



AAFMAA Wealth Management & Trust LLC

8 GREAT WAYS TO SPEND YOUR TAX REFUND

Have a little extra money headed your way? Join AAFMAA Wealth Management & Trust for a 20-minute discussion of 8 great ways to spend it well. We will also talk about some of the really dumb ways people tend to spend their refunds and suggest what might be the “right” answer.



AAFMAA WEALTH MANAGEMENT & TRUST

OUR MISSION: To be the premier provider of Financial Planning, Investment Management, & Trust Services to the American Armed Forces community.

Financial Planning

Investment Management

Trust Services





AAFMAA WEALTH MANAGEMENT & TRUST



We focus exclusively on the needs of military families and provide innovative, personalized, and lifestyle appropriate financial services.

We are bound by a fiduciary standard - any advice or service we offer must always be in the best interest of our clients.



DUMB WAYS TO SPEND YOUR TAX REFUND

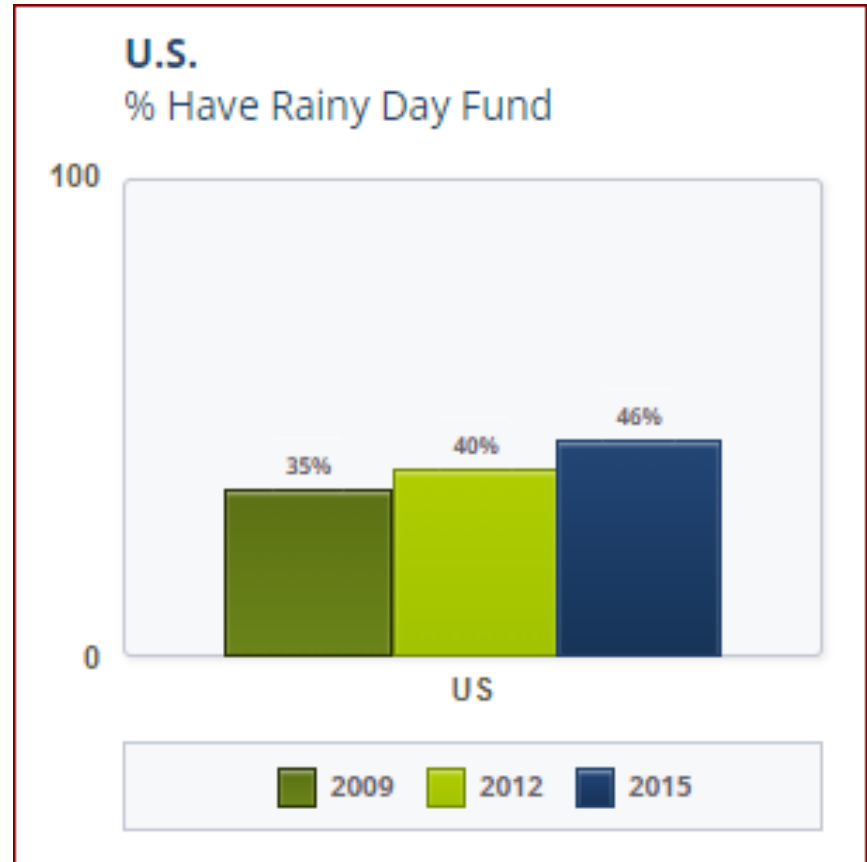
- Obvious:
 - Buy lottery tickets
 - Throw a big party
 - Buy a boat
 - Take that big vacation
 - Quit your job
 - Loan it to a friend
- What???
 - Pay off your credit card
 - Invest





1: BUILD UP YOUR EMERGENCY FUND

- Make sure you're ready for life's financial curve balls
- Most people aren't ready!
- How much is enough?
- Where do you put your rainy day fund?



Source: FINRA Investor Education Foundation National Financial Capability Study, 2016.



2: PAY OFF YOUR CREDIT CARD

- Avoid paying interest
- Free up additional borrowing capacity for emergencies
- Improve your credit score by reducing credit utilization
- But, also...
 - Fix long-term spending problems that created the balance
 - Use low-rate credit cards responsibly



3: INVEST

- Time Value of Money and the “Magic” of Compounding



<https://www.mathsisfun.com/money/compound-interest.html>

- 6-step investment strategy:
 - Determine how much you can afford to invest.
 - Set your investment time horizon.
 - Assess your risk tolerance.
 - Identify investment instruments.
 - Evaluate investment performance.
 - Adjust/rebalance your investment portfolio periodically.



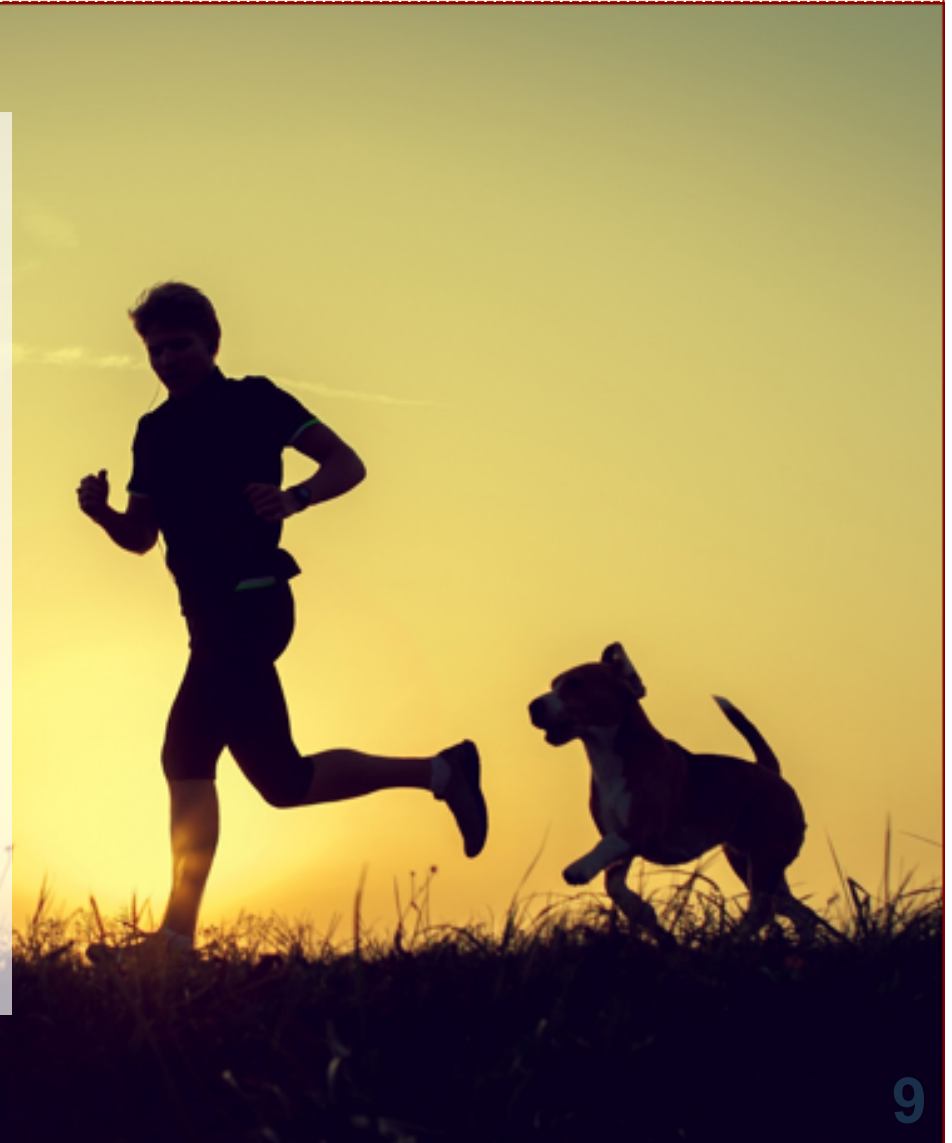
4: MAKE HOME IMPROVEMENTS

- Increase your property value AND make your home more livable
- Basic updates build the most value
 - Keep paint fresh
 - Replace rotten wood
 - Repair roof leaks
 - Eliminate mold
 - Think about energy efficiency



5: MAKE “ME” IMPROVEMENTS

- Improve your skills
 - Advance degrees
 - Certification programs
 - Continuing education
- Nurture mind and body
 - Read
 - Explore
 - Get creative
 - Get moving
 - Try something new





6: START A NEW BUSINESS

<https://fitsmallbusiness.com/should-i-start-my-own-business/>



1. Be honest with yourself about why
2. Do you have the skills needed?
3. Do you have the right mindset?
4. Do you have the means?
5. Do you have the personal support needed to succeed?



7: GIVE TO CHARITY

<https://givingusa.org/see-the-numbers-giving-usa-2017-infographic/>

In 2016, INDIVIDUAL DONORS drove the rise in philanthropic giving
And for only the sixth time in 40 years, all nine major philanthropy subsectors realized giving increases

\$390.05 billion

Where did the generosity come from?*

Giving by Individuals
\$281.86 billion

increased 3.9 percent (2.6 percent when inflation-adjusted) over 2015

3.9% ↑ 72%

Giving by Foundations
\$59.28 billion

was 3.5 percent (2.2 percent when inflation-adjusted) over 2015

3.5% ↑ 15%

Giving by Bequest
\$30.36 billion

declined 9.0 percent (10.1 percent when inflation-adjusted) over 2015

9.0% ↓ 8%

Giving by Corporations
\$18.55 billion

increased 3.5 percent (2.3 percent when inflation-adjusted) over 2015

3.5% ↑ 5%

Contributions by source
(by percentage of the total)

The single largest contributor to the growth in total giving was an increase of \$10.53 billion in GIVING BY INDIVIDUALS—offsetting declines from bequest giving.

Visit www.GivingUSA.org to learn more and to order your copy of *Giving USA 2017: The Annual Report on Philanthropy for the Year 2016*.



Giving to international affairs comprised a larger percentage of total charitable giving in the United States, increasing from 4 percent to 6 percent in 2016.



Giving to environment/animals increased 7.2 percent in 2016, the largest gain of any subsector, outpacing growth in overall giving for the last two years.

Where are all of the charitable dollars going?

(as a percentage of the total)



32% Religion \$122.94 billion



15% Education \$59.77 billion



12% Human Services \$46.80 billion



10% To Foundations \$40.56 billion



8% Health \$33.14 billion



8% Public-Society Benefit \$29.89 billion



5% Arts, Culture, and Humanities \$18.21 billion



6% International Affairs \$22.03 billion



3% Environment/Animals \$11.05 billion



2% To Individuals \$7.12 billion

Each charitable subsector grew in 2016 except for giving to individuals. Growth rates ranged from approximately 3–7 percent.

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving, *Giving USA: The Annual Report on Philanthropy*. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.



Giving USA™
Shared intelligence.
For the greater good.



THE Giving Institute™
Shared intelligence.
For the greater good.



IUPUI
LILLY FAMILY SCHOOL OF PHILANTHROPY

* All figures on this infographic are reported in current dollars unless otherwise noted.



8: BUY SOMETHING FOR YOURSELF



Dumb way to spend your tax refund? Or smart?



THE APPROVED SOLUTION

- Why would you use “found money” differently than your salary or existing assets?
- The Approved Solution: Execute your financial plan with discipline.
 - Use your money as you’ve planned to use it
 - Enjoy it / spend it now
 - Put it to work / invest it



AAFMAA WEALTH MANAGEMENT & TRUST



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THANK YOU!



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