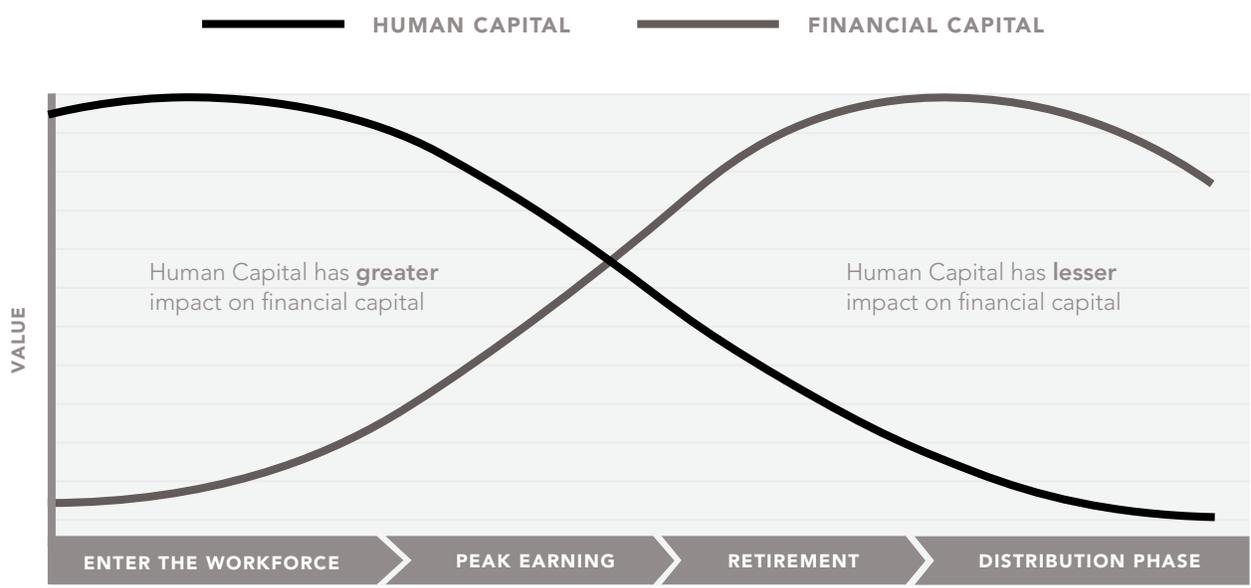




HUMAN CAPITAL

Magnitude of Human Capital

The relative size of Human Capital relative to Financial Capital generally evolves over time.



Nature of Human Capital

The volatility of the income associated with Human Capital varies.



STABLE HUMAN CAPITAL

EXAMPLES:

- Social Security Income
- Pension Income
- Highly Predictable Earned Income

IMPACT ON FINANCIAL CAPITAL:

Allows for potentially more risk in Financial Capital



VOLATILE HUMAN CAPITAL

- Commission-Driven Earned Income
- Income from Business Owners
- Income from Cyclical Industries/Careers

May require reduced risk in Financial Capital

? What is Human Capital?

Generally has a finite life and refers to what others will pay you for your work, skills, and what you can sell them.



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