

Investing today

Longwood University

Bradley L. Watson

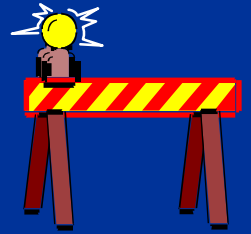
Managing Director, Investments

Davenport & Company LLC

The investment world today

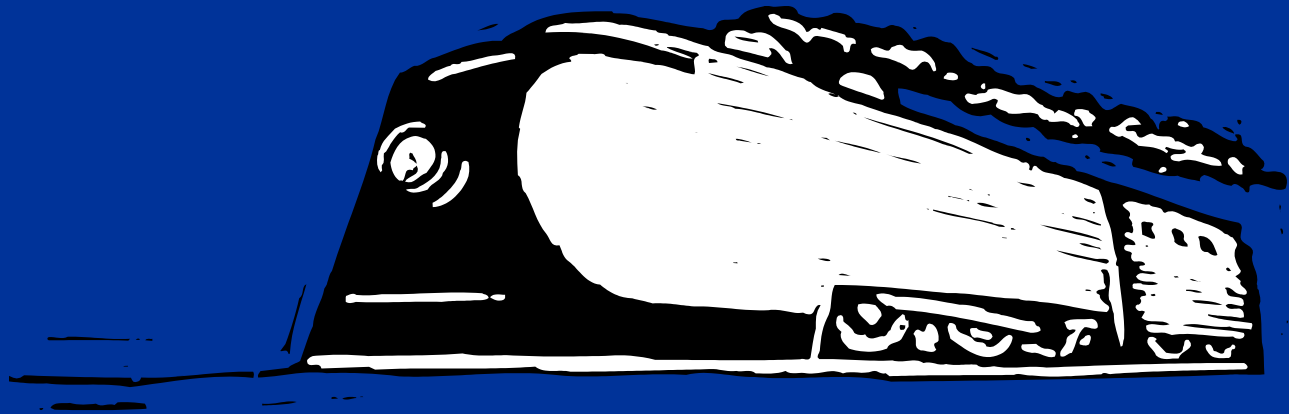
Roadblocks to Financial Success





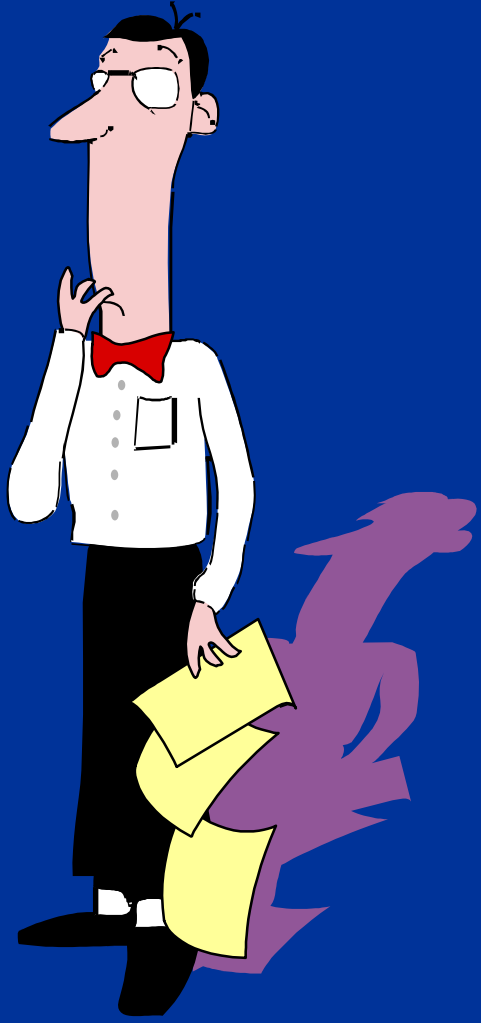
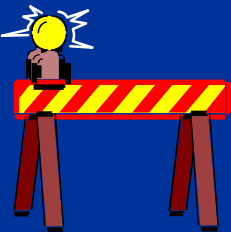
No Goals

If you have no goals, you have no direction and no way of knowing if you're on track.





Ignorance



\$10,000 earning 8%
interest
compounding
annually grows in
10 years to be...

Compound Interest

<u>Beg. Balance</u>	<u>Int. @ 8%</u>	<u>End. Balance</u>
\$ 10,000	\$ 800	\$ 10,800
\$ 10,800	\$ 864	\$ 11,664
\$ 11,664	\$ 933	\$ 12,597
\$ 12,597	\$ 1,008	\$ 13,605
\$ 13,605	\$ 1,088	\$ 14,693
\$ 14,693	\$ 1,175	\$ 15,869
\$ 15,869	\$ 1,269	\$ 17,138
\$ 17,138	\$ 1,371	\$ 18,509
\$ 18,509	\$ 1,481	\$ 19,990
\$ 19,990	\$ 1,599	\$ 21,589

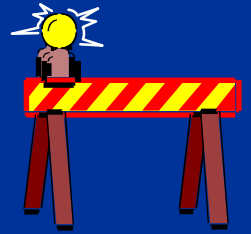
The Rule of 72

RATE OF
RETURN

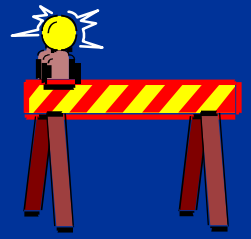
72



Debt

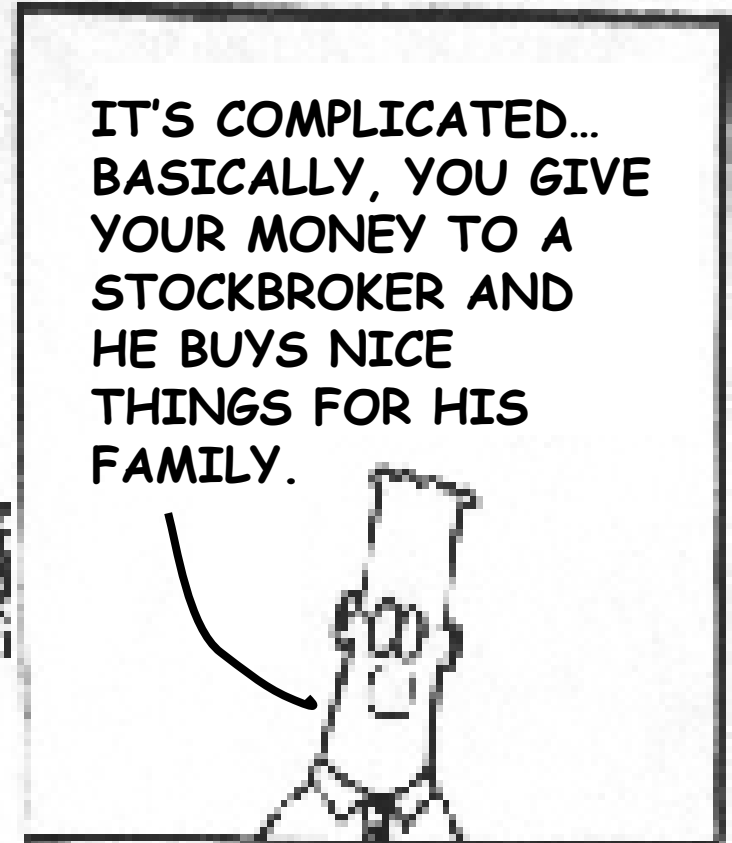
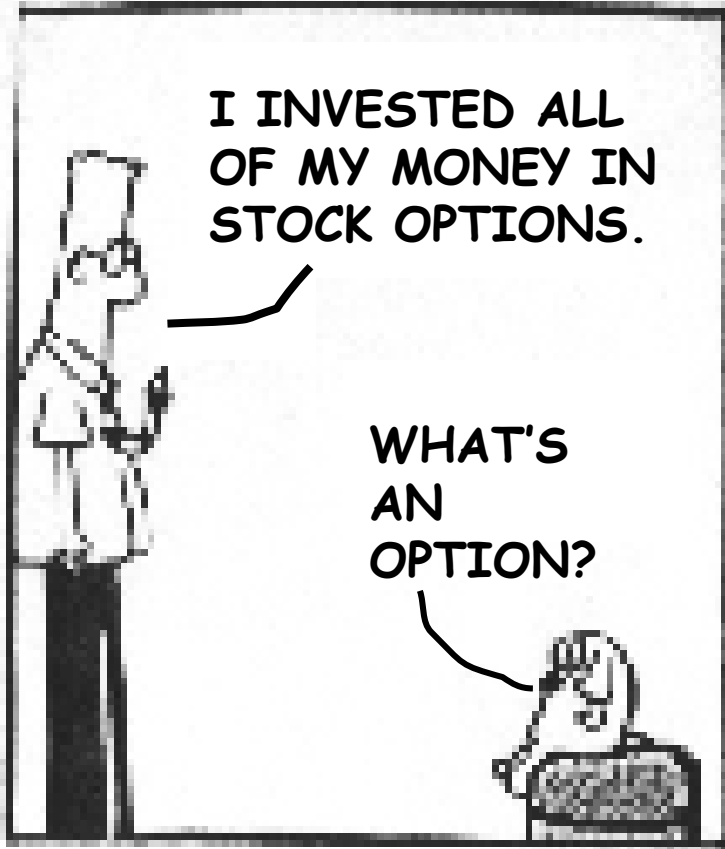


Credit Card \ kred'-et kãrd \ *n.*:
1. A means for buying something
you don't need at a price you can't
afford, with money you don't have.



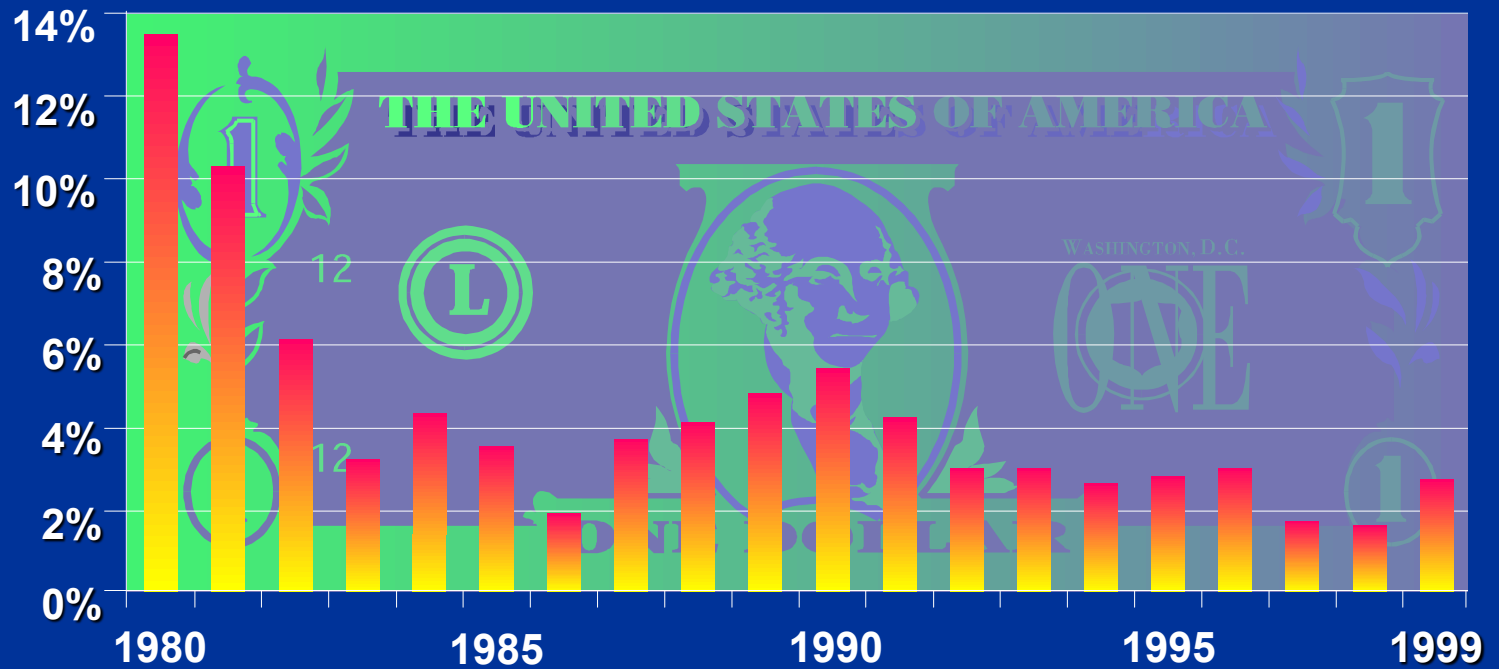
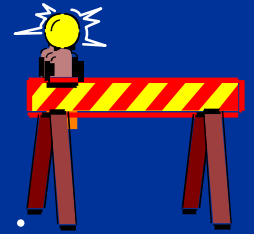
Poor Investments

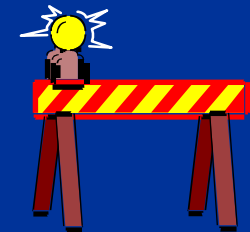




Inflation

As Measured by the Rise in the Consumer Price Index



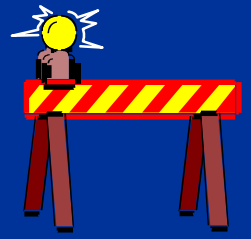


Taxes

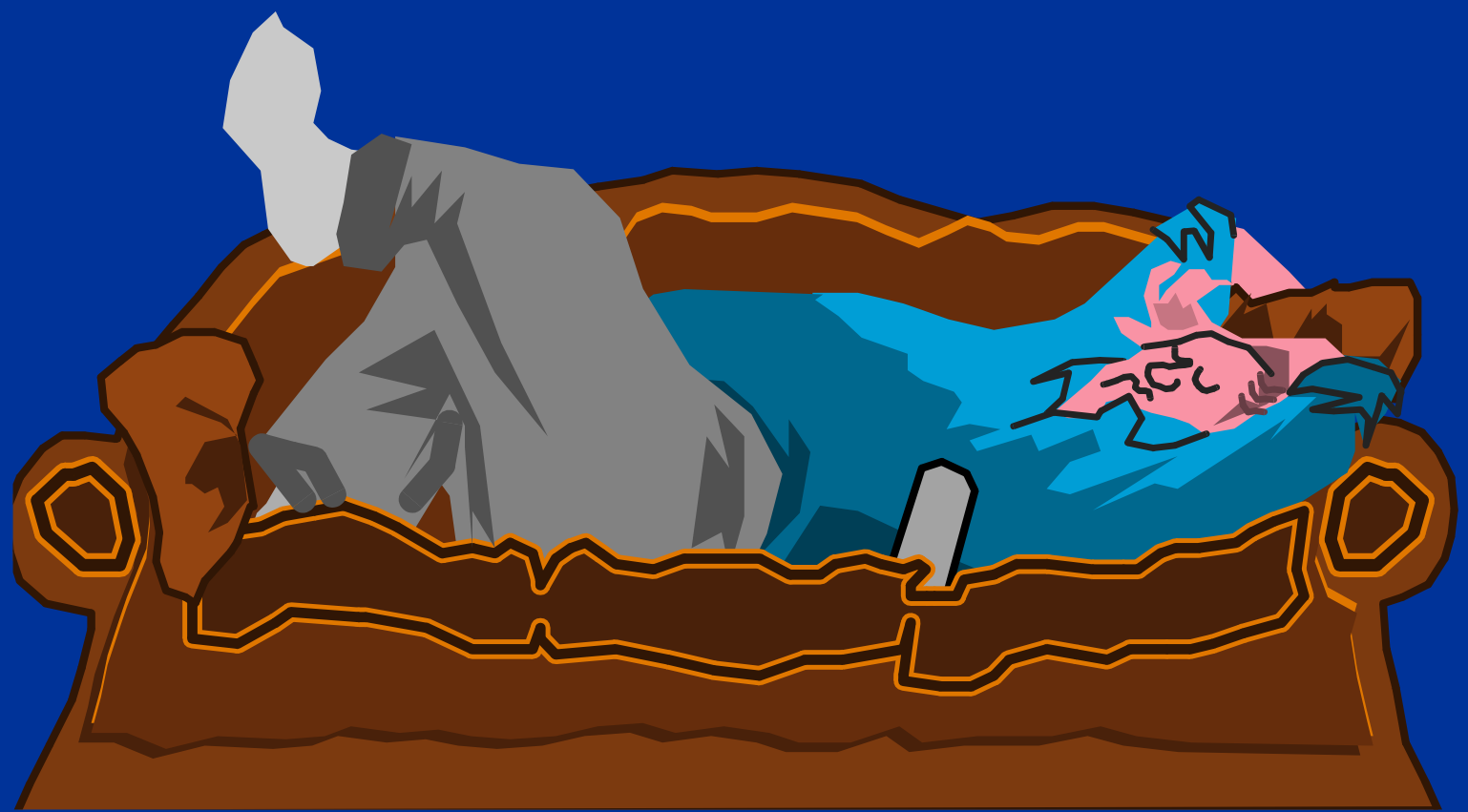
Tax Freedom Day



The average person will work until early May to pay all federal, state, and local taxes.



Procrastination



Let's Get Started....

Investment

Any vehicle into which funds can be placed with the expectation that it will generate positive income and/or preserve or increase its value

Types of investments

- Securities
- Property

Savings

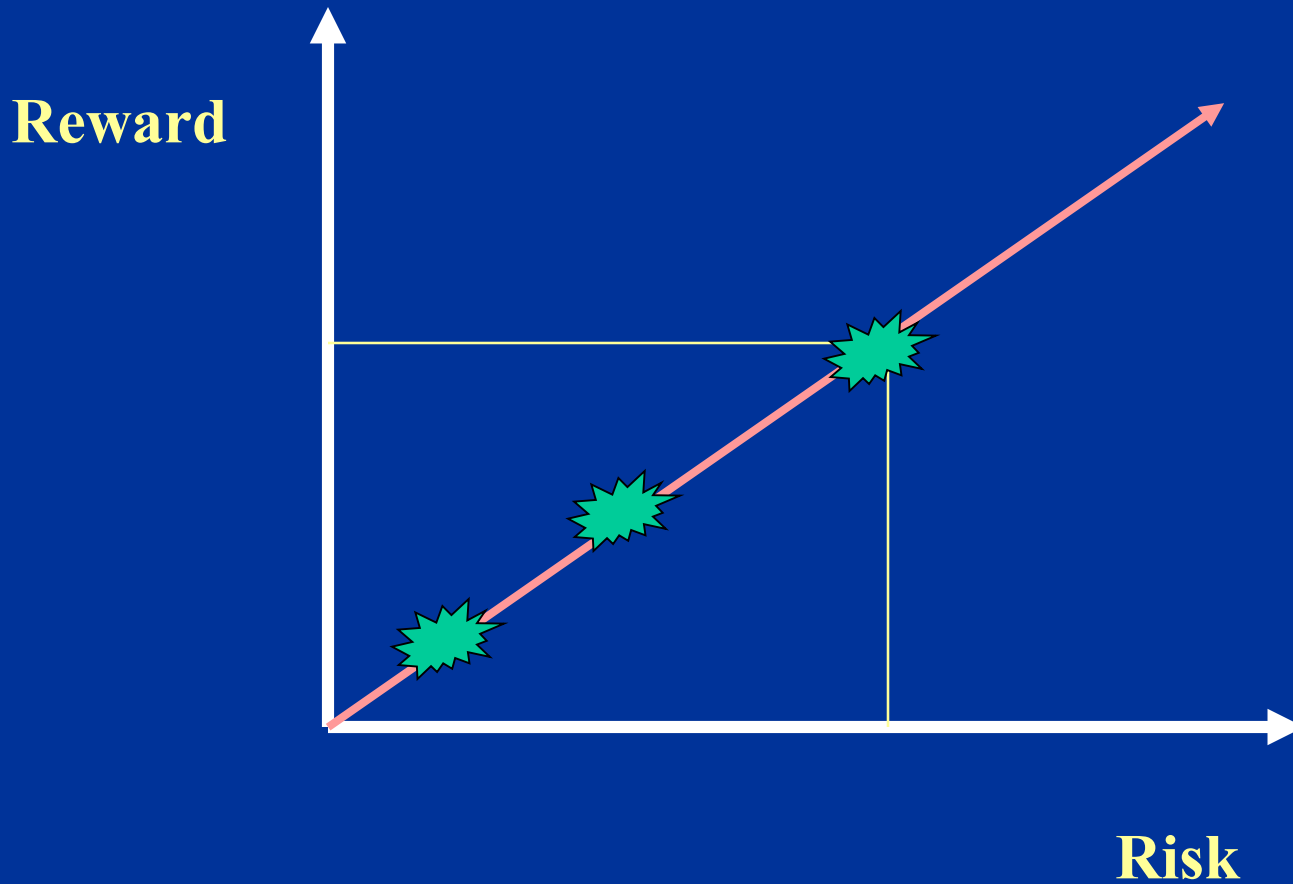
VS

Investment

VS

Speculation

Risk vs. Reward



Risk

Inflation

Interest Rate

Economic

Market

Specific

Opportunity Cost

Contributing to a retirement plan

\$35,000 per year salary

paid every 2 weeks

			no retirement	retirement plan
Gross Pay	hrs x \$/hr		\$ 1,350.00	\$ 1,350.00
Social Security tax	6.2%		\$ 83.70	\$ 83.70
Medicare tax	3.1%		\$ 41.85	\$ 41.85
Retirement contribution	3%		\$ -	\$ 40.50
Federal tax	20%		\$ 270.00	\$ 261.90
State tax	4%		\$ 54.00	\$ 52.38
Net Pay			\$ 900.45	\$ 869.67
Difference in pay				\$ (30.78)
Retirement from employee				\$ 40.50
Retirement match from employer				\$ 40.50
Total into retirement plan				\$ 81.00

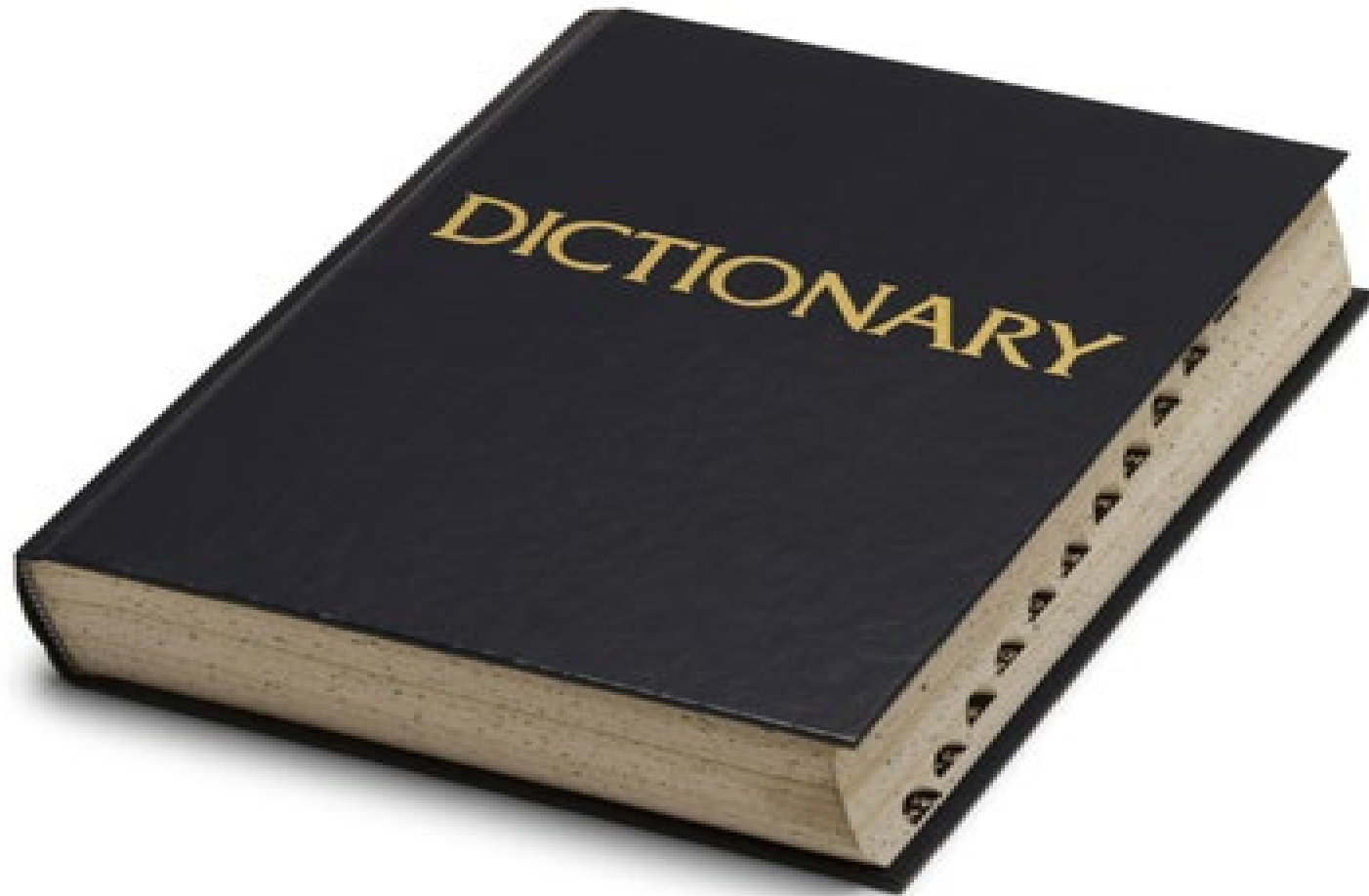




YOU'RE GOING TO FALL DOWN,
BUT THE WORLD DOESN'T CARE
HOW MANY TIMES YOU FALL
DOWN, AS LONG AS IT'S ONE
FEWER THAN THE NUMBERS OF
TIMES YOU GET BACK UP.

- AARON SORKIN

THE ONLY PLACE WHERE
SUCCESS COMES BEFORE WORK



IS THE DICTIONARY

- VIDAL SASSOON

“

Remember, when it comes to applying for jobs, books are judged by their cover.



PATRICIA AKINS