

THE BLUEPRINT

Personal Finance 101

(in Japan)

Ben Tanaka

RetireJapan

**Good news! We can skip
the workshop....**



NEW YORK TIMES BESTSELLER

YOUR MONEY OR YOUR LIFE

9 STEPS TO TRANSFORMING YOUR
RELATIONSHIP WITH MONEY AND
ACHIEVING FINANCIAL INDEPENDENCE

FULLY REVISED AND UPDATED FOR 2018

VICKI ROBIN

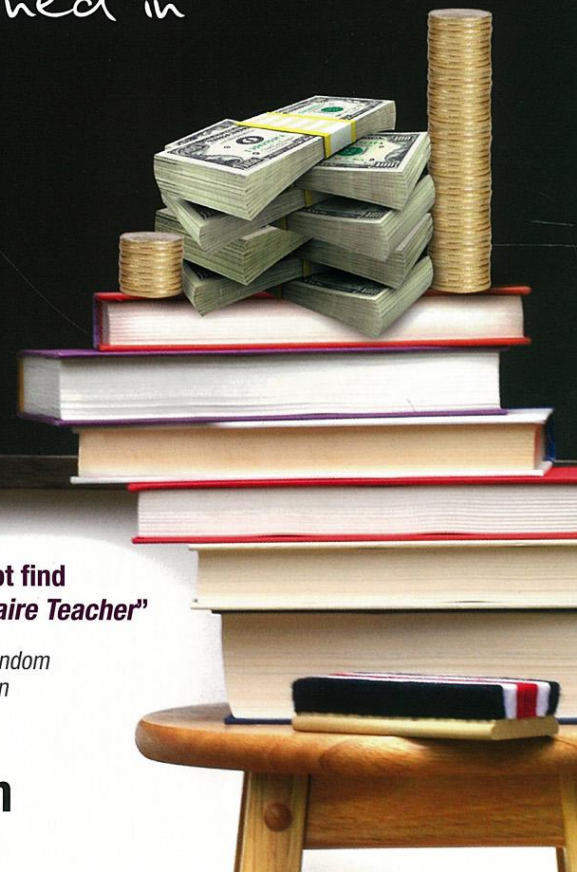
and Joe Dominguez

FOREWORD BY MR. MONEY MUSTACHE



Millionaire Teacher

The Nine Rules of
Wealth You Should
Have Learned in
School



**"The newbie investor will not find
a better guide than *Millionaire Teacher*"**

Burton G. Malkiel, Author of *A Random
Walk Down Wall Street* 10th edition

Andrew Hallam

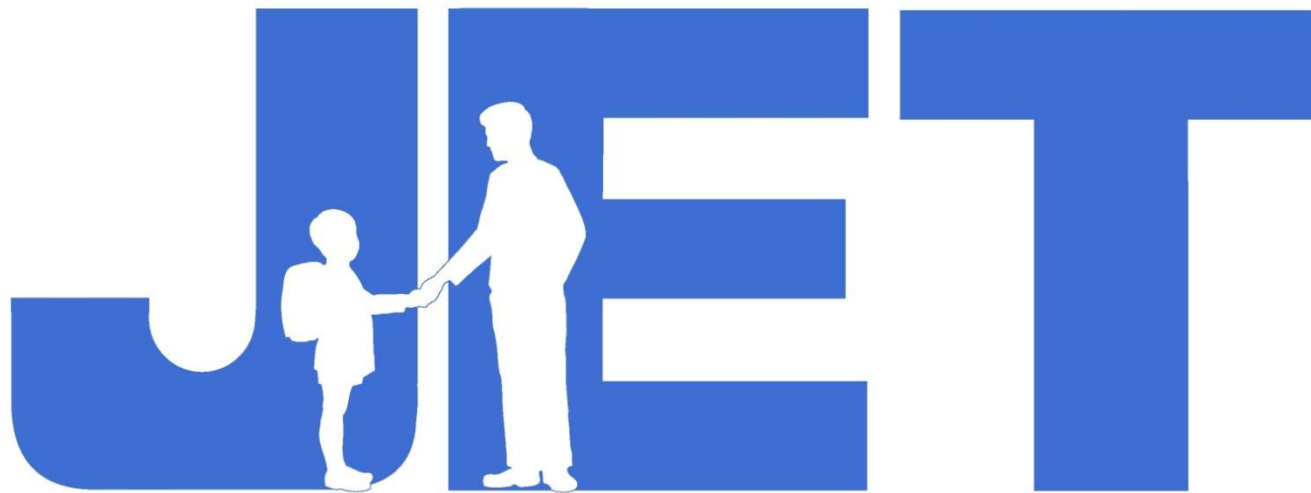
Personal Finance



Personal Finance



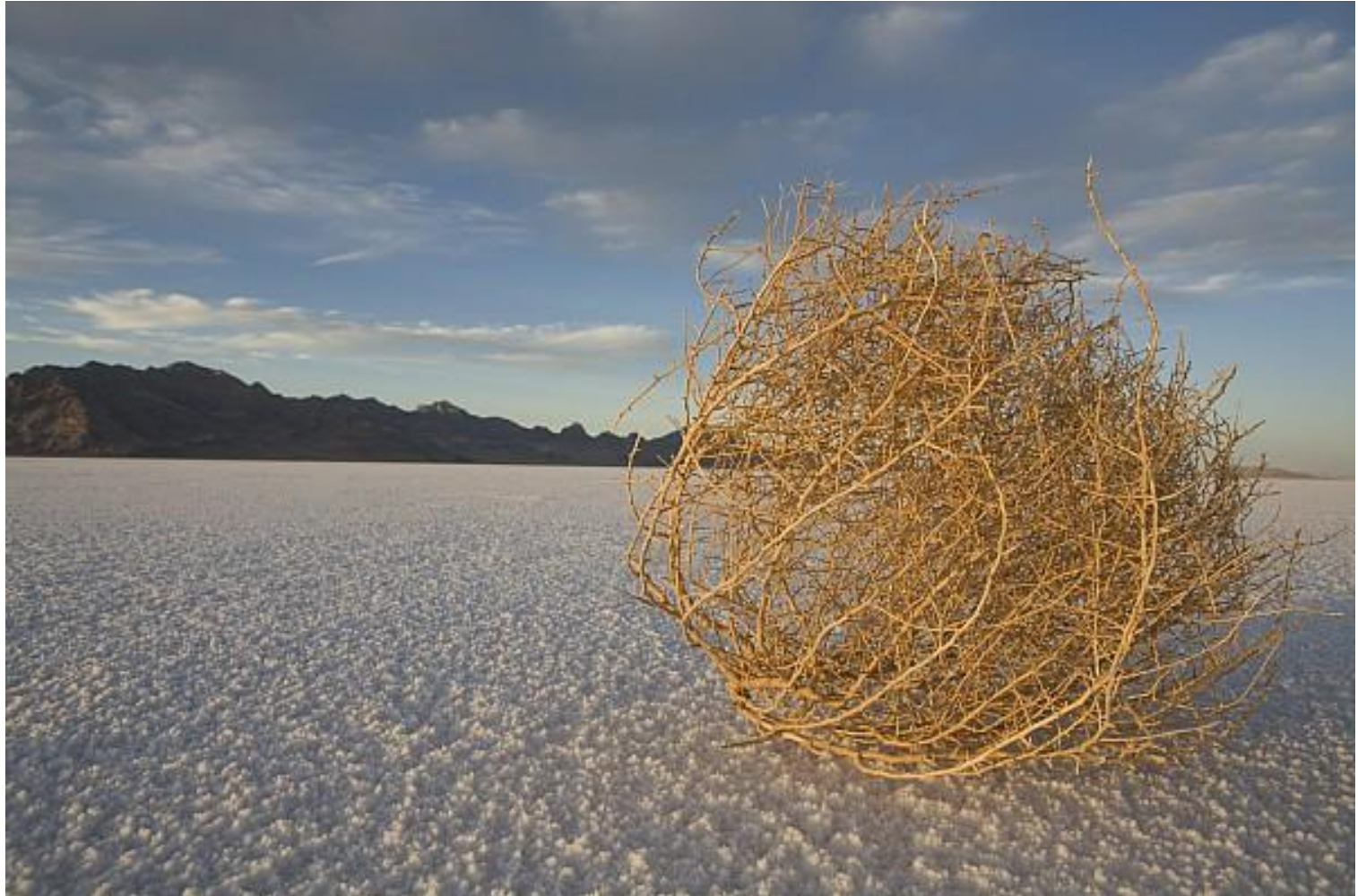
Maybe you're like me



P R O G R A M

The Japan Exchange & Teaching Program

Background, role models



So why me?



Inheritance



Unemployment



Natural Disaster



Human Disaster



RetireJapan

Get the Ultimate Guide to Personal Finance in Japan: 10 Steps to Financial Security



Where should I send your FREE Guides?

Your Email

Send me the Guide

Today

1. Inspire
2. Open eyes to new possibilities
3. Provide information

Today

- 30 minutes
- Questions at the end
- Personal finance
- Investing
- Investing in Japan
- 10 steps

PERSONAL FINANCE



3 Big Dangers

Doing nothing.

Doing the wrong thing.

Getting ripped off.

Doing nothing

Probably the worst danger.

Doing nothing puts you at the mercy of accidents and the actions of others.

Doing the wrong thing

Doing the wrong thing can result in suboptimal results.

But usually better than nothing.

Getting ripped off

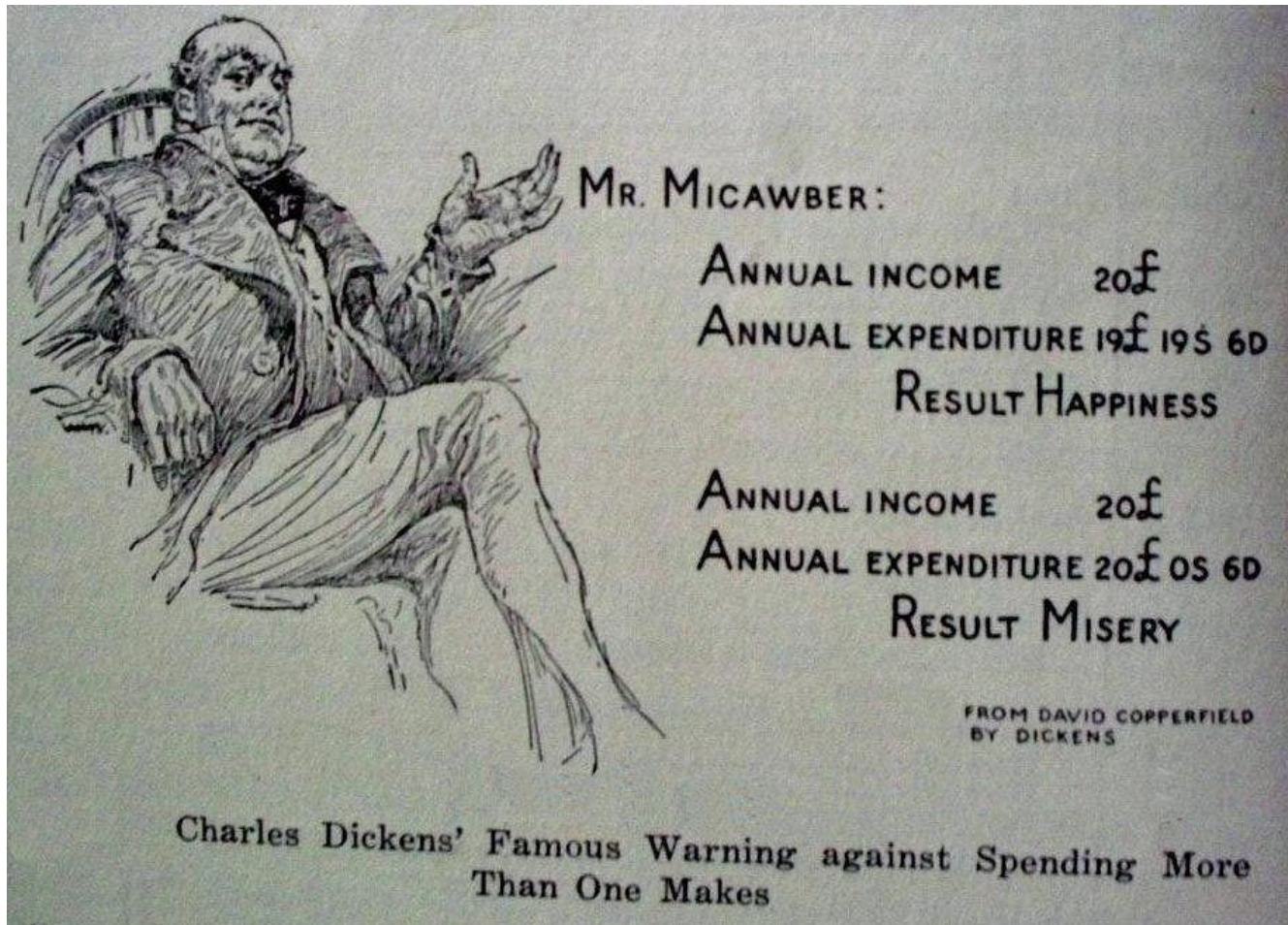
Depending on how badly, this is *still* probably better than doing nothing.

But doesn't feel good.

You know what to do



Charles Dickens (1850)



JL Collins

Here are some of the things I've learned along the way:

[Spend less than you earn – invest the surplus – avoid debt](#)

Do simply this and you'll wind up rich. Not just in money.

If your lifestyle matches or, god forbid exceeds, your income you are no more than a gilded slave.

As individuals we only have one obligation to society: To make sure we, and our children, are not a burden to others.

Possibilities

- You can have anything, but not everything
- Many people don't know what is possible
- Virtuous circle of wealth (and the opposite)

Where are you?



A Simple Exercise

- What are your total assets?

A Simple Exercise

- How much money have you earned in your life?

A Simple Exercise

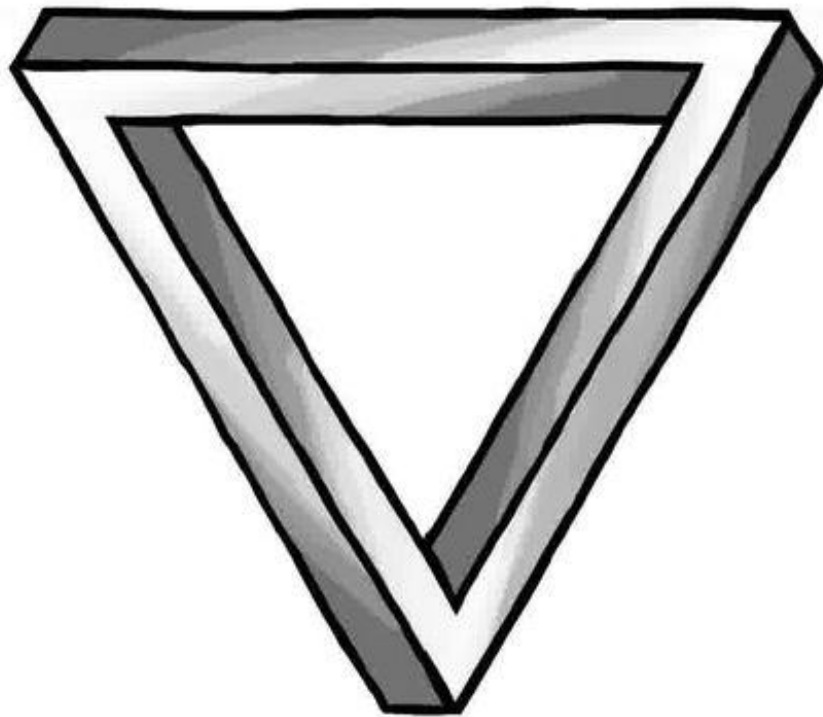
- Compare the two and cry



7 Stages to Financial Independence

- 0. Normal Financial Habits (in the Matrix)
- 1. Wake Up
- 2. Build Basic Habits (save and invest)
- 3. Financial Stability (2-3 years)
- 4. All-out Effort (the bug bites)
- 5. Financial Strength (5-10 years/10-50%)
- 6. At-Will Work (25 years/100%)
- 7. Retirement

3 areas



Earning

- Earn as much as you can
- Get a better job
- Get a part-time job
- Side hustle
- Investment/passive income
- Millionaire Fastlane

Income Streams

Is it safer to have one income or two?

How about seven?

Copyrighted Material

#1 Business Best-Seller: Finance | Entrepreneurship
*"You'll learn more in 2 days from this book than you will in 2 years of
business college courses, and it's 1/100th of the price!"*

the **Millionaire** **FASTLANE**

CRACK THE CODE TO WEALTH
AND LIVE RICH FOR A LIFETIME

M J D E M A R C O

Copyrighted Material

Spending

- Spend mindfully
- Opportunity cost
- Maximise benefits

Places to find slack



Places to find slack



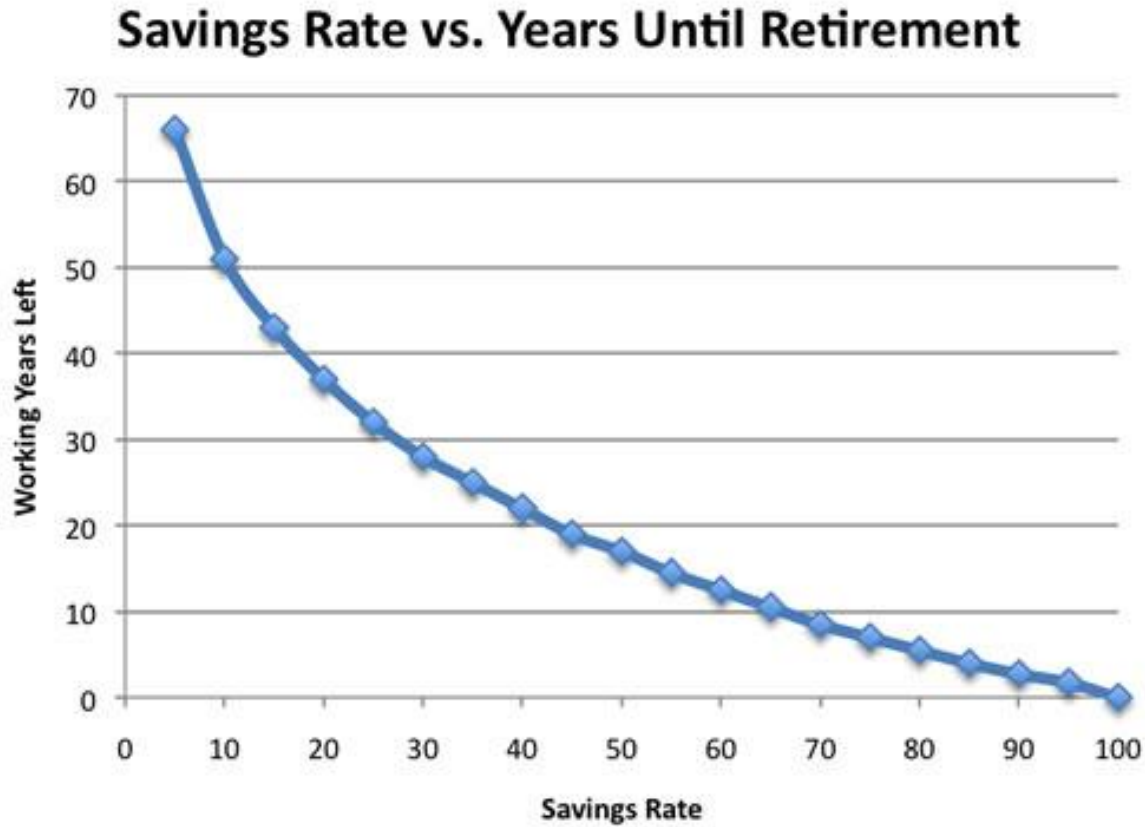
Places to find slack



Places to find slack



Years to Financial Independence



Savings rate $>$ income

Carla 10m/year, savings rate 20%

Mike 3m/year, savings rate 50%

Hedonistic adaptation

People get used to things.

MR. MONEY MUSTACHE



Saving/investing -the key habit

The image shows a Japanese '普通預金' (General Savings) ledger. The ledger is titled '普通預金 (兼お預入明細)' and contains a list of transactions with their dates, descriptions, and amounts. The right side of the ledger shows the running balance in Japanese Yen (¥).

日付	摘要	金額	残高
15.07.31	A 繰上	10,000	¥50,000
15.09.04	D カード	20,000	¥30,000
15.09.05	E カード	2,481	¥27,519
15.09.10	B お振込	50,000	¥231,960
15.09.10	D カード	20,000	¥211,960
15.09.16	D カード	50,000	¥161,960
15.09.19	D カード	20,000	¥141,960
15.09.26	D カード	50,000	¥91,960
15.09.29	D カード	58,630	¥33,330
15.09.30	E 送金	13,000	¥20,330
15.10.06	E カード	2,650	¥17,680
15.10.06	E 雑費	3,883	¥13,797
15.10.10	B お振込	70,000	¥83,797
15.10.10	B お振込	2,198	¥81,599
15.10.10	D カード	1,995	¥79,604
15.10.17	E 電気料	2,780	¥76,824
15.10.17	E 電気料	58,630	¥18,194
15.10.31	E 水道料	3,283	¥14,911
15.10.31	E 送金	5,160	¥9,751
15.10.31	E カード		¥215,011

Emergency fund



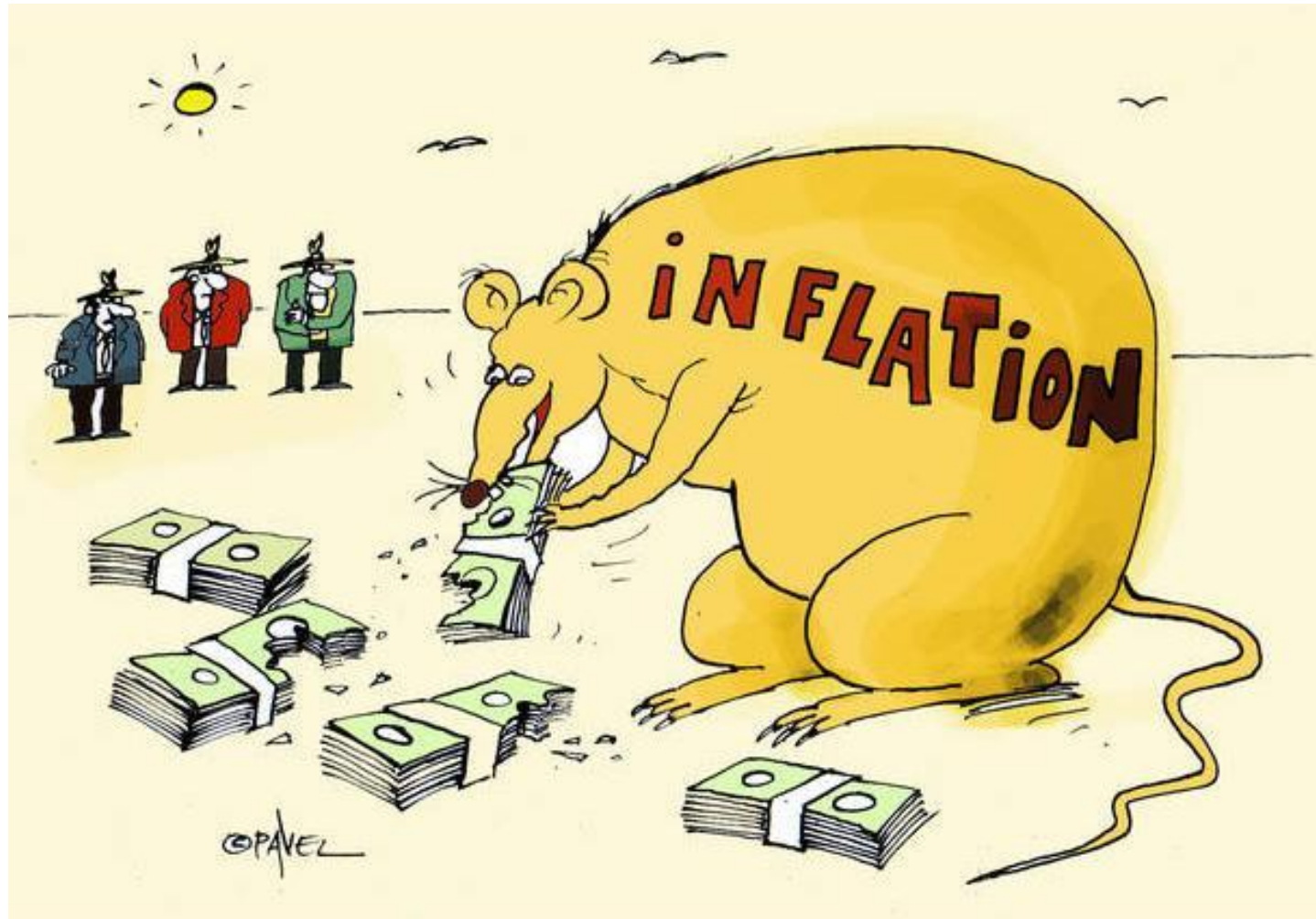
Saving for something



Saving rate



Why invest?



Can't do it now

Doing it to any degree makes your
life better

'What if?'

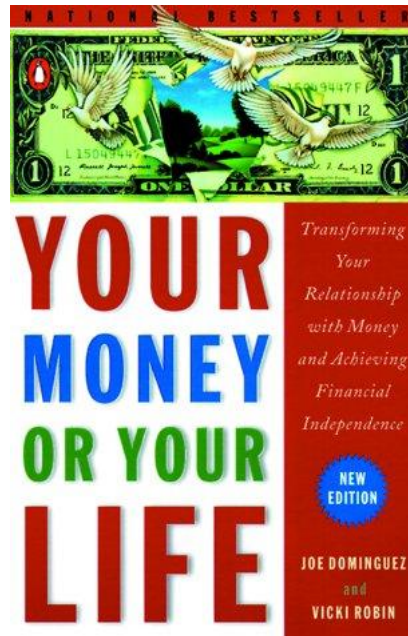
This is a big deal



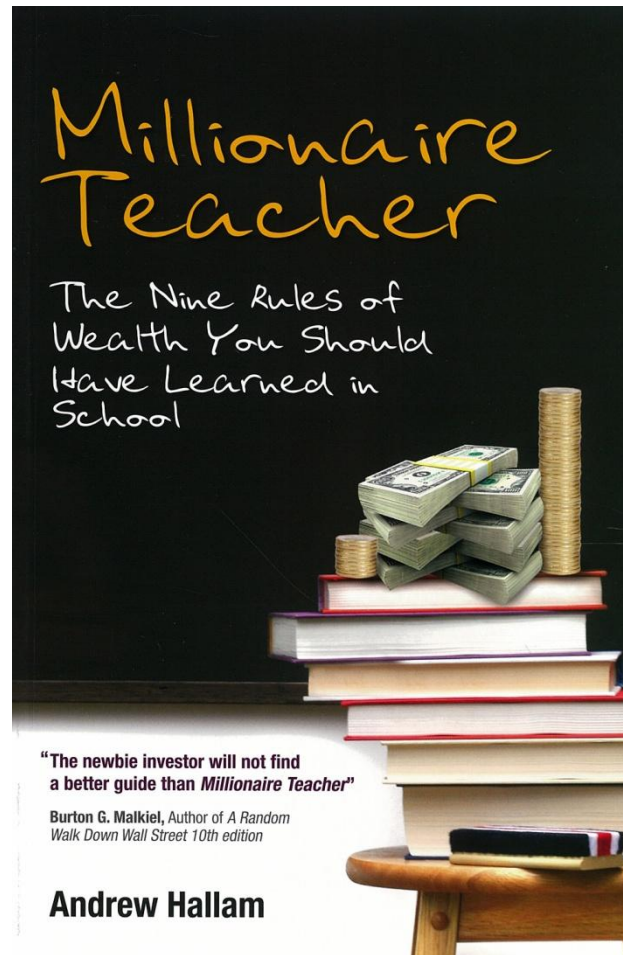
3 books

Many more book and blog
recommendations on the
RetireJapan site 😊

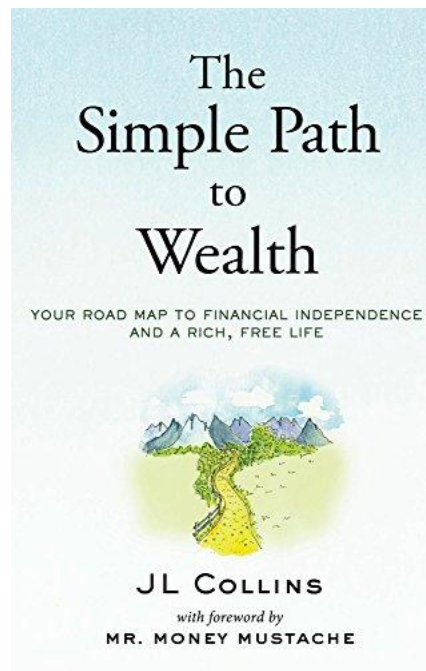
Your Money or Your Life



Millionaire Teacher



The Simple Path to Wealth



**“Wealth is the money
you didn’t spend on stuff”**

-Morgan Housel, one of my favourite
writers on money

My Financial Goals

No financial vulnerability

Freedom to do whatever I want

Work optional

INVESTING



Seems scary



3 misconceptions



Gambling



Difficult



Time-consuming



Purpose of investing

- Not to get rich
- To keep your spending power
- To grow your wealth slowly over time

Where to get advice?

- A. Bank or other institution
- B. Paid financial advisor
- C. Fee-free financial advisor

Where to get advice?

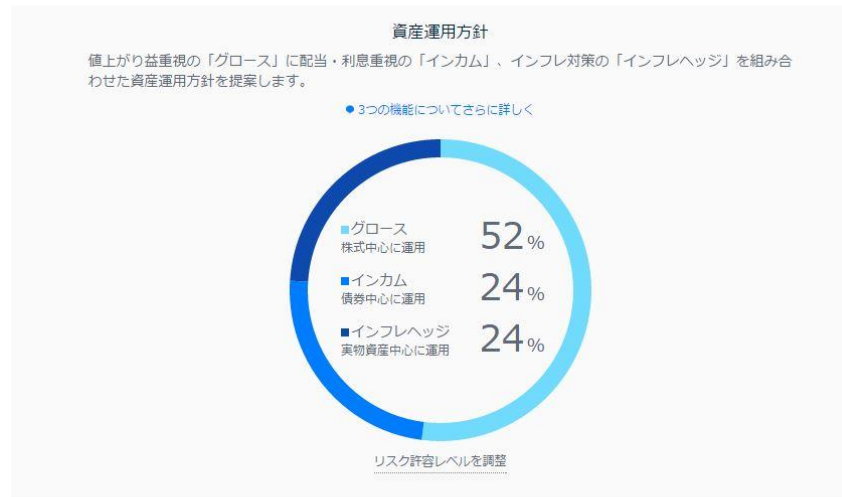
- A. Bank or other institution
- B. Paid financial advisor
- C. Fee-free financial advisor
- D. Learn about it yourself

3 factors

- Asset allocation
- Diversification
- Costs (including taxes)
- You can control these

Asset Allocation

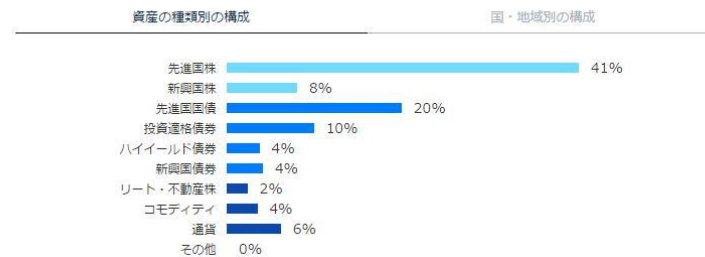
値上がり益重視



資産構成 (ポートフォリオ)

世界中の様々な銘柄に資産を分散させてリスクを低減しつつ、理想的なリターンを獲得を目指します。

● 資産の種類についてさらに詳しく



Diversification



Costs

RL NV CALIFORNIA (8)	1 585.00	585.00
RL NV GEISHA(8)	1 585.00	585.00
RL NV EBI TEMPURA(8)	1 585.00	585.00
RL NV DYNAMITE(8)	1 585.00	585.00
RICE NV PRWN SICHUN	1 585.00	585.00

Sub Total		3210.00
VAT@12.5		441.39
SERVICE CHARGE@10%		321.00
SERVICE TAX 5.6%		197.76
Gross Amount		4170.00

KOT No. : G053133		

3 main asset types

- Stocks
- Bonds
- Real estate

(there are many more)

Stocks



Bonds



Real Estate



ETFs and mutual funds



3 websites

- RetireJapan
- Bogleheads
- JL Collins

You vs. Professional

Professional: specialized training,
access to information, assistants,
full-time

You: ...

The Reformed

BROKER



A
WEALTH
OF
COMMON SENSE

Personal Finance, Investments & Markets

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Where traders sold Valeant

Posted October 23, 2015 by [Joshua M Brown](#)

[Your favorite stock; see if it's a buy, sell or hold opportunity](#)

This is where I think traders sold Valeant:



Not at the high, mind you, but on the way down before it went, well, waaaay down. I can't imagine anyone who's trading their own money professionally or semi-professionally is actually still long this stock. They can't possibly be.

Goals-Based Investing

14

Posted on [October 22, 2015](#)

One of the biggest problems with the way many financial firms operate is that they prescribe before they diagnose. They first create a product or portfolio and then try to convince people to invest in it. They try to make a sale without first gaining an understanding of their potential client's circumstances. It's completely backwards.

A number of years ago, the investment office I worked for took a meeting with a large, well-known consultant as a favor. We never planned on using this company's consulting services, but thought it wouldn't hurt to take the meeting to see how they viewed the world. The firm didn't really understand this dynamic and came into the meeting with guns blazing. They had a huge team with a well-rehearsed pitch they used to try and impress us.

The head of the firm wasted no time going into his presentation along with some name-dropping of their current client base. He immediately outlined his firm's current investment views, which went something like this:

First of all, you need to have at least 15% of your portfolio invested in timber. And if you're not overweight in middle market mezzanine private equity funds and underweight large market LBOs you're going to be out of luck over the next

You vs. Professional

Professional: quarterly results, outside scrutiny, investors withdraw funds if underperform

You: can invest for the long-term, no outside judgments

You vs. Professional

Professional: wins at active investing

You: win at passive investing (and probably beat the professional in the long-term)

Beating the market

... is mostly unnecessary.

You have a huge advantage if you do nothing.

Fidelity released a study discussing a performance breakdown for their accounts. The clients that did the best were the ones who were dead.

The second best performing set of clients forgot they had Fidelity accounts.

It seems like a formula to beat the market is to start an account, forget about it, then die. Your heirs will thank you and marvel at your investing prowess.

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BURTON G. MALKIEL

A Random Walk Down Wall Street

**THE TIME-TESTED STRATEGY
FOR SUCCESSFUL INVESTING**



COMPLETELY REVISED AND UPDATED
Copyrighted Material

JAPAN



Everything is in Japanese

- (and no-one understands, least of all normal Japanese people)

ある日、ボクは(ワタシは)
ヤミ金のウシジマくんと出会った……。



Uh-oh, you're American



US Citizen/Green Card

- Must submit tax return
- Foreign Earned Income Exclusion
- Foreign-domiciled funds
- Can't open accounts
- FATCA etc.

ACA



AMERICAN CITIZENS ABROAD
EDUCATE, ADVOCATE AND INFORM

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[Advocacy](#) ▼

[Pressroom/Events](#) ▼

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US ACCOUNT FOR OVERSEAS AMERICANS? ACA DELIVERS THE SOLUTION TO ITS MEMBERS!



For Americans living abroad, opening and maintaining a US bank account has been a BIG problem. ACA has heard about it from its Members thousands of times.

Now ACA is delighted to provide this simple solution—the ACA-Members/SDFCU Account, developed by ACA in cooperation with the State Department Federal Credit Union (SDFCU).

iDeCo

私がつくる 私の未来

イデコ
iDeCo

“個人型確定拠出年金”の愛称決定

英語表記の **i**ndividual-type **De**fined **Co**ntribution pension planから
親しみやすい響きの「イデコ」としました。「i」には「私」という意味も込めています。

Tax Savings

個人型確定拠出年金に加入した場合の節税額を試算！

計算結果

あなたが個人型確定拠出年金に
加入することで、節税できる金額は・・・

毎年の節税額 **43,200円**

累計の節税額 **907,200円**

毎年の節税額を利回りに換算すると・・・

年利 **30%**

iDeCo

- Tax free, reduces income and local taxes
- Limit depends on work
- Teachers 144,000 per year
- Treated as retirement bonus or pension

Compare Providers



手数料を調べる

加入時、運用期間中等の手数料をお調べいただけます。

その他の
方法で調べる



2016/10/24現在

金融機関名	加入時 (初回のみ)	運用期間中かかる費用 (毎月)		移す時 (就職先の プラン等)	受取時 (振込の都度)	資料請求
		積立を行う場合	積立を行わない場合			
スルガ銀行(資産50万円未満)	▼ ▲ 2,777円	▼ ▲ 167円	▼ ▲ 334円	▼ ▲ 4,320円	▼ ▲ 432円	
スルガ銀行(資産50万円以上)	▼ ▲ 2,777円	▼ ▲ 167円	▼ ▲ 64円	▼ ▲ 4,320円	▼ ▲ 432円	
SBI証券(資産50万円以上)	▼ ▲ 3,857円	▼ ▲ 167円	▼ ▲ 64円	▼ ▲ 4,320円	▼ ▲ 432円	
楽天証券 (資産10万円以上)	▼ ▲ 2,777円	▼ ▲ 167円	▼ ▲ 64円	▼ ▲ -	▼ ▲ 432円	
岡三証券	▼ ▲ 2,777円	▼ ▲ 372円	▼ ▲ 269円	▼ ▲ -	▼ ▲ 432円	
楽天証券 (資産10万円未満)	▼ ▲ 2,777円	▼ ▲ 393円	▼ ▲ 290円	▼ ▲ -	▼ ▲ 432円	
三井住友海上火災保険	▼ ▲ 2,777円	▼ ▲ 472円	▼ ▲ 361円	▼ ▲ -	▼ ▲ 432円	
三井住友銀行	▼ ▲ 2,777円	▼ ▲ 480円	▼ ▲ 377円	▼ ▲ -	▼ ▲ 432円	
りそな銀行	▼ ▲ 2,777円	▼ ▲ 483円	▼ ▲ 380円	▼ ▲ -	▼ ▲ 432円	
SBI証券(資産50万円未満)	▼ ▲ 3,857円	▼ ▲ 491円	▼ ▲ 388円	▼ ▲ 4,320円	▼ ▲ 432円	
ジャパン・ベンション・ナビゲーター	▼ ▲ 2,777円	▼ ▲ 491円	▼ ▲ 388円	▼ ▲ -	▼ ▲ 432円	
住友生命保険相互会社	▼ ▲ 2,777円	▼ ▲ 491円	▼ ▲ 388円	▼ ▲ -	▼ ▲ 432円	



Minako Takekawa

NISA



第2回

4人と一緒に税金ゼロで投資を始めよう!

AKB48 in NISA

少額投資
非課税制度

The banner features a photograph of four AKB48 members smiling. The text is primarily in white and pink on a dark pink background. A speech bubble on the right contains the text '少額投資 非課税制度' (Small Investment Tax Exemption System).

NISA

- Wrapper (bowl) for investments
- Capital gains and dividends tax free for five years or 20 years
- Somewhat complex
- 1.2m or 0.4m/adult/year
- Junior NISA 0.8m (but only until end of 2023)



Minako Takekawa

Robo-advisors



Overseas issues



Worldwide Income

- Resident for tax purposes after 5 years
- OECD tax info sharing from 2017 (ex US)

Assets Abroad

- Overseas assets over 50m
- Jail time and fines

Exit Tax

- Worldwide assets over 100m yen
- Pay capital gains tax

Gift tax and inheritance tax

- Working visa < 10 years residence
- Spouse visa or PR

Nenkin

年金に加入している方
これから加入する方

年金を受給している方
これから請求する方

事業主の方

年金Q&A

申請・届出様式

全国の相談・手続窓口

電話での
年金相談窓口

年金記録の再確認を
お願いします

申請・手続きを調べる

- ▶ 20歳になった方
- ▶ 年金に加入している(する)方
- ▶ 事業主の方
- ▶ 年金を請求する方
- ▶ 年金受給者の方
- ▶ 海外に居住する方
- ▶ 年金相談をする方

年金のことを調べる

- ▶ 年金制度全般
加入と保険料納付
 - ▶ 国民年金
 - ▶ 厚生年金保険
<健康保険(協会けんぽ)>

東日本大震災で被災された皆さまに、心からお見舞い申し上げます。

▶ [東日本大震災に関するお知らせ](#)

風水害・震災等で被災されたときは？

▶ [保険料納付や手続きのお知らせ](#)



・年金に加入している方
・これから加入する方




・年金を受給している方
・これから請求する方



事業主の方

熊本県熊本地方を震源とする地震関連情報

日本年金機構における不正アクセスによる
情報流出事案について

あなたの年金をカンタン確認
ねんきんネット 

- ▶ サービスのご案内
- ▶ 新規ご利用登録

ユーザーIDをお持ちの方は
▶ [今すぐログイン](#)

電子申請・電子媒体申請
e-Gov【イーガブ】
での電子申請や
CD等での届出が行えます。

年金事務所の
リアルタイム混雑状況

年金記録問題

Dying in Japan



10 Steps to Win Life

**A Step by Step Guide to Financial
Superpower (in Japan)**

Step 0: Houston, ...

Notice there is a problem.

Step 1: know thyself

Where does the money go?

Step 2: a penny earned

Spend more effectively

Step 3: level up

Earn more

Step 4: escape from danger

Pay off debt*

*interest rate over 1-2%

Step 5: prepare for setbacks

Emergency fund

Step 6: start investing

Max out iDeCo (J401k) account(s)

Step 7: more money

Max out NISA account(s)

Step 8: even more money?

Taxable account, rental property, other investments (crypto, peer to peer lending, starting a business, etc.)

Step 9: retirement

Pension?

Safe withdrawal rate?

Dividends/interest?

Step 10: pay it forward

Junior NISA accounts, funding iDeCo (J401k) accounts for children/family, gifts in kind for family, donations to charity

Questions?

- Check retirejapan.com
- Ask a question in the forum
- Get personal coaching