourself into Wealth

Saving at 0.01%

End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	\$ 10000			
After	1 years			
Return Rate	0.01%			
Compound	annually			
Additional Contribution	\$ 0			
Contribute at the <input type="radio"/> beginning <input checked="" type="radio"/> end of each <input checked="" type="radio"/> month <input type="radio"/> year				

Results	
End Balance	\$10,001.00
Starting Amount	\$10,000.00
Total Contributions	\$0.00
Total Interest	\$1.00



Investing at 27.70%

End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	\$ 10000			
After	1 years			
Return Rate	27.70%			
Compound	annually			
Additional Contribution	\$ 0			
Contribute at the <input type="radio"/> beginning <input checked="" type="radio"/> end of each <input checked="" type="radio"/> month <input type="radio"/> year				

Results	
End Balance	\$12,770.00
Starting Amount	\$10,000.00
Total Contributions	\$0.00
Total Interest	\$2,770.00

Results #1B

You Really Can't Save Yourself into Wealth

Saving at 0.01%

End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	\$ 10000			
After	5 years			
Return Rate	0.01%			
Compound	annually			
Additional Contribution	\$ 0			
Contribute at the <input type="radio"/> beginning <input checked="" type="radio"/> end of each <input checked="" type="radio"/> month <input type="radio"/> year				
Results				
End Balance	\$10,005.00			
Starting Amount	\$10,000.00			
Total Contributions	\$0.00			
Total Interest	\$5.00			

Investing at 27.70%

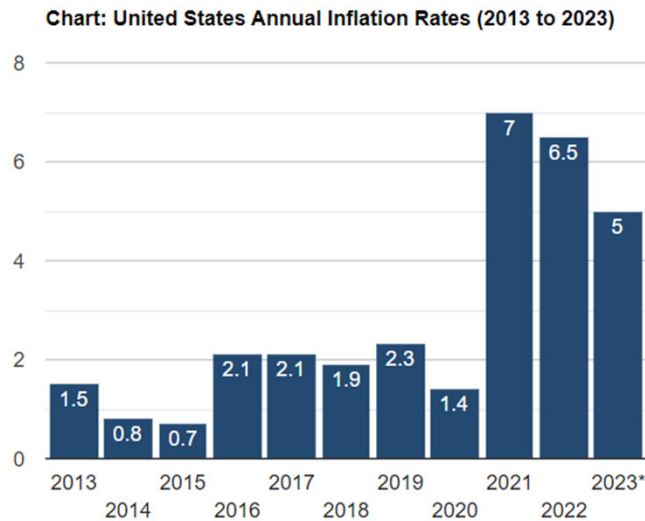
End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	\$ 10000			
After	5 years			
Return Rate	27.70%			
Compound	annually			
Additional Contribution	\$ 0			
Contribute at the <input type="radio"/> beginning <input checked="" type="radio"/> end of each <input checked="" type="radio"/> month <input type="radio"/> year				
Results				
End Balance	\$33,958.97			
Starting Amount	\$10,000.00			
Total Contributions	\$0.00			
Total Interest	\$23,958.97			

S#!T



Results #1C

With Inflation



Saving at 0.01% from January - December 2022

End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	\$ 10000			
After	1 years			
Return Rate	0.01%			
Compound	annually			
Additional Contribution	\$ 0			
Contribute at the <input type="radio"/> beginning <input checked="" type="radio"/> end of each <input checked="" type="radio"/> month <input type="radio"/> year				
Results				
End Balance				\$10,001.00
Starting Amount			\$10,000.00	
Total Contributions			\$0.00	
Total Interest			\$1.00	


Real Purchasing Value

As of December 2022

\$9,360

#Cycle Analysis

THE GENERAL MARKET SENTIMENT



BULL MARKET
STOCK PRICES ARE RISING

- POSITIVE MARKET
- UPWARD MOMENTUM

BEAR MARKET
STOCK PRICES ARE FALLING

- NEGATIVE MARKET
- DOWNWARDS MOMENTUM

BULL OR BEAR MARKET

WHAT
HOW THE STOCK MARKET IS DOING



BULL MARKET
STOCKS ARE RISING


- ECONOMY EXPANDING
- UNEMPLOYMENT FALLING OR STABLE
- AVG. LENGTH 9 YEARS

BEAR MARKET
STOCKS ARE FALLING

- ECONOMY CONTRACTING
- UNEMPLOYMENT RISING
- AVG. LENGTH 1 YEAR

OLD WALL STREET SAYING ABOUT GREED

✓ BULLS MAKE MONEY
✓ BEARS MAKE MONEY



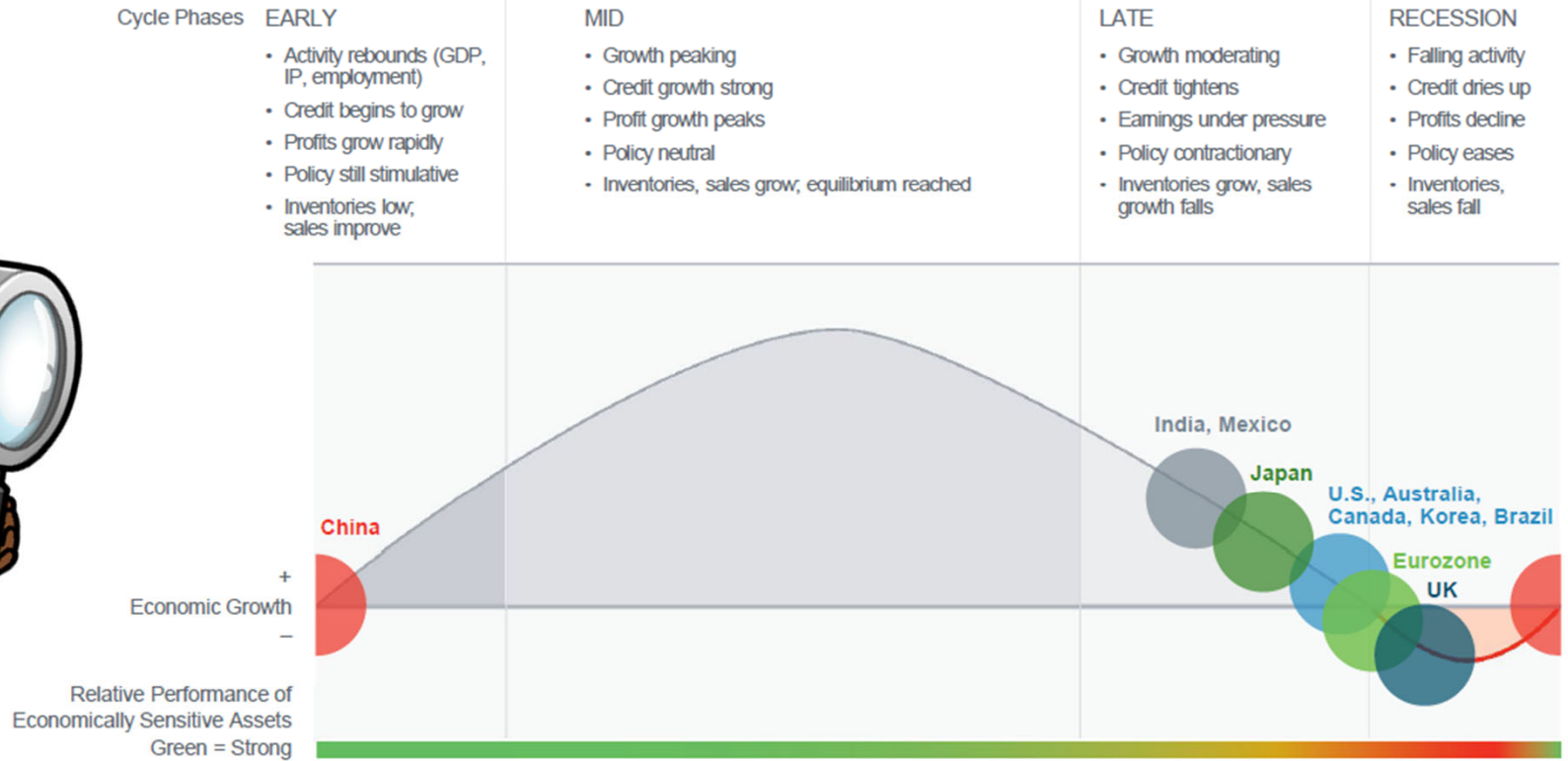
MapkinFinance.com

Bulls vs Bears?
Boomers vs Millennials?
Inflation! Recession?



#Cycle Analysis

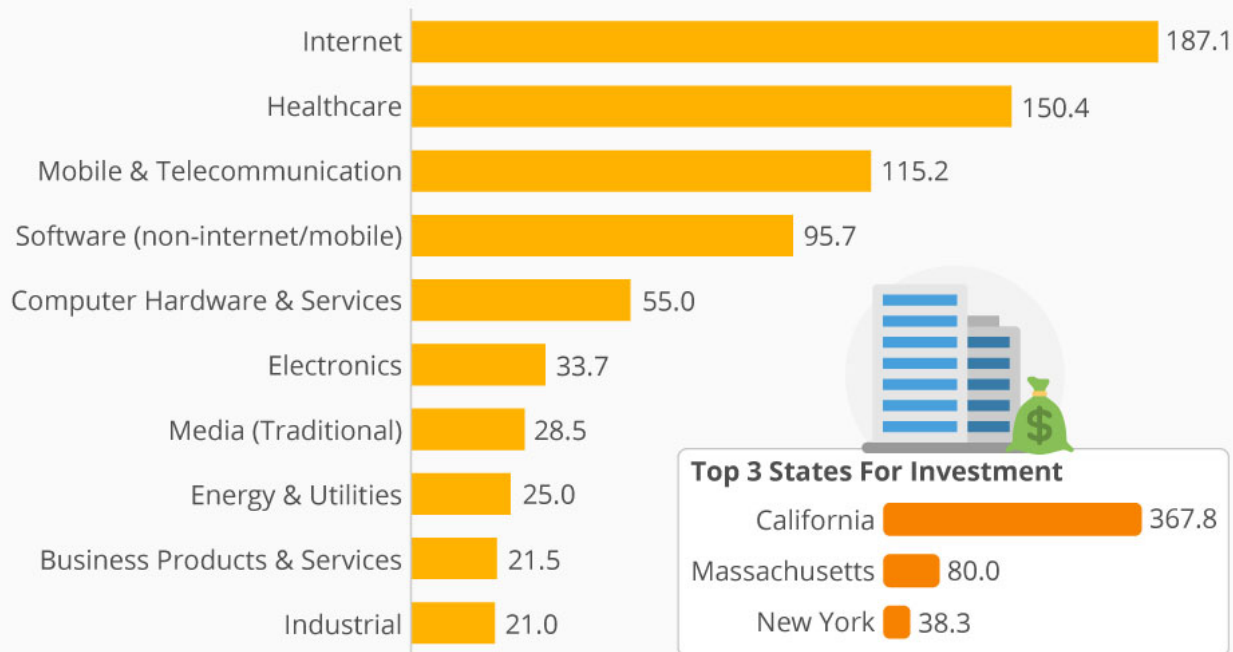
Business Cycle Framework



#Sector Analysis

The Top Sectors For U.S. Investment Dollars

Money invested by sector and state over the last 20 years (billion U.S. dollars)



@StatistaCharts Source: CB Insights/PwC

statista



Tech and More Tech

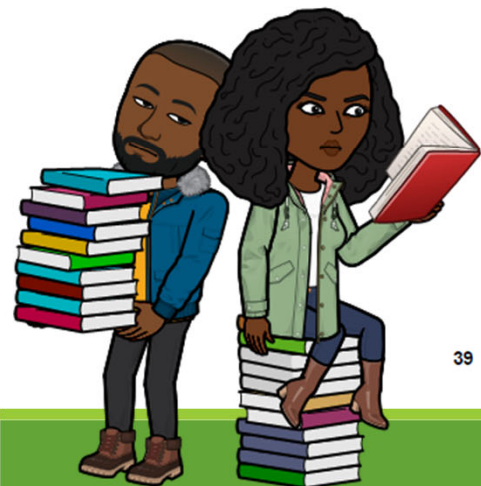
#Sector Analysis

Business Cycle Approach to Sectors

Sector	EARLY CYCLE Rebounds	MID CYCLE Peaks	LATE CYCLE Moderates	RECESSION Contracts
Financials	+			-
Real Estate	++	-	+	--
Consumer Discretionary	++		--	
Information Technology	+	+	-	--
Industrials	++			--
Materials	+	--		-
Consumer Staples	--	-	+	++
Health Care	--			++
Energy	--		++	--
Communication Services		+		-
Utilities	--	-	+	++
	Economically sensitive sectors have tended to outperform, while more defensive sectors have tended to underperform.	Making marginal portfolio allocation changes to manage drawdown risk with sectors may enhance risk-adjusted returns during this cycle.	Defensive and inflation-resistant sectors have tended to perform better, while more cyclical sectors underperform.	Since performance generally has been negative during recessions, investors should focus on the most defensive, historically stable sectors.

Past performance is no guarantee of future results. Sectors as defined by GICS. White line is a theoretical representation of the business cycle as it moves through early, mid, late, and recession phases. Green- and red-shaded portions above respectively represent over- or underperformance relative to the broader market; unshaded (white) portions suggest no clear pattern of over- or underperformance. Double +/- signs indicate that the sector is showing a consistent signal across all three metrics: full-phase average performance, median monthly difference, and cycle hit rate.

39 A single +/- indicates a mixed or less consistent signal. Return data from 1962 to 2021. Source: Fidelity Investments (AART), as of 3/31/23.



Wealth through “Invited Luck”

1 $Wealth \$\$\$ = [\{ Contributions \times (1 + Rate) \} - Inflation - Anticipated Taxes]^{Time}$

- Track your spending, savings, and investments
- Pay yourself first
- Start a side hustle
- Find a residual income stream

2 $Wealth = [Contributions \times (1 + Rate)]^{Time}$

3 $Wealth = Effort \times Rate \times Time$

FINMEDIA BASICS RULES OF THE GAME

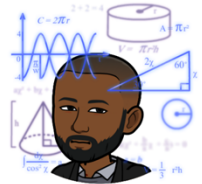


Wealth accumulates with three variables; **Contributions**, what you put in; **Rate of Growth**, how fast it goes up based on risk; and **Time**, how long you are in for.

There is one random variables - *Luck* since it happens. There is one mandatory catalyst known as *Kinetic Action*.

What is you invested \$100 each year at 10% for 5 years?

	start principal	start balance	interest	end balance	end principal
1	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00
2	\$100.00	\$100.00	\$10.00	\$210.00	\$200.00
3	\$200.00	\$210.00	\$20.99	\$331.00	\$300.00
4	\$300.00	\$331.00	\$33.10	\$464.10	\$400.00
5	\$400.00	\$464.10	\$46.41	\$610.51	\$500.00



For 30 years?

	start principal	start balance	interest	end balance	end principal
30	\$2,900.00	\$14,863.09	\$1,486.33	\$16,449.40	\$3,000.00

#Investing

Making Money, Make Cents

Investing is the **third step** on the road to financial success. *Not the first step!

Why do People want to Invest? To achieve financial goals; 1. Retirement savings, 2. Financial security, 3. Lifestyle changes, 4. It's the adult thing to do.

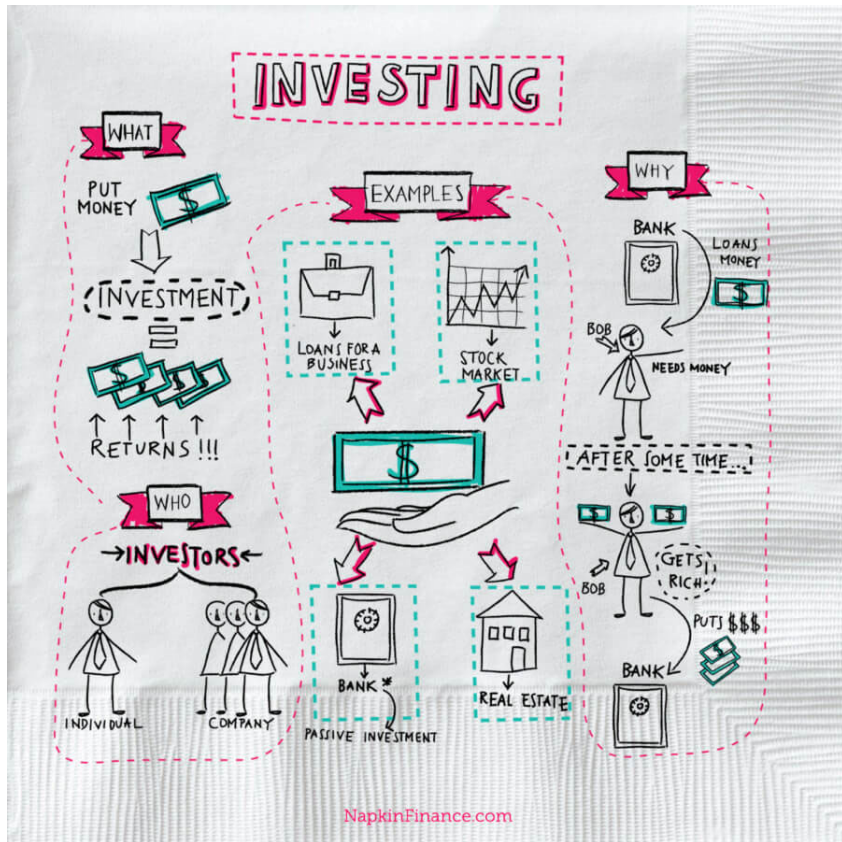
So What's your timeline?

Why do you want to invest?

Cntrl + ALT + Accept



Discernment of Information



beginner investing

Best Books for Beginner Investors (5 MUST-READS)
 Investing With Rose • 30K views • 1 month ago
 Learn how to invest (from scratch) by reading these books for beginners investors! This is my list of books that taught me all about ...

THE BEST INVESTMENT
 How To Become A Millionaire: Index Fund Investing For Beginners
 Graham Stephan • 843K views • 12 months ago
 Index Fund Investing for beginners: This is one of the best investments that requires very little work, almost no skill, and has some ...

Fidelity PICK THE BEST INDEX FUNDS
Fidelity Index Funds For Beginners (DETAILED TUTORIAL)
 Investing With Rose • 115K views • 6 months ago
 FIDELITY INDEX FUNDS FOR BEGINNERS // This video gets super-specific. What index funds are, how to buy Fidelity index ...

5 BEGINNER STOCKS
5 Stocks For Beginners To Buy In The 2020 Stock Market Crash
 In this video we're going to go over 5 good quality stocks for beginner investors to buy in the 2020 stock market crash... Sven ...

2020 MARKET CRASH
From \$0 To Millionaire | Investing For Beginners
 Graham Stephan • 431K views • 1 month ago
 These are my top 5 favorite investments, why I invest in them, and how you could get started doing something similar, as well ...

INDEX FUNDS 101
Vanguard Index Funds (Investing For Beginners)
 Marko - WhiteBoard Finance • 95K views • 6 months ago
 Vanguard Index Funds are one of the easiest ways to get started investing, especially from a passive investing standpoint ...

YouTube Recommend — Investing With Rose!

#InvtProcess

Not a Destination, Nor a Shortcut

1. **Set Aside the Money.** Consider no less than \$250/monthly or a fixed cash amount yearly.
2. Pick a **Brokerage.**
 1. Fidelity, Schwab, Merrill Lynch, Robin Hood, Acorn, Betterment, M1 Finance, Vanguard, etc...
 2. It comes down to which platform makes sense to you the most.
3. Is it reoccurring deposits or fixed when you can?
4. **Is your portfolio adjusted manually or automatically, or based on your risk profile?**
 1. This determines how balanced you are and/or how aggressive you want to be.
5. Buy, Hold, Sell and **Get Taxed**

WATCHING GOD STEP IN AND WORK ON YOUR BEHALF



#InvtProcess

End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	\$ 0			
After	40 years			
Return Rate	9%			
Compound	annually			
Additional Contribution	\$ 400			

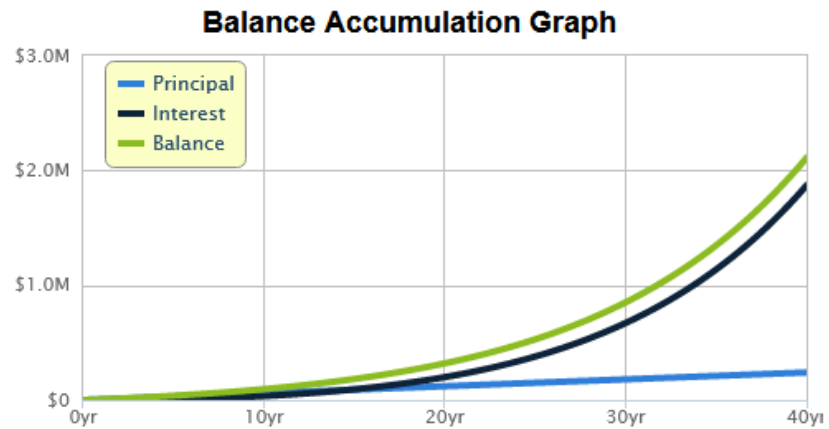
Results	
End Balance	\$1,687,695.62
Starting Amount	\$0.00
Total Contributions	\$192,000.00
Total Interest	\$1,495,695.62

Investing \$100 per week

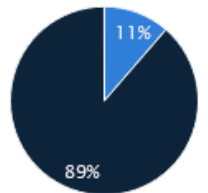
End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	\$ 0			
After	40 years			
Return Rate	9%			
Compound	annually			
Additional Contribution	\$ 500			

Results	
End Balance	\$2,109,619.53
Starting Amount	\$0.00
Total Contributions	\$240,000.00
Total Interest	\$1,869,619.53

Investing \$500 per month



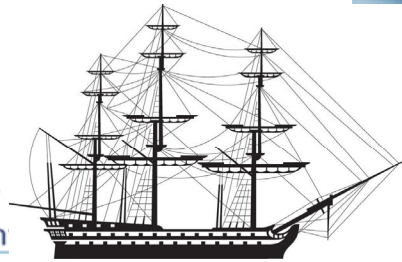
Breakdown



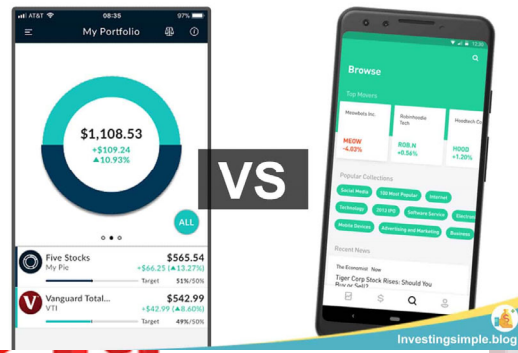
■ Total Contributions
■ Interest

Breaking Down the Brokerage

It Depends On Your Style and the Fees.



Vanguard®



robinhood
FREE STOCK!

Brokers or Brokerages?

In the Simplest Term

A brokerage company's main duty is to act as a middleman that connects buyers and sellers to facilitate a transaction.

Brokerage companies typically receive compensation by means of commissions or fees that are charged once the transaction has successfully completed. Nowadays these might be paid by the exchange or by the customer, or in some cases both. Because many discount brokerages have instituted zero-commission trading, they make up for this loss of revenue in other areas, including getting paid by the exchanges for larger quantities of order flow. For example, when a trade order for a stock is executed, an investor pays a transaction fee for the brokerage company's efforts to complete the trade.

Top 5 Ranked

Broker



Fidelity




Merrill Edge



TD Ameritrade



 **InteractiveBrokers**
Interactive Brokers IBKR
Lite

Layout Examples

Home My Accounts Funds, Stocks & ETFs What We Offer Insights Buy & Sell

Welcome back
 E-mail: Last login: February 26, 2015 08:52 a.m., Eastern time You have 2 unread messages

Markets as of 2/27/2015 5:18 p.m., ET DJIA 18,132.70 -81.72 NASDAQ 4,963.53 -24.36 S&P 500 2,104.50 -6.24 10-year T-note 2.00% -0.01

Balances Balances over time Asset mix Personal performance

Value as of 02/27/2015

Traditional IRA Brokerage \$1,056.92

Total assets \$1,056.92

Balances and holdings

Recent transactions

You can view your pending transactions on Order status.

Date Transaction Amount

There are no transactions within the last 30 days.

Transaction history

Asset mix

Current mix Target All accounts

Value

Current Target

Stocks 90.00% 90.00%

Bonds 10.00% 10.00%

Short-term reserves 0.00% 0.00%

Other 0.00% 0.00%

Text size: A A A

VANGUARD

Contact us

TAX SEASON Tax forms

Cost basis summary

Contributions

Add an IRA

Transfer an IRA or other account

Roll over a 401(k)

Start saving on TurboTax

FREQUENTLY REQUESTED LINKS

Manage your account services

Access your account guide

Add another account

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Tell a friend tool

Get more from your new account

Welcome. You made a smart choice investing with Vanguard. Now, let us show you how easy it can be to manage your investments. Please take a few minutes to visit our welcome page for new clients to learn about the many account services and conveniences

Vanguard.com

INVEST SPEND BORROW RESEARCH TRANSFERS

Portfolio Activity Holdings Funding history Bank connection Cash: \$0.09 Auto-Invest: On DEPOSIT Tech and Financial Divid...

Tech and Financial Dividend Growth

Value \$2,675.04 Gain +\$329.98 Return 40.63%

Nov 5 Jan 31 Apr 28 Jul 23 Oct 16 Jan 12

BUY/SELL REBALANCE EDIT

Upcoming trades

Next trade window

Morning 10 AM tomorrow

Afternoon 3 PM tomorrow

Slices

Name	Value	Gain (Return)	Actual / Target
MSFT Microsoft	\$282.47	+\$61.76 (+21.86%)	10.5% / 10%
AAPL Apple	\$250.18	+\$84.92 (+33.93%)	9.3% / 10%
HD Home Depot Inc. (The)	\$188.20	+\$15.20 (+8.02%)	7% / 5%

M1Finance.com
 \$10 Referral Code

Betterment

PLAN OVERVIEW EMPLOYEES REPORTS COMPLIANCE SUPPORT CENTER Hi, Aik

Your Company's 401(k) Savings Plan

Plan Overview

TOTAL BALANCE \$50,487,694.07 PARTICIPANT ENGAGEMENT 92%

YTD CONTRIBUTIONS \$5,546,123.47 TOTAL NUMBER OF ACCOUNTS 1,112

Plan Assets by Source

Employee 401(k) \$37,865,770.55

Employee Rollover \$5,546,100.00

Employee Roth 401(k) Deferral \$1,222,865.99

Employee Roth 401(k) Rollover \$2,348,766.00

Employer Contribution Vested \$1,713,331.34

Employer Contribution Non-Vested \$1,790,860.18

Recent Transactions

DATE CATEGORY VALUE

Sept 1 Contributions \$5,118.32

Betterment

Fidelity CUSTOMER SERVICE | OPEN AN ACCOUNT | REFER A FRIEND | LOG OUT

Accounts & Trade News & Insights Research Guidance & Retirement Investment Products

Trade Transfer Pay Bills Profile Messages Exit Preview

Customize

All Accounts

Summary Positions Balances Activity Analysis Manage Cash Statements

All Accounts \$17,303.34

Investment Accounts \$17,303.34

Cash Management Account \$6,901.64

Brokerage Account \$10,501.69

Your Balance Over Time

Your Asset Allocation

Domestic Stock 5%

Foreign Stock 43%

Bonds 41%

Short-Term 8%

Unknown 0%

Other 4%

Fidelity.com

Example #2

Variety and Style

M1 Finance - \$10 Opportunity

Merrill Lynch

Fidelity - \$100 Starter Pack

TD Ameritrade – Think or Swim

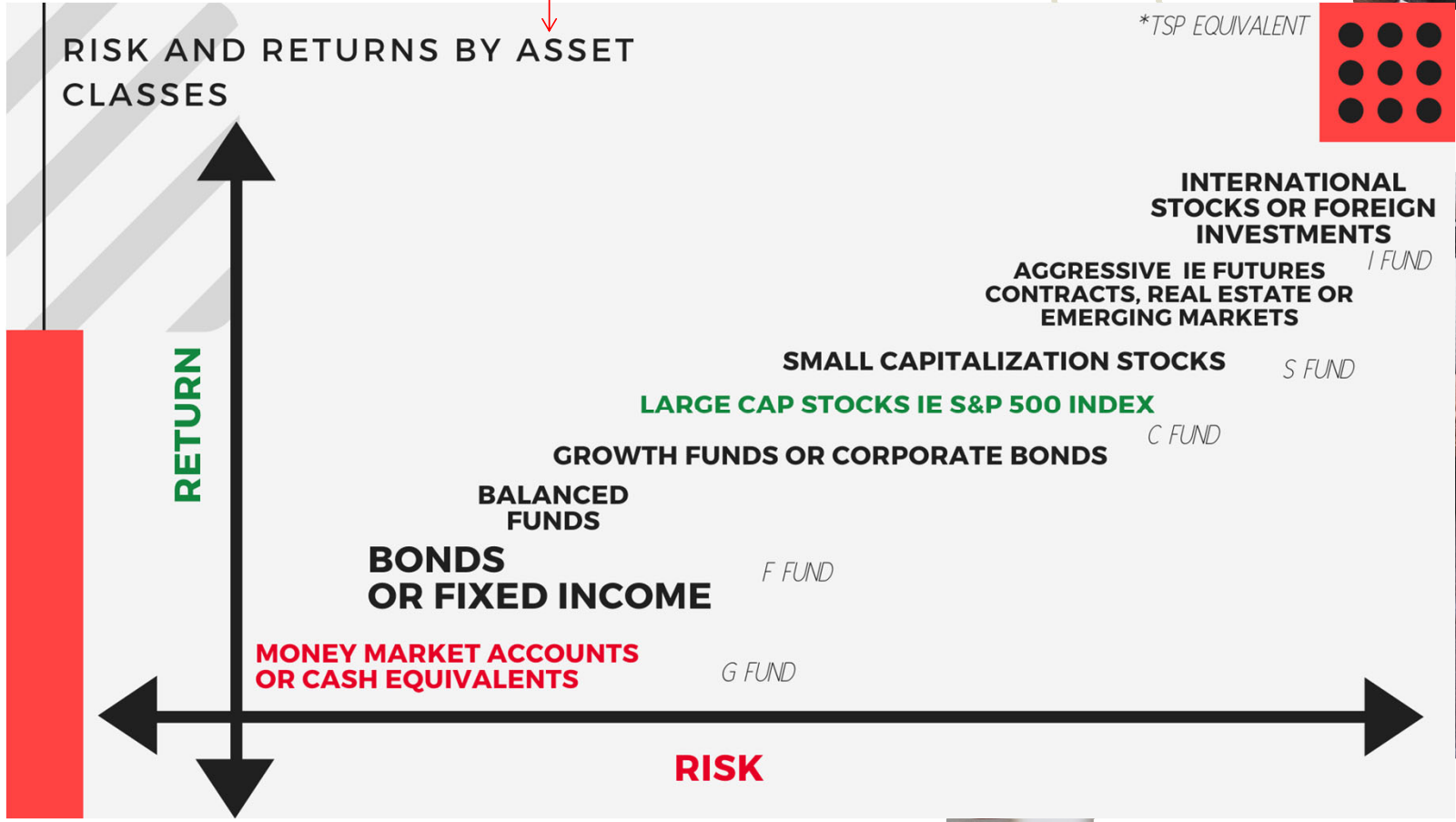
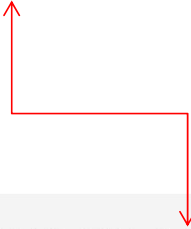
“



Success doesn't come from what you do occasionally, but what you do consistently.

David Beckham

Successful Investing



Levels to Owning Shares



You can buy individual stocks



Your Purchases Represent Your Portfolio



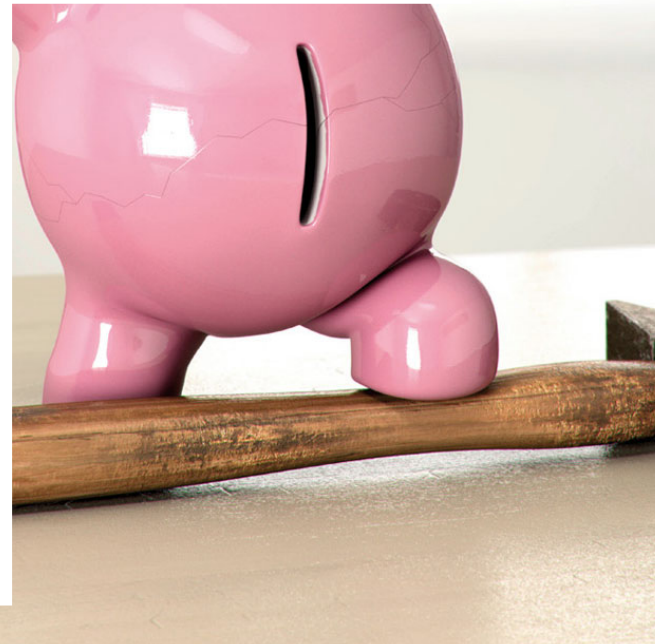
Some Investments Pay Out Dividends



You can buy **Indexes** or Mutual funds, i.e. Total Mkt Funds which are made up of various stocks

Experts prefer **Indexes** over **Mutual Funds** due to Fees

You Can Own Shares of specific companies and indexes at the same time.



Some **Indices** are Sector Based

#Building a Winning Portfolio

Time to Craft

- 1. Know your Risk Profile and Capacity.** Risk vs Reward
- 2. Set your terms and Plans.** Growth vs Income. Managed or auto pilot.
- 3. Strategy and Going Concern.**
 1. Buying and Sell Out
 2. Rebalancing or Tax Loss Harvesting (\$3,000)
- 4. Review And Mastery**
 1. Graham Fair Value
 2. Fundamentals





Generation Money Management

+ Determine Your Risk Tolerance

How much risk can you stand?

Risk tolerance quiz: –

<http://njaes.rutgers.edu/money/riskquiz/>

Lots of online quizzes

What is your time horizon to achieve your investment goal?

- More risk with long-term goals
- Less risk with short-term goals

+ Determine Your Risk Capacity

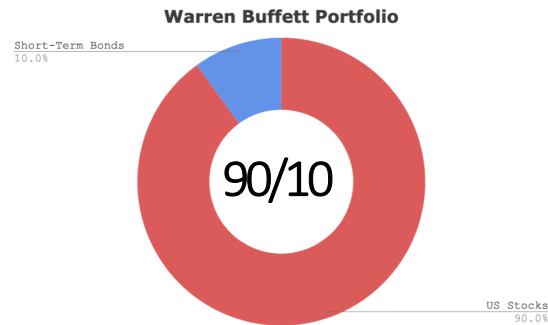
Risk capacity, unlike tolerance, is the amount of risk that the investor "must" take in order to reach their financial goals.

The rate of return necessary to reach these goals can be estimated by examining time frames and income requirements. Then, the rate of return information can be used to help the investor decide upon the types of investments to engage in and the level of risk to take on.

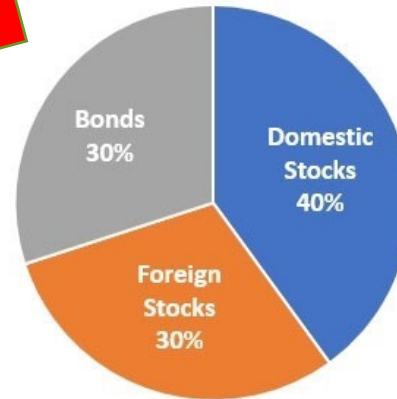
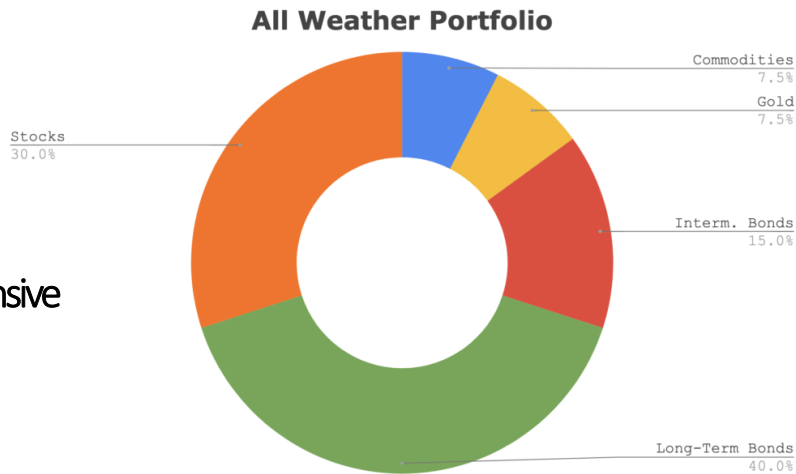
#Distribution

Stocks as a Pie

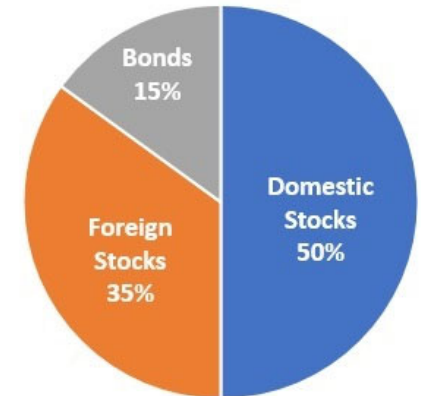
*Aggressive



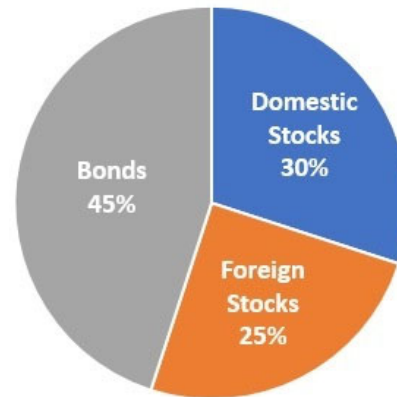
*Defensive



Stocks Go Up



Rebalance (Buy Bonds)



Stocks Go Down



Rebalance (Buy Stocks)

#Capital Gains Tax

Either Ordinary or Reduced



Tax Rates for Long-Term Capital Gains

Filing Status	0%	15%	20%
Single	Up to \$39,375	\$39,376 to \$434,550	Over \$434,550
Head of household	Up to \$52,750	\$52,751 to \$461,700	Over \$461,700
Married filing jointly and surviving spouse	Up to \$78,750	\$78,751 to \$488,850	Over \$488,850
Married filing separately	Up to \$39,375	\$39,376 to \$244,425	Over \$244,425

#TNFG Game Plan

Deep Cuts

90/10 Strategy.

- Way more Stocks than Bonds

60% Growth to 40% Dividends.

- Starting line up, but shift with Different Seasons

Buy or Sell

- Sell over 40% mkt value. Buy if mkt drops 30%
- Dollar Cost Average

Beware of Taxes

TNFG INVST. ^{ver5}

MY PERSONAL TAXABLE BROKERAGE STRATEGY

1 Start a Portfolio

Set an Annual Goal
Divide by 12 for Monthly Goal
Pick a Brokerage
Build a Portfolio Strategy
Auto Invest/Auto Allocate

2 Earn Value

90/10 Equities and Bonds
60% Growth via Market Gains,
and **40% Earned Dividend** Income
with an avg of 3%+ Div. Yield

3 Reinvest Dividends

4 Buy/Sell Hold

Sell over 40% Mkt value,
Buy under 30% Mkt value,
Reevaluate/balance annually,
Take 15% profits (if need be)



Keep 10% in Income i.e. JEPI for Opportunity Buys




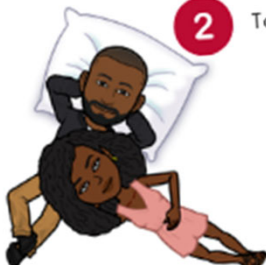
End Portfolio Value

#TFG Game Plan

INVESTING 101 NET/MAX INVST. STYLE

Turn out my motivation isn't money; I just like to prove that some things are possible beyond astronomical odds. *Max feasible for incomes above \$140,000 per couple.

	Max Contribution 
	For 2023
1 Emergency Savings and or High-Interest Savings Account	\$2,500 Per Person (pp)
401k , 403b or 457b + Match (if any)	\$22,500 pp
Health Savings Account (HSA)	\$7,750 per family
Individual Retirement Account (IRA)	\$6,500 pp
<hr/>	
2 Total Investments (Excluding Savings)	\$65,750 pp
+ Taxable Brokerage Starter Kit	\$ 6,250 or \$520.85/month
<hr/>	
	\$72,000



INVESTING 101 NET/MAX INVST. STYLE

So what's the point. At the historical average of 8% and let's say, it's all invested equally per month i.e. \$72,000 annually equals a contribution of \$6,000 per month.



Time Frame	Total Contributions	Total Interest Earned 	Total Ending Balance
5 yrs	\$360,000	\$77,668	\$437,668
10 yrs	\$720,000	\$360,746	\$1,080,746
15 yrs	\$1,080,000	\$945,638	\$2,025,638
20 yrs	\$1,440,000	\$1,973,994	\$3,413,994
<hr/>			
30 yrs	\$2,160,000	\$6,291,304	\$8,451,304



Bonus

Don't Just Follow; make an active choice.

www.etf.com

www.portfoliovisualizer.com

www.dividendwatch.com

www.thinkorswim.com



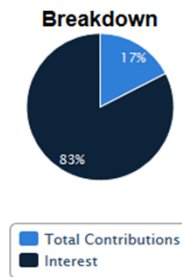
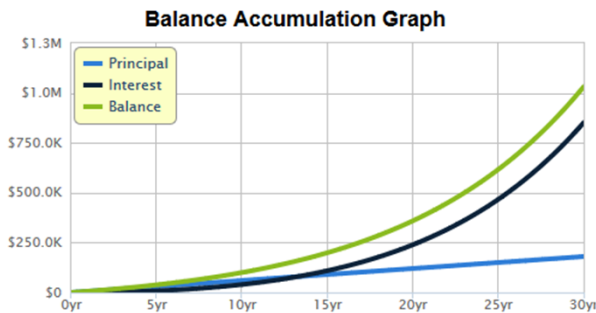
Results #4

Think of it as Daily Investments

\$16.67/Day

End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	<input type="text" value="\$0"/>			
After	<input type="text" value="30"/> years			
Return Rate	<input type="text" value="10"/> %			
Additional Contribution	<input type="text" value="\$500"/>			
Contribute at the end of each				
<input checked="" type="radio"/> month <input type="radio"/> year				
Calculate				

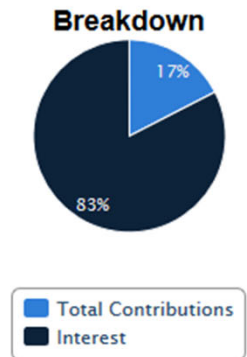
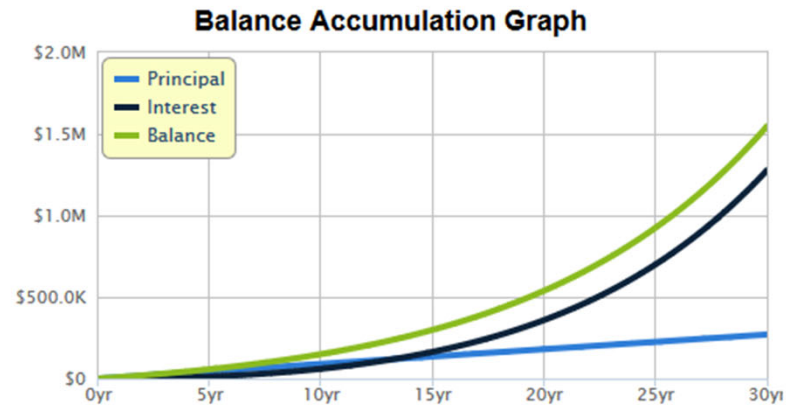
Results	
End Balance	\$1,031,421.66
Starting Amount	\$0.00
Total Contributions	\$180,000.00
Total Interest	\$851,421.66



\$25/Day

End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	<input type="text" value="\$0"/>			
After	<input type="text" value="30"/> years			
Return Rate	<input type="text" value="10"/> %			
Additional Contribution	<input type="text" value="\$750"/>			
Contribute at the end of each				
<input checked="" type="radio"/> month <input type="radio"/> year				
Calculate				

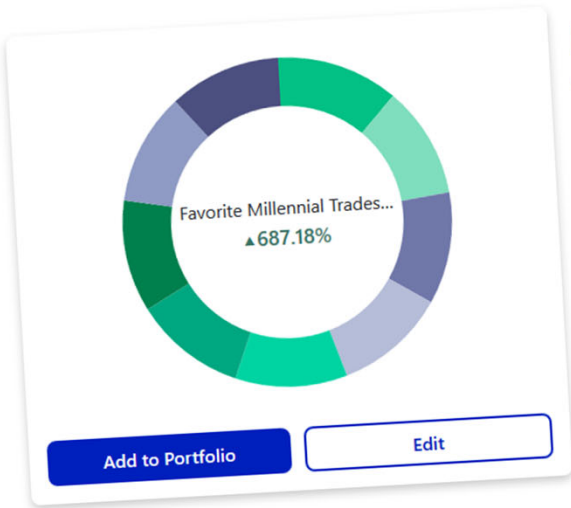
Results	
End Balance	\$1,547,132.49
Starting Amount	\$0.00
Total Contributions	\$270,000.00
Total Interest	\$1,277,132.49



Example #5

Create our own





Share this Pie

Favorite Millennial Trades 2020

1W 1M 1Q 1Y 3Y 5Y
Returns since Aug 7, 2016

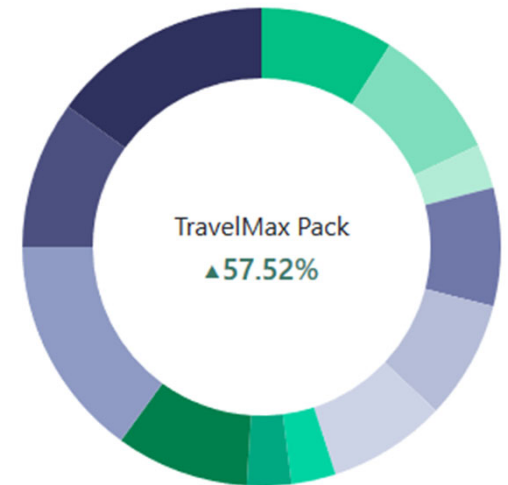
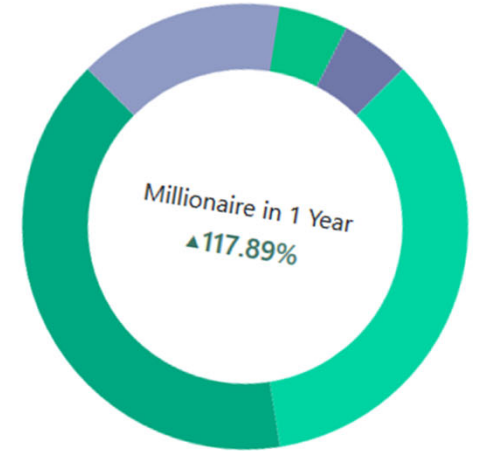
Performance

▲687.18%



Returns based on an initial deposit of \$100.

For One Year!



What's a Million Dollar Portfolio look like for 2021-2025?

#Close Out

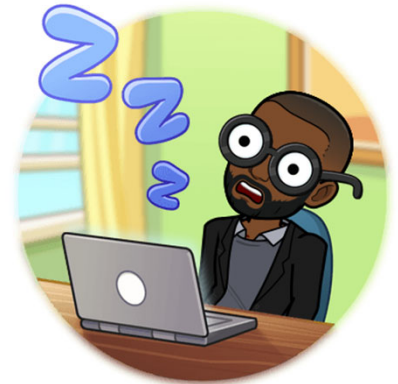
That's a lot, Recap

1. The Investment Process from beginning to end
2. How to build a portfolio!
3. Highly recommend you **tune into the Financial Griot Podcast!**
4. Follow TFG team on social media!
5. And Get your **\$10 Referral!**



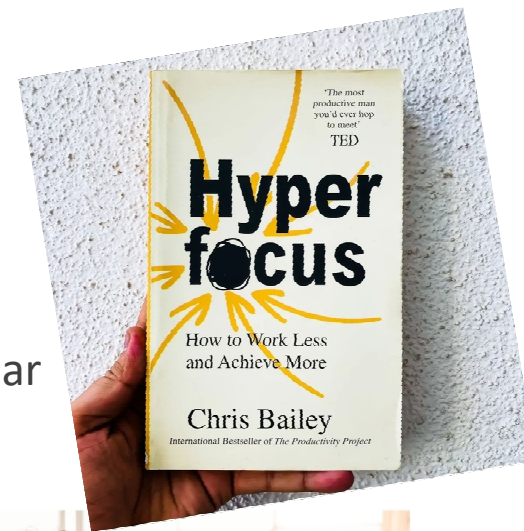
Website Recommendations

1. Essentials: [Mint.com](https://www.mint.com), [Personal Capital](https://www.personalcapital.com) (now *Empower*) and [SSA.gov](https://www.ssa.gov)
2. Savings, Mortgage rates and credit card rates - [www.Bankrate.com](https://www.bankrate.com)
3. [Debt Snowball Calculator](#)
4. Google Finance and Yahoo Finance
5. Investment Back testing (advanced) - www.portfoliovisualizer.com
6. Exchange Traded Funds ([ETF](#)) – www.ETF.com
7. [Brokerages](#) include Fidelity, Vanguard, M1 Finance, Robinhood, Schwab, etc...
8. [Net/Max Financial Plans](#) to build wealth in less than 15 years
 - a. [Other resources](#): Budgeting, Personal Taxes, etc.



Book Recommendations

1. **Atomic Habits: An Easy and Proven Way to Build Good Habits** – James Clear
2. **The Automatic Millionaire: A Power One Step Plan** – David Bach
3. **Your Money or Your Life** – Vicky Robins
4. **The Psychology of Money** – Morgan Housel
5. **The 12 Week Year** – Brian P. Moran
6. **Can't Hurt Me** and/or **Never Finished** – David Goggins
7. **Grit: The Power of Passion...** – Angela Duckworth
8. **Monsters and How to Tame them** – Kevin Hart



Recap and Questions

When you're giving advice but you have to finish with 'idk though' in case you accidentally ruin someone's life



FREE FINANCIAL WORKSHOPS IT'S A CHALLENGE!

FREE! 7.5K FOLLOWS ON INSTAGRAM
How to Build Wealth in Less Time

10K FOLLOWS ON INSTAGRAM
+ 3x Investment Workshops



WOW! 50 REVIEWS ON APPLE
PODCAST FOR THE
FINANCIAL GRIOT PODCAST
+2x Workshops



  @THENEIGHBORHOODFINANCEGUY
EMPOWERING • INFORMATIVE • FUN(D)



Our Goal?!

**WORK HARD,
WATCH ANIME, STAY HEALTHY,
INVEST AS MUCH AS NEEDED,
RETIRE EARLY, CREATE HAPPINESS,
TRAVEL THE WORLD (50 BY 50),
HELP OTHERS ALONG THE WAY...**

F.I.R.E.# +\$3M





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THANK YOU + Q&A
time

www.theneighborhoodfinanceguy.com

