

Planning Your Financial Future

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UNBOXED TRAINING SOLUTIONS
A New Generation of Training



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The Case Study

Webinar Objectives

\$-\$-\$

- **Explain** personal financial literacy and how it impacts your family.
- **Determine** key components of your personal finances.
- **Evaluate** strategies to be financially successful in life.



Did you know?

- An estimated **20% of credit reports** contain errors.
- Average household debt is **\$172,806**.
- **1.9 billion credit cards** open in the U.S. (326,766,748)
- 5 out of 6 Americans make **impulse purchases**.

Key Components

- Budget Behaviors
- Managing Debt
- Planning for the Future



Budgeting

If I don't have money, why should I budget it?!

This area of training will help you learn to develop a monthly budget and create structure to your personal finance.

Begin thinking now: About how to develop your own budget. If you have one, revisit it to see if it's working!



Go Figure

- A \$1.65 coffee every day at McDonald's equals \$602.25 a year!?
- If your car holds \$60 to fill up, at three times per month, it equals \$2,160 a year?
- At \$6 per pack, if you smoke 4 packs of cigarettes per week, it costs \$1,248 per year?

CHALLENGE:

Use an app or piece of paper to track everything you spend money on for one week.

It's About Management

“The art is not in making money, but in keeping it.”

-Proverb

“Don't tell me where your priorities are. Show me where you spend your money and I'll tell you where they are.”

-James W. Frick

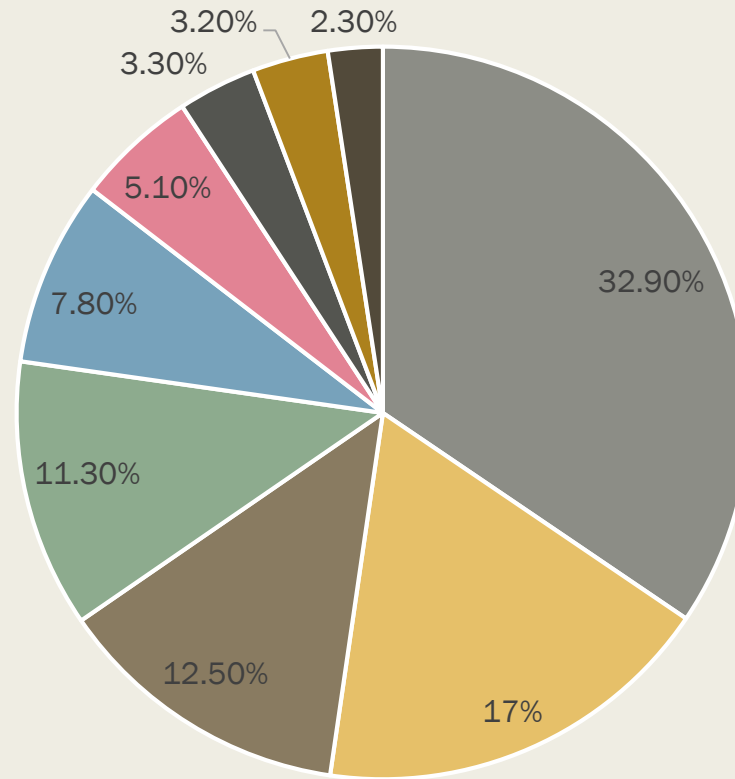
Myths About Budgeting

1. You have to suffer to use a budget.
2. You have to be in debt to use a budget.
3. You have to spend extra hours doing paperwork.



How We Spend Money

Household Budget



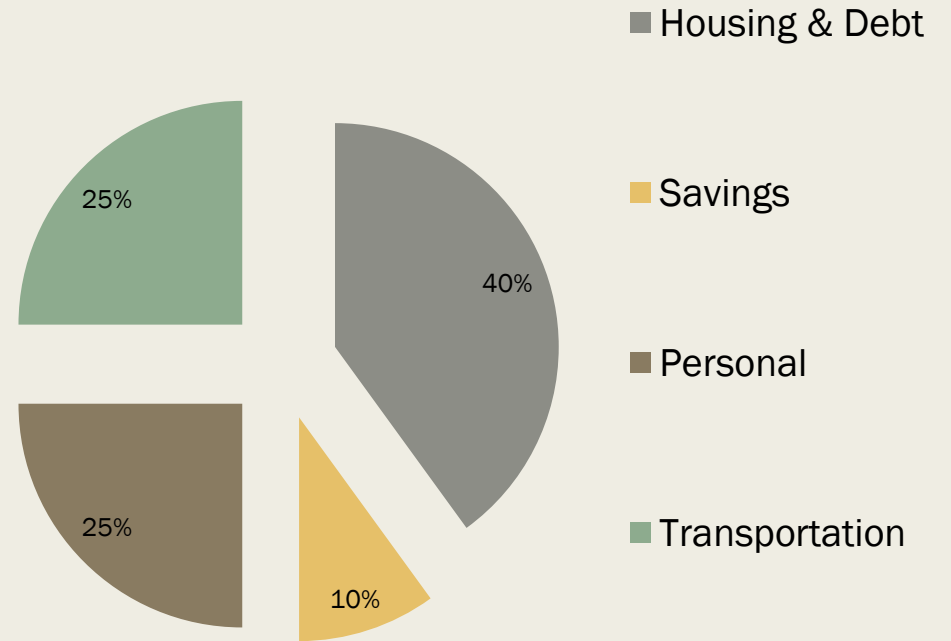
■ Housing ■ Transportation ■ Food ■ Insurance ■ Healthcare ■ Entertainment ■ Clothing ■ Cash Contributions ■ Education

Budgets...

Suggestions:

40%	Housing & Debt
10%	Savings
25%	Personal/Family expenses
25%	Transportation

Sample Budget



*Things You
Should
Never Buy
New:*



Furniture



Jewelry



Pets



Craft supplies



Hand tools



Sports equipment

*Things You
Should
Never Buy
New
continued:*



Maternity and/or baby clothes



Gardening supplies



DVD, CD's, video games or toys



Cars



Consumer electronics



Books



Special occasion/holiday clothing

The Best Time to Buy Anything Year Round

First Quarter

01 **January**

02 **February**

03 **March**

Boats • Computer Monitors • Gas Grills & Air Conditioners • Wedding Supplies • Winter Coats & Clothing

Clothing • Broadway Tickets • Carpeting • Furniture • Gift Cards • Linens • Motorcycles • Suits • Video Games

Broadway Tickets • Cellphones • Televisions & Home Theaters

Chocolate • Frozen Foods • Golf Clubs • Luggage

Second Quarter

04 **April**

05 **May**

06 **June**

Televisions & Electronics • Houses • Cookware • Digital Cameras • Thrift Stores • Vacuum Cleaners

Cruises • Sneakers

Refrigerators • Mattresses • Office Furniture

Dishware • Gym Memberships & Equipment • Tools

Third Quarter

07 **July**

08 **August**

09 **September**

Computers

Furniture • Home Decor • Tools • Video Games

Linens & Storage • Office Furniture • Kids' Clothing • Office Supplies • Swimsuits

Appliances • Bicycles • Broadway Tickets • Cars • Lawnmowers • Holiday Airfare • Office Supplies • Wine

Fourth Quarter

10 **October**

11 **November**

12 **December**

Cars • Cookware • Digital Cameras • Gas Grills & Air Conditioners • Plants • Toys & Games • Wedding Supplies

Appliances • Broadway Tickets • Jeans • Patio Furniture

Appliances • Candy • Televisions & Electronics • Tools

Champagne • Golf Clubs • Pools • Televisions & Electronics • Tools

The Case Study

Jack is an impulse buyer, by nature. If he notices a sale or “bargain,” he always gets it – whether he has the money to, or if it’s in his budget. Rank these places from least to the most dangerous place he could be.

- On the phone with customer support for his cell phone
- The checkout line at Wal-Mart or Target
- Black Friday in the retail stores
- Cyber Monday on his computer
- Amazon Prime

THE BASICS OF CREDIT

Credit means obtaining the use of money that you do not have.

Credit allows you to use goods or services today and pay for them later.

Lenders charge interest for the use of their money; in other words, both the borrower and the lender benefit from the loan.

WHAT LENDERS LOOK FOR WHEN APPROVING A LOAN

Character

Will the applicant be responsible to repay the loan?

Capacity

Does the applicant have enough discretionary income to comfortably make the payments for the loan amount requested?

Collateral

Will the loan be secured, or guaranteed, by collateral that can be used to repay the debt in case the borrower defaults on the loan?

ADVANTAGES TO USING CREDIT

Credit can help people acquire valuable assets.

Credit can help people lead happier lives.

Credit can help people in an emergency.

DISADVANTAGES TO USING CREDIT

People may use too much credit in relation to their income.

Misusing credit can lead to paying more to obtain credit in the future.

Misusing credit can hurt an individual's ability to obtain credit in the future.

WHY SHOP FOR CREDIT?

Better APR
(annual
percentage rate)

APR on some
cards increases
significantly after
3 to 6 months

No annual fees

Longer grace
period

Questions to consider before using credit...

- Do you have the cash you need for the down payment?
- Do you want to use your savings instead of credit?
- Can you afford the item?
- Could you use the credit in some better way?
- Could you put off buying the item for awhile?
- What are the costs of using credit?

CHALLENGE:

Visit
www.annualcreditreport.com
and review at least one of
your FREE credit reports.

Warning Signs

you may be in financial trouble

- You have trouble making payments or make only the minimum monthly payments on credit cards.
- The total balance of your credit cards increases every month.
- You miss loan payments, often pay late, or receive past due notices from creditors.



Warning Signs

you may be in financial trouble

- You use savings to pay for necessities such as food and utilities.
- You borrow money to pay off old debts.
- You exceed the credit limit on your credit cards.



If you have debt problems...

- Contact a non-profit organization like Consumer Credit Counseling Service (CCCS).
- This does not hurt your credit score.
- Do NOT fall prey to the “fix your credit fast” schemes.



The Case Study

Jack needs to build an emergency savings fund of \$500. Below is his monthly budget. How would you suggest he start?

<u>Take-Home Pay</u>	\$2,300		
Rent	\$750	Credit Card Payments	\$125
Insurance	\$110	Entertainment	\$275
Car Payment	\$330	Gives Brother	\$50
Food	\$375	Payday Loan	\$360
Student Loan Payment	\$225		
Cell Phone	\$110		
Internet	\$100		

Your Financial Action Plan

- Short-Term Goals (one year or less)
- Mid Range Goals (one to three years)
- Long Range Goals (three to seven years)



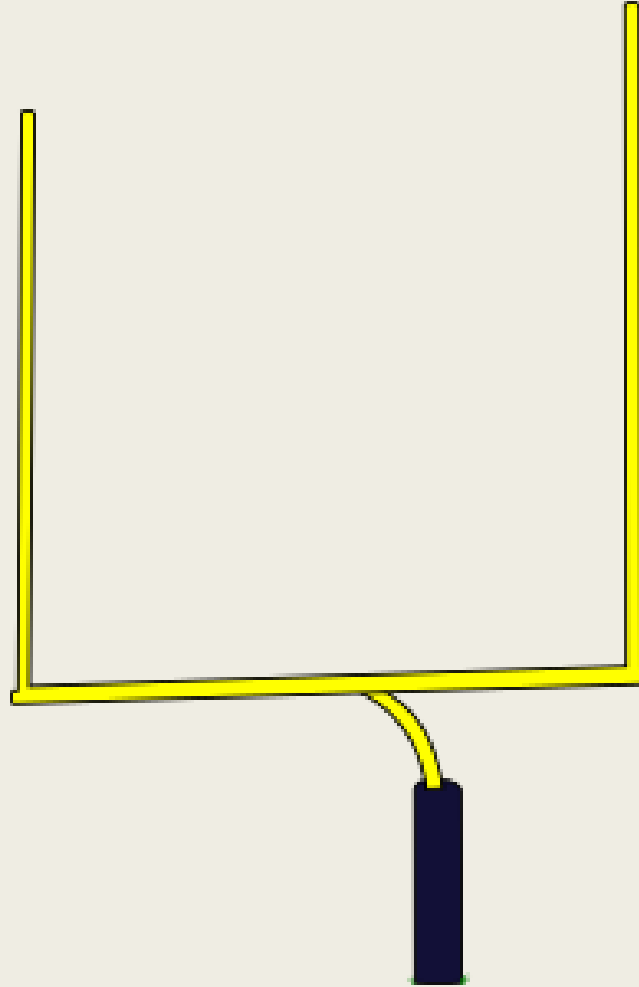
Strategies to be financially successful in life



- Where are you?
- Where are you going?
- How are you going to get there?
- Who are you taking with you?

Create SMART Goals

- Specific
- Measurable
- Attainable
- Relevant
- Timely



CHALLENGE:

Write a personal financial SMART goal.

Example: Save to build an emergency fund of \$500 by August 30, 2019.

Free Resources!



- www.unboxedok.com
 - *Click on the Resources Tab*
 - *Click on the Native Learning Center Tab*
- <https://money.cnn.com/tools/>
 - *Budget Calculators*
- <https://www.fdic.gov/consumers/consumer/moneysmart/index.html>
 - *Curriculum to teach adults personal finance*
- <https://www.consumerjungle.org/>
 - *Apps and Games to teach kids personal finance*