

Financial Balance®

15 FINANCIAL RULES TO LIVE BY

The 15 Financial Rules are a checklist for our uncommon approach to financial thinking.

PROTECTION



Protection First

Protection should always be the first financial consideration. Before focusing on plans that will build your tomorrows, it is prudent to properly protect yourself against what might happen today.



Full Replacement

The primary role of insurance is to fully replace the item being insured by maintaining coverage equal to that item's complete appraised value. Therefore, your insurance should allow you to replace the whole house, the entire car, the real ring, and your full economic or "human life" value.



Lifetime Protection

Self insuring rarely pays off. You should select insurance strategies that will properly protect you — no matter how long you live.

ASSETS



Rate of Return

Savings or investment returns are important in order to keep pace with the Real Cost of Living™.



Minimal Risk

Disciplined savings eliminates the need to take too much risk with your money.



Tax Advantages*

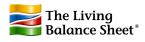
The impact of compounding taxes can be devastating to the performance of your savings and investments. Strategies and products exist that allow you to reduce your tax burden.



Liquidity

Build an ample supply of short term capital before implementing illiquid wealth building products.

continued...



Financial Balance®

...15 Financial Rules continued

LIABILITIES



Eliminate Debt

Pay off all short term debt as soon as possible.



Reduce Taxes*

Certain assets create embedded taxes on your balance sheet that will be triggered upon sale or liquidation. You should be aware of this possibility and take steps to minimize the impact of these hidden taxes.



Mortgage Selection

If your mortgage payment is too high, it could be crowding out your ability to protect properly, save for tomorrow, or maintain a balanced lifestyle. Ideally, your mortgage payment should not exceed 15% of your monthly gross income.

CASH FLOW



Increase Gross Income

Rather than automatically compounding interest and reinvesting dividends and realized capital gains into the same accounts, seek to use this cash flow to satisfy other financial opportunities.



Protect First

Update your insurance coverage as needed so that you have the maximum protection in every area — for the minimum cost.



Cost of Living Savings

In order to absorb the Real Cost of Living™, save at least 15% of gross income.



Debt and Tax Efficiency*

Pay off credit cards each month, avoid taxes, and make sure your monthly mortgage payment allows you to maintain overall financial balance.



Budgeted Lifestyle

After protecting properly, saving at least 15% of your gross income, and doing what you can to reduce the drag of debt and taxes, what's left can be used for your current lifestyle. Creating a budget will help you stay on track and allow you to review your spending habits.

*Guardian, its subsidiaries, agents and employees do not provide tax, legal or accounting advice. Consult your tax, legal or accounting professional regarding your individual situation. Trademarks of The Guardian Life Insurance Company of America (Guardian) are used with express permission. © 2018 Guardian