

Attendance



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Welcome

Financial Literacy Group
@ UCLA



Resources



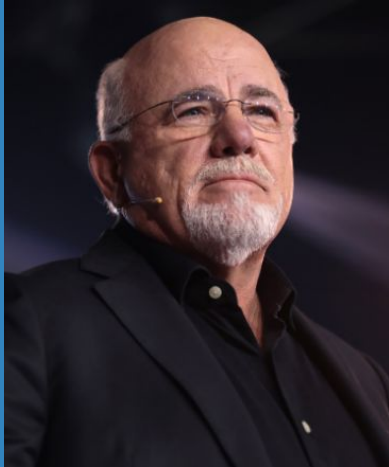
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Dave Ramsey



- Cold, hard truth
- Old school
- Psychology of money



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Graham Stephan



- Entertaining videos
- Current events
- Real estate

Humphrey Yang



- Beginner friendly videos
- Step-by-step guides
- Psychology of personal finance

ClearValue Tax



- Straightforward videos
- Breaks down complex topics

How Do I Get Wealthy?



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What expense is the #1 “wealth killer” in America?



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Average UCLA Graduate - Income

Say you make
\$80,000 / year



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Take Home Pay

Your Income Taxes Breakdown

Tax Type	Marginal Tax Rate	Effective Tax Rate	2024 Taxes*
Federal	22.00%	11.80%	\$9,441
FICA			\$6,120
State			\$3,453
Local			\$0
Total Income Taxes			\$19,014
Income After Taxes			\$60,986
Retirement Contributions			\$0
Take-Home Pay			\$60,986

Monthly Income:
\$5,082

* These are the taxes owed for the 2024 - 2025 filing season.



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Fixed Monthly Expenses

Rent: \$1,800

Car Insurance: \$200

Utilities: \$95

Gas: \$120

Subscription

Monthly Expenses:

(Meal): \$1,350

Internet: \$

\$4,500

: \$30

Car Payment: \$330

Health Insurance: \$350



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Other Monthly Expenses

Other Expenses:
\$700

Holidays: **\$100**

Clothes: **\$100**



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Monthly Cash Flows

Monthly Income:

\$5,082

Monthly Expenses:

\$4500



Other Expenses:

\$700

Monthly Net Loss:

\$118



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Every month, you are
LOSING MONEY.



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Student Loan Debt

\$30,000



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	Year 1	Year 2	Year 3
Starting Debt	\$30,000		
Income After Taxes			
Cost of Living			
Saving/Spending			
Ending Debt			



You owe MORE
than when you started...



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“Do not save what is left after spending; instead spend what is left after saving.”

— Warren Buffett

tags: [savings](#)



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It's All About Spending and Saving



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Tools/Steps to Escape the “Rat Race”



Manage Your Money Like The Top 1% (The 60/20/20 Rule)

2.9K views · 7 months ago

Smart Money with Kai

★ FREE DOWNLOADS ~ FREE MONTHLY BUDGET & NET WORTH TRACKER ...

4K



How To Manage Your Money Like The Top 1% (The 60/30/10 Rule)

264K views · 7 months ago

Humphrey Yang

In this video, we talk about one of the personal finance rules of money management that even the wealthy will use. This is called ...

0:46 People who follow the 50/30/20 rule can simplify it by setting up automatic deposits, using automatic payments, and tracking ...

4K



How To Manage Your Money Like The 1%

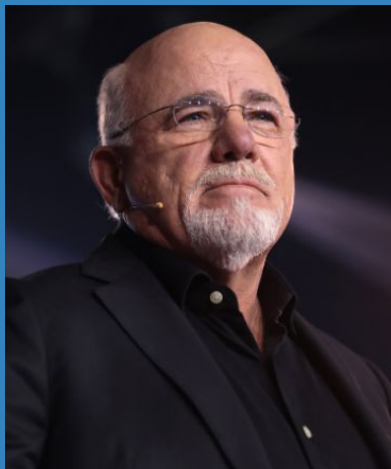
1.8M views · 10 months ago

Vincent Chan

• Timestamps: 00:00 How The 1% Manage Their Money 00:16 The 75 in the 75/10/15 Rule 02:35 The 10 in the 75/10/15 Rule ...

6 chapters How The 1% Manage Their Money | The 75 in the 75/10/15 Rule | The 10 in the 75/10/15 Rule | The 15 ...





1

BABY STEP 1

Save \$1,000 for Your Starter Emergency Fund

2

BABY STEP 2

Pay Off All Debt (Except the House) Using the Debt Snowball

3

BABY STEP 3

Save 3–6 Months of Expenses in a Fully Funded Emergency Fund

4

BABY STEP 4

Invest 15% of Your Household Income in Retirement

5

BABY STEP 5

Save for Your Children's College Fund

6

BABY STEP 6

Pay Off Your Home Early

7

BABY STEP 7

Build Wealth and Give



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Where to Allocate Your Money

(step by step)

Acquiring assets



- Taxable accounts
- Real estate
- Alternatives

Pay off all debt



- Debt free
- Peace of mind

Retirement Funds



- Roth IRA
- 401k



Creating an emergency fund

- 6 month's living expenses
- In a HYSA



- Making minimum payments on:**
- Credit cards
 - Student loans
 - Auto loans



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Credit Cards

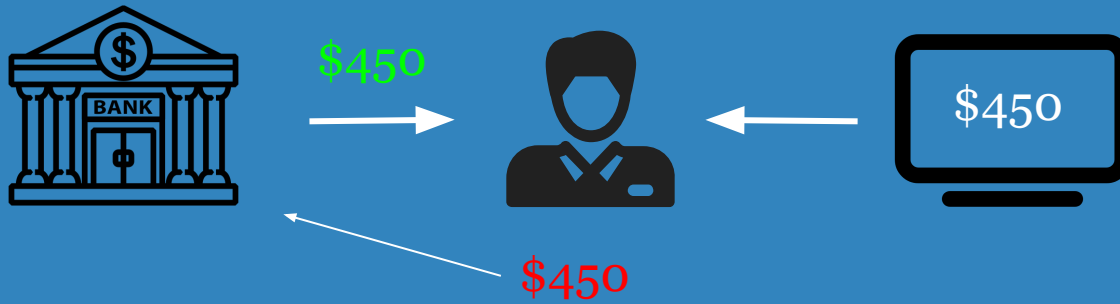


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Bank vs. Payment Network

Bank	Payment Network
Wells Fargo Chase Bank of America Citi	Visa Mastercard American Express



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Balance Information

Payment Due Information

Minimum payment (due on 02/22/25) [Make a payment](#) **\$25.00**

Balance Summary

Total credit limit **\$6,000.00**

Outstanding balance **\$**

Available credit **\$**

Cash advance limit **\$1,200.00**

Available for cash advances **\$1,200.00**

Last statement balance 01/28/25 **\$**

Last payment received 01/26/25 **\$**

Next statement date **02/25/25**



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Late Fees

Annual Percentage Rate (APR) for Purchases

0.00% introductory APR for 12 months from date of account opening.

After that, your APR will be **19.24%, 24.24%, or 29.24%**, based on your creditworthiness. This APR will vary with the market based on the U.S. Prime Rate.



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Balance Transfer and Cash Advance

Transaction Fees

- **Balance Transfers**

Introductory fee of either \$5 or 3% of the amount of each balance transfer, whichever is greater, for 120 days from account opening. After that, up to 5% for each balance transfer, with a minimum of \$5.

- **Cash Advances**

Either \$10 or 5% of the amount of each advance, whichever is greater.

- **Foreign Currency Conversion/
Foreign Transaction**

3% of each transaction converted to U.S. dollars.



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Why Do Banks Want You?



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Rewards

Types of Rewards

- Cash Back Credit Cards
- Travel Reward Credit Cards
- Points Credit Cards

Cash Back Credit Card



Wells Fargo Active Cash® Card

Earn a **\$200 cash rewards bonus** when you **spend \$500** in purchases in the **first 3 months¹**

Plus, earn **unlimited 2% cash rewards** on purchases²

\$0 Annual Fee

[Important Credit Terms](#)

[Apply now](#)



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Travel Rewards Credit Card



United GatewaySM Card

✈️ **2x miles**
on United purchases

✈️ **2x miles**
on gas, local transit and commuting

- **5,000 bonus miles** after you add an authorized user
- **0% intro APR** for 12 months from account opening on purchases
- **No annual fee**



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Points Credit Cards



Chase Sapphire Preferred®

60,000
bonus points

3X
on dining

2X
on travel

NEW CARDMEMBER OFFER

Earn 60,000 bonus points

after you spend \$4,000 on purchases in the first 3 months from account opening.Ⓜ

AT A GLANCE

Premium dining & travel rewards

Earn 5x total points on travel purchased through Chase TravelSM, excluding hotel purchases that qualify for the \$50 Annual Chase Travel Hotel Credit.Ⓜ Earn 3x points on dining, including eligible delivery services, takeout and dining out.Ⓜ Earn 2x on other travel purchases.Ⓜ



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Sign-up Bonuses

Chase Sapphire Preferred[®] Credit Card

NEW CARDMEMBER OFFER

Earn 60,000 bon

United GatewaySM Card

imited time offer

000 bonus miles

Churning

Wells Fargo Active Cash[®] Card

Earn a **\$200 cash rewards bonus** when you **spend \$500** in purchases in the **first 3 months¹**



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Credit Score



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Credit Score Weighting

Component	Component Weight
Payment history	35%
How much you owe	30%
Length of credit history	15%
Type of credit	10%
New credit (inquiries)	10%



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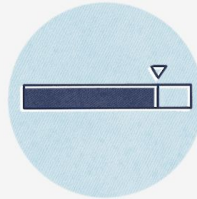


Factors that Lower Credit Scores

Factors that Lower Credit Scores



Late or missed
payments



Too much
credit in use



A short credit history,
or none at all



Too many requests for
new lines of credit



Too few types
of credit

 Investopedia



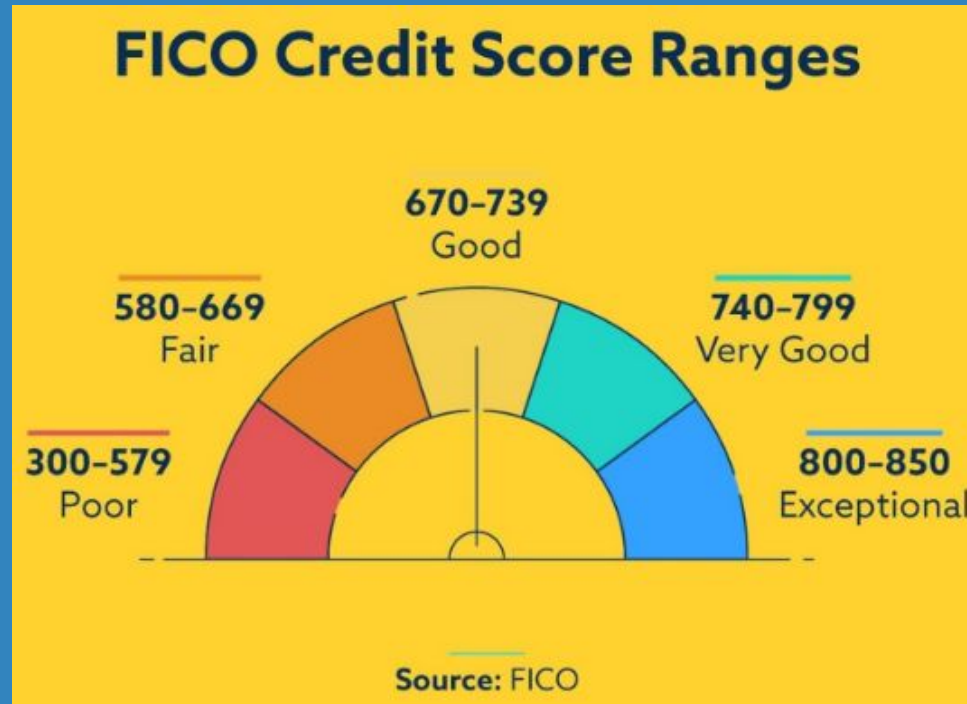
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Credit Score Evaluation



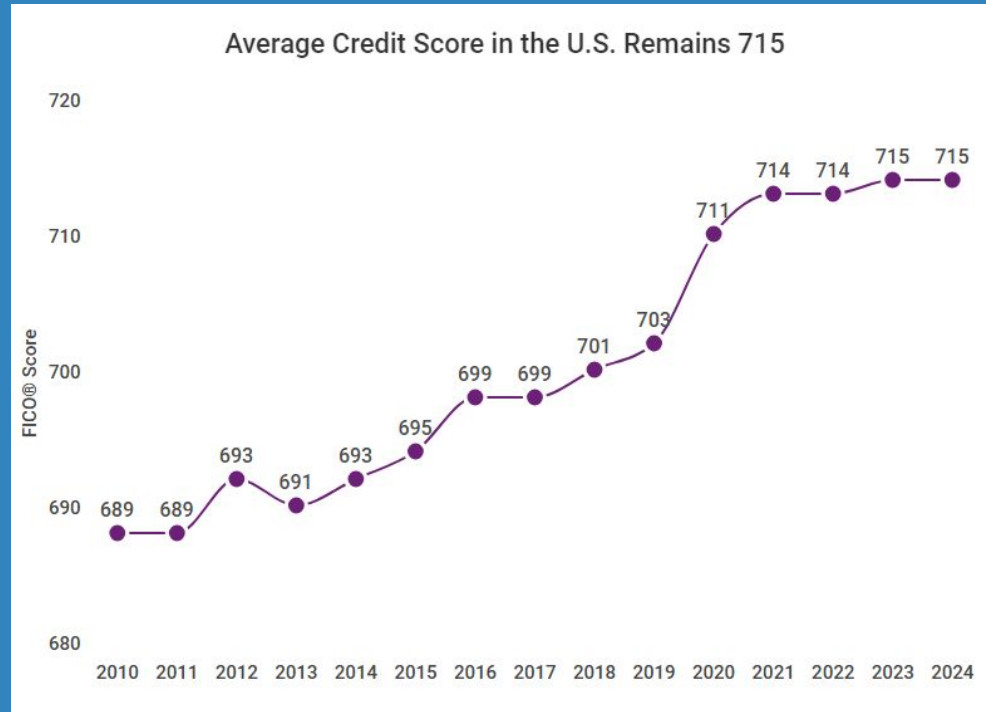
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Average Credit Scores in the US



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Authorized User Strategy



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Recommended Credit Cards - Newcomer



Chase Freedom Rise®

Annual Fee
\$0

Rewards Rate
1.5% ⓘ
Cashback

Intro Offer
\$25 ⓘ

Regular APR
25.99% Variable
APR

APPLY NOW ⓘ
on Chase's website

Intro APR
N/A



Capital One Quicksilver Cash Rewards Credit Card

Annual Fee
\$0

Rewards Rate
1.5%-5% ⓘ
Cashback

Intro Offer
\$200 ⓘ

Intro APR
0% intro APR for 15 months on
purchases and balance transfers; balance
transfer fee applies

Regular APR
19.24%-29.24%
Variable APR

APPLY NOW ⓘ
on Capital One's website
[Rates & Fees](#) ⓘ



Capital One Savor Cash Rewards Credit Card

Annual Fee
\$0

Rewards Rate
1%-8% ⓘ
Cashback

Intro Offer
\$200 ⓘ

Intro APR
0% intro APR for 15 months on
purchases and balance transfers; balance
transfer fee applies

Regular APR
19.24%-29.24%
Variable APR

APPLY NOW ⓘ
on Capital One's website
[Rates & Fees](#) ⓘ



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Recommended Credit Cards - Novice



Wells Fargo Active Cash® Card

Annual Fee
\$0

Rewards Rate
2% ⓘ
Cashback

Intro Offer
\$200 ⓘ

APPLY NOW ⓘ

on Wells Fargo's website
[Rates & Fees](#) ⓘ

Intro APR

0% intro APR on Purchases for 12 months from account opening and 0% intro APR on Balance Transfers for 12 months from account opening on qualifying balance transfers

Regular APR
19.24%, 24.24%, or
29.24% Variable
APR



Bank of America® Customized Cash Rewards credit card

Annual Fee
\$0

Rewards Rate
1%-3% ⓘ
Cashback

Intro Offer
\$200 ⓘ

APPLY NOW ⓘ

on Bank of America's website

Intro APR

0% intro APR on Purchases for 15 billing cycles and 0% intro APR on Balance Transfers for 15 billing cycles for any balance transfers made in the first 60 days

Regular APR
18.24%-28.24%
Variable APR



Chase Freedom Unlimited®

Annual Fee
\$0

Rewards Rate
1.5%-5% ⓘ
Cashback

Intro Offer
Up to \$300 ⓘ

APPLY NOW ⓘ

on Chase's website

Intro APR

0% intro APR on purchases and Balance Transfers for 15 months

Regular APR
19.49%-28.24%
Variable APR



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Recommended Credit Cards - Intermediate



American Express® Gold Card

Annual Fee
\$325

Rewards Rate
1x-4x [?]
Points

Intro Offer
60,000 [?]
Points

APPLY NOW

on American Express' website
[Rates & Fees](#)

Intro APR
N/A

Regular APR
See Pay Over Time
APR



Chase Sapphire Preferred® Card

Annual Fee
\$95

Rewards Rate
1x-5x [?]
Points

Intro Offer
60,000 [?]
Points

APPLY NOW

on Chase's website

Intro APR
N/A

Regular APR
20.49%-27.49%
Variable APR



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Recommended Credit Cards - Premium



APPLY NOW [🔗](#)

on American Express' website
[Rates & Fees](#) [🔗](#)

The Platinum Card® from American Express

Annual Fee
\$695

Rewards Rate
1x-5x [?](#)
Points

Intro Offer
80,000 [?](#)
Points

Intro APR
N/A

Regular APR
See Pay Over Time
APR



APPLY NOW [🔗](#)

on Chase's website

Chase Sapphire Reserve®

Annual Fee
\$550

Rewards Rate
1x-10x [?](#)
Points

Intro Offer
60,000 [?](#)
Points

Intro APR
N/A

Regular APR
21.49%-28.49%
Variable APR



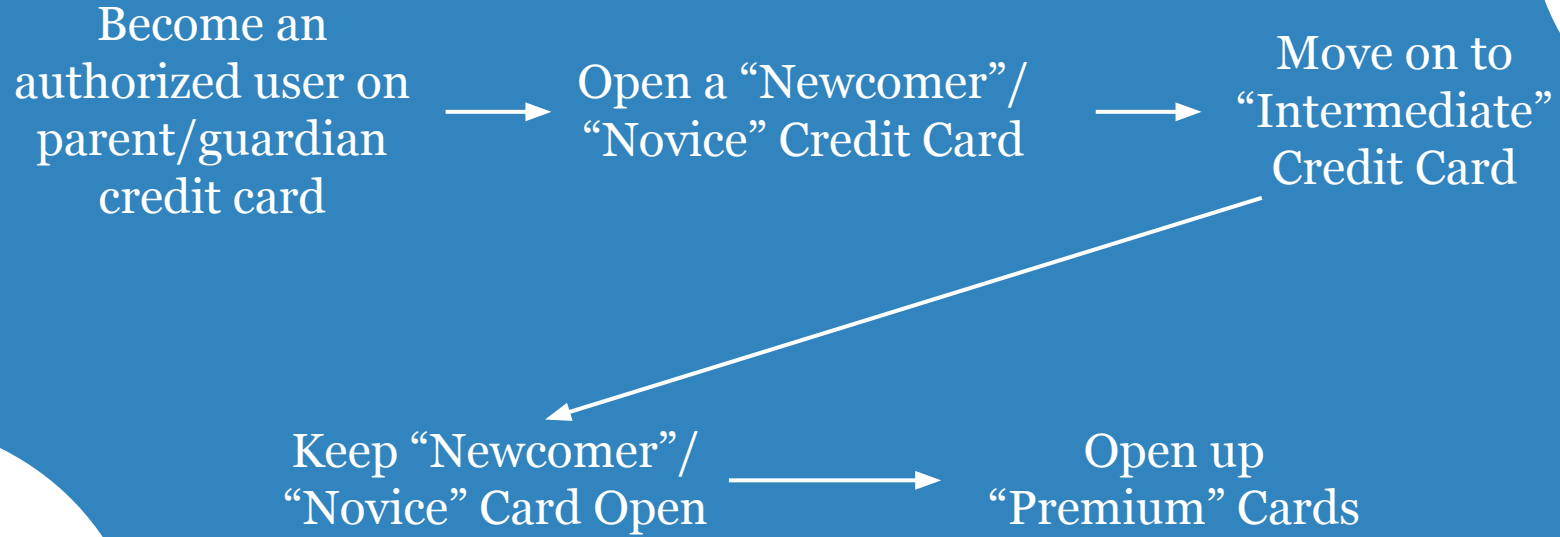
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How to Build Credit - General Strategy



General Tips

- Never incur late fees - PAY ON TIME!
- Keep credit utilization under 10%
 - Trick: pay off balances before statement closing date
- Keep old accounts open (no annual fee)
- Limit credit card applications
- Take advantage of authorized user benefits



Savings



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Make sure your savings
account is FDIC Insured



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What is FDIC Insurance?

What Does FDIC Insurance Cover?

The insurance covers up to \$250,000 per depositor, per FDIC-insured bank, per ownership category.



It only covers deposits at certain banks, including:

- Checking accounts
- Savings accounts
- Certificates of deposit (CDs)
- Money market deposit accounts
- Cashier's checks

● The FDIC also insures some retirement accounts where plan participants have the right to decide how the money is being invested.

For more details, visit districtcapitalmanagement.com



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Types of Savings Accounts



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Traditional Savings Account

- Your typical savings account
- Offered by most banks
- Low APY



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Examples of Traditional Savings Accounts

Wells Fargo Way2Save	Chase Savings	Bank of America Advantage Savings
0.01% APY	0.01% APY	0.01% APY
\$25 Minimum Open Deposit	\$100 Minimum Open Deposit	No Open Deposit Required
No Withdrawal Limit	No Withdrawal Limit	No Withdrawal Limit
\$5 Monthly Fee *unless \$300 minimum daily balance*	\$8 Monthly Fee *unless \$500 minimum daily balance*	\$5 Monthly Fee *unless \$300 minimum daily balance*
FDIC insured	FDIC insured	FDIC insured



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High Yield Savings Accounts

- Not offered by most banks
- Higher APY (~4%)
- Withdrawal Limits
- Rates can fluctuate
- Great for Emergency Fund



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Examples of Traditional Savings Accounts

American Express High Yield Savings	ETRADE Premium Savings
4.10% APY	4.25% APY
Must have funds within 60 days to remain open	No minimum deposit
No Withdrawal Limit	6 withdrawals per month
No fees	No fees
FDIC insured	FDIC insured










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Standout Online Savings Accounts From Our Partners

Bank/institution	NerdWallet rating ^⑦	APY	Bonus	Learn more
 Barclays Tiered Savings Account	★ 4.5 /5	4.50% ^⑦ With \$0 min. balance for APY	N/A	LEARN MORE ^⑦ at Barclays, Member FDIC
 SoFi Checking and Savings	★ 4.5 /5	4.20% ^⑦ With \$0 min. balance for APY	\$300 Earn up to \$300 with direct deposit. Terms apply.	LEARN MORE ^⑦ at SoFi Bank, N.A., Member FDIC
 E*TRADE Premium Savings	★ 4.5 /5	4.25% With \$0 min. balance for APY	N/A	LEARN MORE ^⑦ at Morgan Stanley Private Bank, National Association, Member FDIC
 CIT Bank Platinum Savings	★ 4.5 /5	4.70% With \$5,000 min. balance for APY	N/A	LEARN MORE ^⑦ at CIT Bank, Member FDIC
 Capital One 360 Performance Savings [™]	★ 4.5 /5	4.00% ^⑦ With \$0 min. balance for APY	N/A	LEARN MORE ^⑦ at Capital One, Member FDIC
 Savings <small>American Express National Bank, Member FDIC</small> American Express® High Yield Savings Account	★ 4.5 /5	4.00% ^⑦ With \$0 min. balance for APY	N/A	LEARN MORE ^⑦ at American Express National Bank, Member FDIC
 Axos ONE® Savings	★ 4.2 /5	4.86% ^⑦ With \$0 min. balance for APY	N/A	LEARN MORE ^⑦ at Axos Bank®, Member FDIC



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Why do people still use Traditional Savings Accounts?



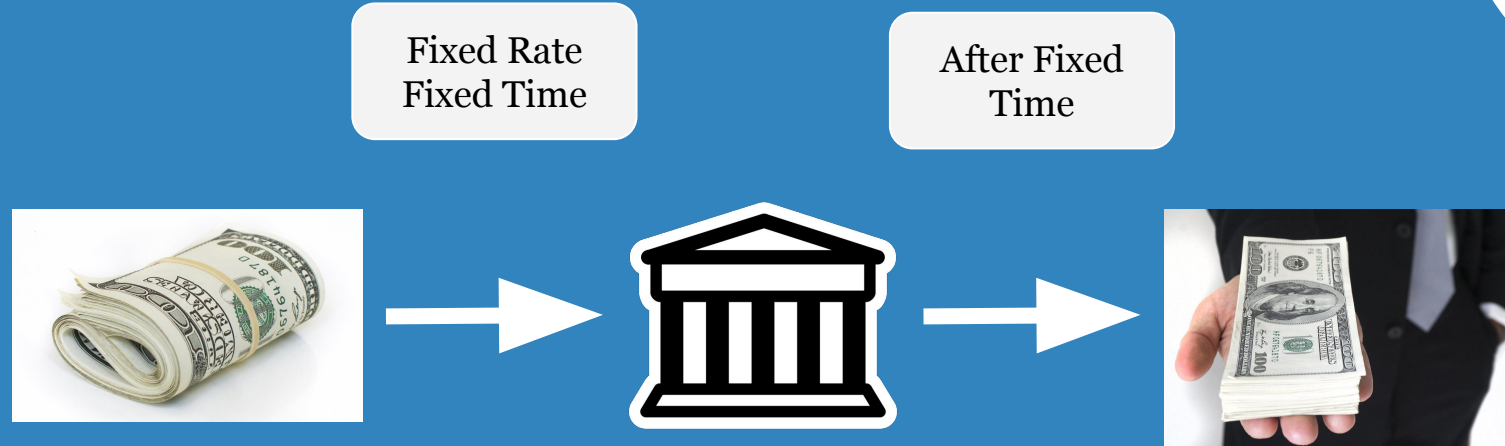
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Certificate of Deposit



Savings Accounts Recap

- Make sure account is FDIC insured
- Do your research
 - Minimum Balance
 - Withdrawal Amounts
 - Account Fees
- Use a HYSA for emergency fund
 - 3-6 months of expenses



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Thank You

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