Wi$e Up Teleconference Call  
April 28, 2006  
Invest for Your Success  
Speaker 1 – Nicholl Aldridge

Angela Rizzolo: So for now I’ll reintroduce Dorothy Witherspoon of our Kansas City office, and she will introduce our first speaker. Dorothy?

Dorothy Witherspoon: Thank you, Angie, and I’m so pleased to introduce Nicholl Aldridge, who is no stranger when it comes to the financial industry. She began her career as a Trader Trainee on Wall Street. Throughout the program, she worked on the New York Stock Exchange, the American Stock Exchange, and the NASDAQ.

After finishing the program, Nicholl spent three more years trading NASDAQ stocks, and after the 9/11 tragedy she switched directions, moved from New York City back to the Kansas City area to be closer to her family.

Nicholl has been serving families since January 2002 as an independent agent with Primerica Financial Services, where she specializes in helping families get out of debt, plan for retirement, put budgets together, and save for their children’s college education.

Nicholl has been an online e-mentor in the Wi$e Up program since 2004. In addition, she gives back to the community by doing free financial seminars for the local YWCA and for churches around the community. Nicholl holds a Bachelor of Science in Finance degree from Morgan State University in Baltimore, Maryland. Welcome, Nicholl.

Nicholl Aldridge: Thank you, Dorothy. Basically, my topic this afternoon is going to be giving you information about just basic investments. Usually when I
sit down and talk to my clients about investments, I tell them there’re really basically two types of accounts you want to take a look at investing in. One is an emergency account and one is your retirement account.

For your emergency account, you want to invest -- really you want to have about three to six months’ worth of your income saved up in an emergency account. [You] might want to put that in a money market account, something that’s going to yield you a little bit higher rate of return than a savings account, something to at least keep you in pace with inflation.

The next area I talk to them about is retirement. I try to get them to understand that retirement – it’s about an age, but it’s also about the amount of money you need accumulated by the time you reach that age. So one of the things that I educate them on is mutual funds, and basically all a mutual fund is is a pooling of money in which you have a professional money manager investing in some top blue chip companies. They’re keeping your investments, and they keep your investments under constant supervision.

Another thing you have to understand when it comes to investing is if your money is not outpacing inflation, your money’s not growing. Inflation has been doing about 3% to 4% the past couple of years, so you want to take a look at investments that are definitely keeping you above inflation because if you don’t your money will end up going backward instead of forward.

One of the other areas that I like to talk to them about and get them to understand is a method called dollar cost averaging. Basically all
dollar cost averaging is investing a certain amount each month regardless of what the market is doing.

You’ll probably never pay really the highest for that mutual fund or the lowest for that fund, but you will have a systematic investment plan that is working for you. And just to kind of give you an example, really if you take like a – just say – [I’ll] give you an example of doing $100 a month. If you’re investing $100 a month, say, over the next 30 years at a 12% rate of return, that’s about $356,000 at the end of that 30 years. Or even if you cut it back and even at $50 a month at that same return, that’s about $178,000 over the course of 30 years.

So I think a lot of people think you’ve got to have a lot of money to get started in the market. That’s not true. I think the main problem why people don’t get started in the market is one, they think they need a lot of money, and two, they really don’t know where to go to get started or how to get started -- when you can start investing in mutual funds for really as low as $25 a month.

Of course you’re probably going to need, you know, more than that but the key is to get started. Most of the problem is, is most people have never started.

Another area I like to talk to them about is compound interest. Basically a lot of people have heard of compound interest, but a lot of people really don’t understand how it works. And how it works is by what’s called the Rule of 72.

What the Rule of 72 does, it approximates how many years it’s going to take your money to double, so for example you take 72 divided by
whatever given interest rate that you’re receiving at that time and that will tell you how many years it’s going to take your money to double.

For example, let’s say if you have $1 and you’re investing that at 1%, it’s going to take 72 years for $1 to equal [$2]. So I just like to ask people, you know, think about how many doubling periods do you have left in your lifetime because rate of return is important.

Another thing is diversification. We’ve all heard the old saying, don’t put all your eggs in one basket, and so diversification is good. That’s why, you know, I like dealing with mutual funds, because inside mutual funds you can have that diversification. You can have that mixture of your bonds and stocks mixed together and at the same time you still have a portfolio manager, professional portfolio manager, who’s watching over that mutual fund for you because it’s their job to make sure your money is making money. That’s how they get paid. So it’s in their best interests that your money is making money.

I guess that’s really all I really had to say. I just wanted to kind of give you some basic information about dollar cost averaging, the Rule of 72. You don’t really need a lot in order to get started, but the key is just to start somewhere.