

NHBC Financial Literacy

Budgeting: Count It All



Romans 13:8 "Owe no one anything except
to love one another . . ."

January 28, 2023

Agenda

1. Money Facts We Want You To Know
2. 52 Week Saving Plan
3. Acorn App
4. Budget Strategies 101
 - i. Why develop a budget
 - ii. Determine Financial Goals
 - iii. Identify All Sources of Income and Expenses (debt)
 - iv. Develop Budget

Money Facts We Want You To Know

Why is financial education important?

60% of Arizona families do not have a "rainy day" fund (emergency savings).
-National Financial Capability Study

36% of Americans don't contribute anything to savings
-Arizona Community Action Association

87% of adults are not confident about having enough money for a comfortable retirement
-Arizona Town Hall Report



Only 32% of Americans use a monthly household budget.
-Gallup poll

60% of Arizona households use sub-prime lending products
-Arizona Town Hall Report



NHBC 52 Week Money Savings Challenge

"Wealth gained hastily will dwindle, but whoever gathers little by little increases it." Proverbs 13:11 ESV

Week	Deposit	Balance	Done
1	\$1.00	\$1.00	<input type="checkbox"/>
2	\$2.00	\$3.00	<input type="checkbox"/>
3	\$3.00	\$6.00	<input type="checkbox"/>
4	\$4.00	\$10.00	<input type="checkbox"/>
5	\$5.00	\$15.00	<input type="checkbox"/>
6	\$6.00	\$21.00	<input type="checkbox"/>
7	\$7.00	\$28.00	<input type="checkbox"/>
8	\$8.00	\$36.00	<input type="checkbox"/>
9	\$9.00	\$45.00	<input type="checkbox"/>
10	\$10.00	\$55.00	<input type="checkbox"/>
11	\$11.00	\$66.00	<input type="checkbox"/>
12	\$12.00	\$78.00	<input type="checkbox"/>
13	\$13.00	\$91.00	<input type="checkbox"/>
14	\$14.00	\$105.00	<input type="checkbox"/>
15	\$15.00	\$120.00	<input type="checkbox"/>
16	\$16.00	\$136.00	<input type="checkbox"/>
17	\$17.00	\$153.00	<input type="checkbox"/>
18	\$18.00	\$171.00	<input type="checkbox"/>
19	\$19.00	\$190.00	<input type="checkbox"/>
20	\$20.00	\$210.00	<input type="checkbox"/>
21	\$21.00	\$231.00	<input type="checkbox"/>
22	\$22.00	\$253.00	<input type="checkbox"/>
23	\$23.00	\$276.00	<input type="checkbox"/>
24	\$24.00	\$300.00	<input type="checkbox"/>
25	\$25.00	\$325.00	<input type="checkbox"/>
26	\$26.00	\$351.00	<input type="checkbox"/>

Week	Deposit	Balance	Done
27	\$27.00	\$378.00	<input type="checkbox"/>
28	\$28.00	\$406.00	<input type="checkbox"/>
29	\$29.00	\$435.00	<input type="checkbox"/>
30	\$30.00	\$465.00	<input type="checkbox"/>
31	\$31.00	\$496.00	<input type="checkbox"/>
32	\$32.00	\$528.00	<input type="checkbox"/>
33	\$33.00	\$561.00	<input type="checkbox"/>
34	\$34.00	\$595.00	<input type="checkbox"/>
35	\$35.00	\$630.00	<input type="checkbox"/>
36	\$36.00	\$666.00	<input type="checkbox"/>
37	\$37.00	\$703.00	<input type="checkbox"/>
38	\$38.00	\$741.00	<input type="checkbox"/>
39	\$39.00	\$780.00	<input type="checkbox"/>
40	\$40.00	\$820.00	<input type="checkbox"/>
41	\$41.00	\$861.00	<input type="checkbox"/>
42	\$42.00	\$903.00	<input type="checkbox"/>
43	\$43.00	\$946.00	<input type="checkbox"/>
44	\$44.00	\$990.00	<input type="checkbox"/>
45	\$45.00	\$1,035.00	<input type="checkbox"/>
46	\$46.00	\$1,081.00	<input type="checkbox"/>
47	\$47.00	\$1,128.00	<input type="checkbox"/>
48	\$48.00	\$1,176.00	<input type="checkbox"/>
49	\$49.00	\$1,225.00	<input type="checkbox"/>
50	\$50.00	\$1,275.00	<input type="checkbox"/>
51	\$51.00	\$1,326.00	<input type="checkbox"/>
52	\$52.00	\$1,378.00	<input type="checkbox"/>

Money Saved This Year: _____

52 Week Saving Plan

Why: Create an emergency fund for **when***, not **if**, something happens
Replenish emergency fund (impact of pandemic, or emergency)
Increase balance of existing fund (impact of inflation)
Creates discipline

How: 52 Week Challenge (gift from Pastor and First Lady Jackson)

- i. Increase amount by \$1/week until 52nd week in December = \$1,378.00
- ii. $\$1,378 / 12 \text{ months} = \114.83 or $\$115$ per month = $\$1,380.00^{**}$
- iii. $\$1,378 / 52 \text{ weeks} = \26.50 per week or $\$53$ every two weeks^{**}

* 67% of workers can't afford to pay for an emergency \$400 expense

** Hint: frequency of savings can be tied to timing of income (paycheck every week or two weeks or social security once a month)

** Hint: saving same amount every week, bi-weekly or monthly is predictable and avoids the high weekly dollar amounts in Q4

Acorn App

<https://signin.acorns.com/>



Acorns Invest

Invest spare change & more into Acorns Invest, your expert-built investment portfolio. It's made of diversified funds designed by the world's leading fund managers.



Acorns Later

Acorns Later is your easy Individual Retirement Account, or IRA. Set up in minutes. Roll over your current plan. See potential tax advantages.



Acorns Early

Acorns Early is our investment account for kids. Start with \$5. Set up in minutes. Get potential tax advantages. Multiple kids included.



Acorns Checking

Acorns Checking is how you save & invest while you bank. Invest spare change while you swipe. No low-balance or overdraft fees. 55,000+ fee-free ATMs. Plus, Smart Deposit®.



Budgeting 101

Why Develop A Budget:

- V Decrease Financial Anxiety
- V Financial Management and Acumen (Stewardship)
- V Reduce Debt (credit card, student loan & consumer loans)
- V Avoid Impulse Purchases
- V Reach Financial Goals Sooner
- V Plan For The Next Generation (generational gap, “black tax”)

Budgeting 101

Determine Financial Goals

- V It's Personal
- V Age (current vs retirement age)
- V Source(s) of Income
- V Type & Amount of Debt (not all debt is the same & not all debt is bad)
- V Employment Options
- V Family Structure/Future Obligations (kids, college, aging parents)

Budgeting 101

Identify All Sources of Income & Expenses

V Income - Count It All (annual income, second job/part time, dividend/interest)

V Expenses – Count Them All

V Fixed

V Variable

V Irregular

V

Budgeting 101

Develop A Budget

- V Bottom Line: Zero, Positive or Negative
- V Re-evaluate Financial Goals – modify as necessary
- V Track Your Budget – automate record keeping(www.mint.com/)

NHBC Financial Literacy

Q & A