

Introduction

Welcome! Tonight, will be part 1 of a 2-part series going over some basic financial topics. The goal of this is not to solve the world's financial problems or teach you the next get rich scheme. Rather we hope it will give you a better understanding of basic topics you will soon be facing as graduates in the working world.



Agenda

Introduction

Why This Matters?

Setting Financial Goals

Budgeting Basics

Creating A Savings ~~inc~~



Meet the Presenters:



Why Does This Matter?

The average American savings rate sits at 3.4% (per bea.gov)

57% of Americans can't afford a \$1,000 emergency (per CNBC)

The average 65 year old has \$164,000 in retirement savings (motley fool study)

Where do these stats stem from?

Only 25% of US students have a access to a personal finance course in school



Setting Financial Goals

SMART GOALS

Goals Should be specific, measurable, achievable, relevant, & time based
Being generic or broad with your goals will make it difficult to see if you are on pace to obtain them
Financial Goals do not need to be numbers, they can be based on an event

Examples

“I want to have 1x my salary inside of my 401(k) by the time I reach 30”
“I want to save enough money to buy a new Toyota Camery by May of next year”
“I want to save enough to take spring break in Florida with my roommates”



Budgeting Basics

How To Budget

Take the last 3 months of checking account statements to figure out monthly spending habits

List out income & expenses

Goal should be to save 15-20% of income



Creating A Savings Strategy

Various frame works (50/30/20 rule, 70/20/10 rule etc)

Sustainability

Purpose driven

Emergency fund (3 months, 6 months 12 months)

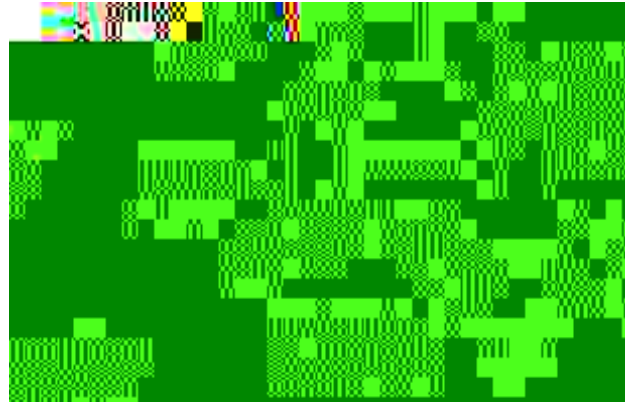
Automation



Credit Basics, Your Credit Score

Credit

For better or for worse your credit score is important
It will help determine financing rates on loans you have in the future
The easiest way to have a good credit score is to use your credit card & pay it off in a timely manner
NOT ALL DEBT IS BAD



Investing

Investing is one of the most effective ways you can build your wealth

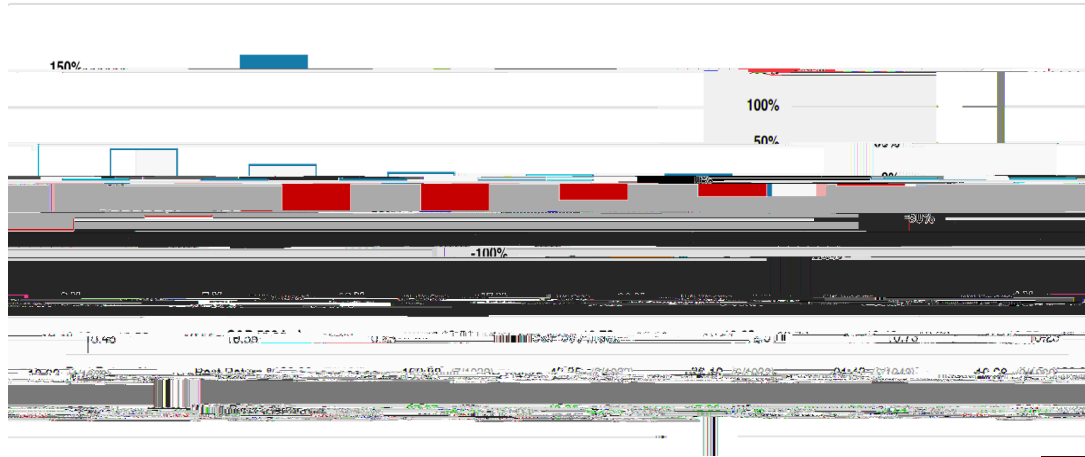
One thing people often don't realize is you can invest for more than just retirement

Company's often offer a match for your 401(k) & can help jump start your investing



Investing- Start Early!

Investing can be a scary feat! The market moves in all directions & you could incur losses. But the longer we are invested the smaller are chances for losses are.

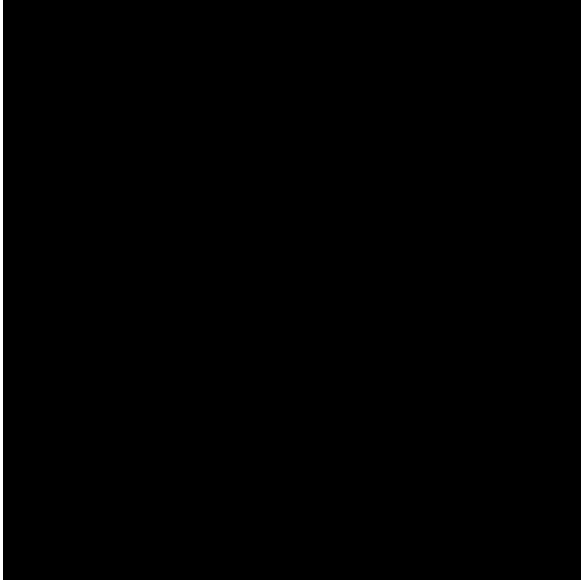


Common Pitfalls You Will Want To Avoid

Chasing Rate of Return over Rate of Savings
Increasing Expenses at the same rate in which
your income increases (lifestyle drift)
Running before we can walk
NOT AUTOMATING



Share Your Feedback!



<https://forms.office.com/r/2iFdTMLm3W>

