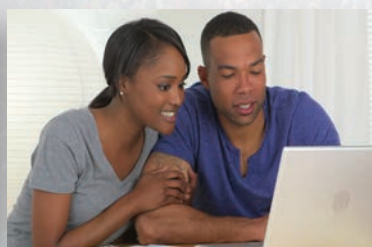
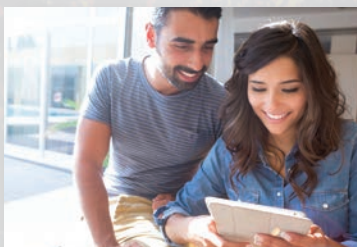


# HOW TO WIN THE MONEY GAME

***This is your opportunity to win!***





“One of the best kept secrets is that ordinary folks can become millionaires.”

— Hubert Humphrey  
Founder and Architect  
of the System

## OUR VISION

To lead the consumer empowerment revolution.

## OUR MISSION

To create more financially independent families than any other business in history.

## OUR SYSTEM

The vehicle that will allow us to achieve our vision and our mission.

# MONEY IS A PROBLEM FOR EVERYONE IN AMERICA

## DEBT

Debt is a way of life for Americans, with overall U.S. household debt increasing by 11% in the past decade. Today, the average household with credit card debt has balances totaling \$16,425, the average household with student loan debt has balances totaling \$50,868, and the average household with any kind of debt owes \$135,924, including mortgages.<sup>1</sup>

## TAXES

In 2018, Americans will work until April 19th to pay its tax burden. Americans collectively will spend more on taxes in 2018 than it did on food, clothing and housing combined.<sup>2</sup>

## INFLATION

You would need \$6.00 in 2018 to have the same purchasing power as \$1.00 in 1972. The average inflation rate from 1972 to 2018 was about 3.97%.<sup>3</sup>

## SAVINGS

Americans save less than anyone in the world. In 2017, the average American saved about 5.4% of their income, compared to Germany at 9.8% and Spain at 11.78%.<sup>4</sup>

## LIFE INSURANCE

If you died tomorrow, your family could be broke in a year. The average face amount of individual life insurance policies issued in 2015 was only \$160,000.<sup>5</sup>

## LONG-TERM CARE

We are living longer and more likely to get a chronic, critical or terminal illness before we die. In 2016, the annual median cost of a Home Health Aide was \$46,332 and the annual median cost of a Nursing Home was \$92,376.<sup>6</sup>

## RETIREMENT

According to the U.S. Census Bureau, the average American 65 and older retires on income of \$36,895 or less a year. 10% of all Americans retire in poverty.<sup>7</sup>

<sup>1</sup> Source: <https://www.nerdwallet.com/blog/average-credit-card-debt-household/>

<sup>2</sup> Source: <https://taxfoundation.org/publications/tax-freedom-day/>

<sup>3</sup> Source: <http://www.dollartimes.com/inflation/inflation.php?amount=1&year=1972>

<sup>4</sup> Source: <https://tradingeconomics.com>

<sup>5</sup> Source: <https://www.statista.com/statistics/254619/face-amount-value-of-individual-life-insurance-policies-purchased/>

<sup>6</sup> Source: <https://www.genworth.com/about-us/industry-expertise/cost-of-care.html>

<sup>7</sup> Source:

<https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>



# TAKE CONTROL

**The secret to financial security is learning to control the things that you *can* control.**

## PAY YOURSELF FIRST

Put yourself and your family before any other obligations that you have.

## EARN ADDITIONAL INCOME

To speed up your success, consider part-time work and build a second income.

## ADJUST YOUR LIFESTYLE

Understand the difference between your “wants” and your “needs.” Set priorities and develop a disciplined budget plan.

## AVOID THE CREDIT TRAP

Avoid the pitfalls of “plastic money.” Buy only what you can afford and pay with cash.

## CHANGE YOUR THINKING

Change your financial paradigm by changing the way you think about money.

**HGI teaches our clients these Common Sense concepts and how to implement them successfully.**



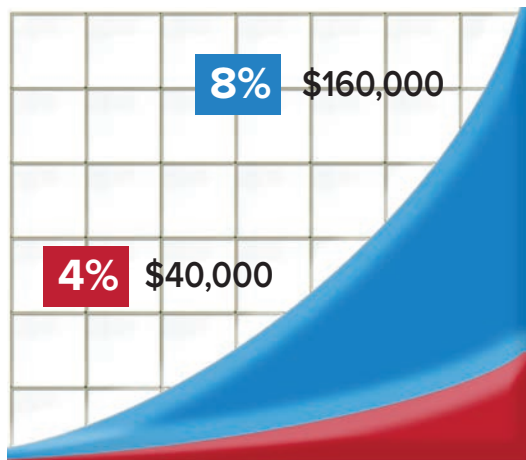
# THE RULE OF 72

## The Magic of Compound Interest

Divide the number 72 by your expected rate of return to determine the number of years it will take for your money to double.

### The Magic of Compound Interest \$10,000 - Lump Sum Investment\*

(invested one time only  
compounded annually)



### The Rule of 72

Divide 72 by the interest rate to estimate the number of years it will take for your money to double.

Age	4%	Age	8%
Money Doubles Every 18 Years		Money Doubles Every 9 Years	
29	\$10,000	29	\$10,000
47	\$20,000	38	\$20,000
65	\$40,000	47	\$40,000
		56	\$80,000
		65	\$160,000

\*The above hypothetical examples are for illustrative purposes only and do not represent any particular investment vehicle.

The Rule of 72 is a mathematical concept that approximates the number of years it would take to double the principal at a constant rate of return.

The performance of investments fluctuate over time, and as a result, the actual time it will take an investment to double in value cannot be predicted with any certainty.

## WHEN DOES 50% COST YOU 100%?

### Market Losses Cost You More Than You May Realize

Most people think that if you lose 50% on your investment, you only need to earn 50% back to recover from your losses. Not exactly.

	Start Value	Rate of Return	Gain/Loss	End Value
Year 1	\$1,000	-50%	-\$500	\$500
Year 2	\$500	+50%	+\$250	\$750

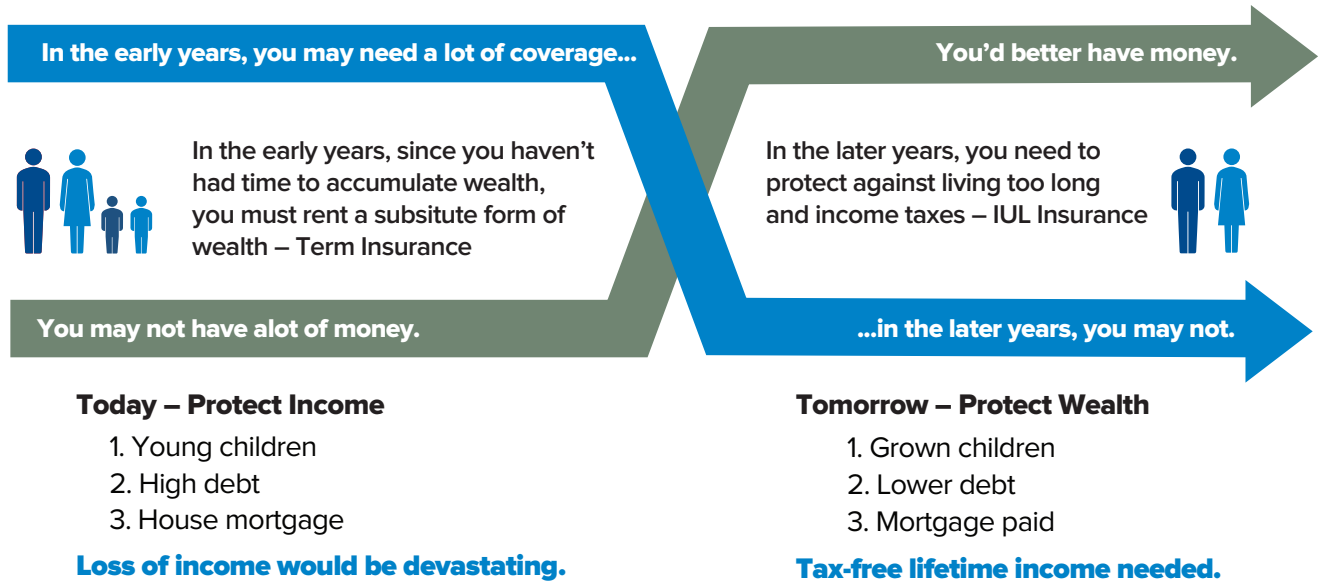
You need double the amount of the gain to “get back to even.”

	Start Value	Rate of Return	Gain/Loss	End Value
Year 1	\$1,000	-50%	-\$500	\$500
Year 2	\$500	+100%	+\$500	\$1,000

It's important to note that in the 1st example, it looks like a 0% average annual return (  $-50 + 50 / 2 = 0\%$  ), but that's “funny math”. It's actually -25% when you actually consider the true loss.

# THE WEALTH FLOW FORMULA

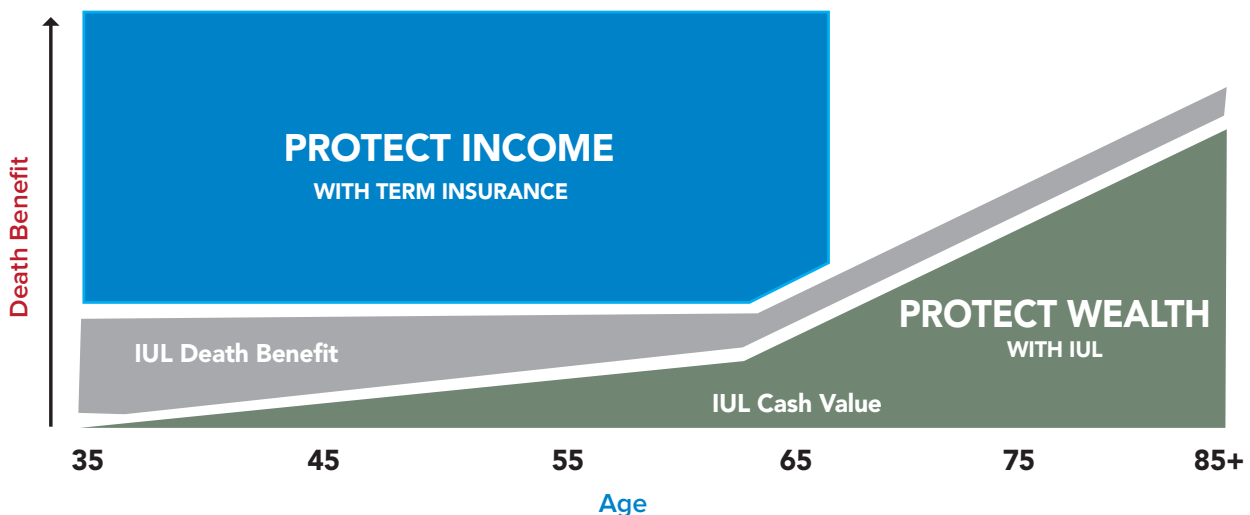
Use life insurance as a tool to create and protect wealth.



## BUY TERM & THE REST IN PERM

### A Comprehensive Plan For Your Future

- High face amount term coverage during the early years.
- Tax-free cash value accumulation utilizing an Indexed Universal Life (IUL) insurance policy.
- Accelerated Living Benefits on both Term & IUL – “Life insurance you don’t have to die to use.”
- Income-tax free withdrawals and loans at any age.<sup>1</sup>



<sup>1</sup> Subject to IRS regulations (<https://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/pdf/USCODE-2011-title26-subtitleF-chap79-sec7702.pdf>) and insurance policy conditions & restrictions.

# TIME & CONSISTENCY

**You can pay now... Or you really can pay later!**

- It is important to start saving immediately...
- The longer you wait, the less “doubles” that you will have on your money.
- It’s not only important how much money you save, but how early you started saving!

## START TODAY

AGE	YEARLY CONTRIBUTION	TOTAL ACCUMULATION
25	\$3,600	\$ 3,888
26	\$3,600	\$ 8,087
27	\$3,600	\$ 12,622
28	\$3,600	\$ 17,520
29	\$3,600	\$ 22,809
30	\$3,600	\$ 28,522
31	\$3,600	\$ 34,692
32		\$ 37,467
33		\$ 40,465
34		\$ 43,702
35		\$ 47,198
36		\$ 50,974
37		\$ 55,052
38		\$ 59,456
39		\$ 64,212
40		\$ 69,349
41		\$ 74,897
42		\$ 80,889
43		\$ 87,360
44		\$ 94,349
45		\$101,897
46		\$110,048
47		\$118,852
48		\$128,361

**TOTAL CONTRIBUTION**  
**\$25,200**

Save \$3,600 per year  
for 7 years in an 8%  
tax deferred account.

## WAIT 7 YEARS

AGE	YEARLY CONTRIBUTION	TOTAL ACCUMULATION
25	\$ -	\$ 0
26	\$ -	\$ 0
27	\$ -	\$ 0
28	\$ -	\$ 0
29	\$ -	\$ 0
30	\$ -	\$ 0
31	\$3,600	\$ 3,888
32	\$3,600	\$ 8,087
33	\$3,600	\$ 12,622
34	\$3,600	\$ 17,520
35	\$3,600	\$ 22,809
36	\$3,600	\$ 28,522
37	\$3,600	\$ 34,692
38	\$3,600	\$ 41,355
39	\$3,600	\$ 48,552
40	\$3,600	\$ 56,324
41	\$3,600	\$ 64,718
42	\$3,600	\$ 73,783
43	\$3,600	\$ 83,574
44	\$3,600	\$ 94,148
45	\$3,600	\$ 105,567
46	\$3,600	\$110,048
47	\$3,600	\$ 117,901
48	\$3,600	\$ 131,221

**TOTAL CONTRIBUTION**  
**\$61,200**

After 7 years, start saving  
\$3,600 per year  
for 17 years in an 8% tax  
deferred account.

# AVOID THE PITFALLS OF TRADITIONAL INVESTING

**Avoid investments that have a low chance of long-term appreciation and that have high fees.**

There are alternate investments that may eliminate many of the fees associated with traditional Wall Street products. These products may offer many advantages that middle America is looking for, such as cash flow, appreciation, stability and liquidity. In fact, many of these investments can be held in a "self-directed" account, further reducing fees and giving you control. Examples of such alternate investments are:

- Land banking
- Professional active money management
- Secured promissory notes



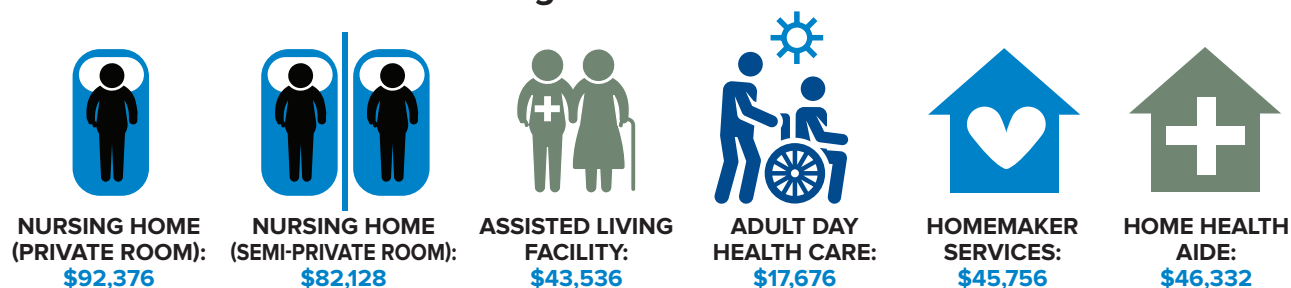
## ACCELERATED LIVING BENEFITS

### Medical Costs Can Devastate Your Lifetime Savings

**We are living longer and more likely to get a chronic, critical or terminal illness before we die.**

- 7 in 10 people who are age 65 will need chronic care later in life.<sup>1</sup>
- The number of Americans who need long-term care will more than double by 2050.<sup>2</sup>
- 9 in 10 people who go on long-term care do not recover. Only 10% will have a non-permanent condition.<sup>3</sup>
- Beyond 100 days, Medicare does not cover long-term care expenses.<sup>4</sup>

### 2017 annual median cost of long-term care:<sup>2</sup>



<sup>1</sup> Source: Centers for Medicare & Medicaid Services 11/14/2014

<sup>2</sup> Source: S. Kaye, C. Harrington, and M. Lapiente (2010). Analysis of 2005 SIPP, 2007 NHIS, 2007 NHHS, and the 2005-2006 Medical Expenditure Survey

<sup>3</sup> Source: Society of Actuaries: "Long-Term Care Risk Management: Re-Pricing In-Force Policies", 2014

<sup>4</sup> Source: <https://www.genworth.com/about-us/industry-expertise/cost-of-care.html>



# HOW TO WIN THE MONEY GAME

***This is your opportunity to win!***

## LEARN MORE

These are just some of the industry disrupting concepts that we educate people about. If you are like most people, you are ready to:

- Finally take control of your finances.
- Eliminate your debt.
- Build savings for a solid future.
- Have a plan for financial success.

## THE NEXT STEP

- Set an appointment with your HGI Associate.
- Get a free Financial Needs Analysis (FNA).
- Learn how HGI can help you achieve your dreams.

It takes leaders with vision to help people with their dreams. With Hegemon Group International, your dreams can come true.



### HGI ASSOCIATE CONTACT:


Hegemon Group International, LLC. (HGI) is a marketing company offering a vast array of products and services through a network of independent affiliates. HGI does not provide insurance products, legal or tax advice. Insurance products offered through Hegemon Financial Group, LLC (HFG); and in California, insurance products offered through Hegemon Insurance Solutions, LLC – collectively HFG. HFG is licensed in all states and the District of Columbia, except Massachusetts and New York. In MA and NY, insurance is provided through Financial Independence Group, Inc.

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