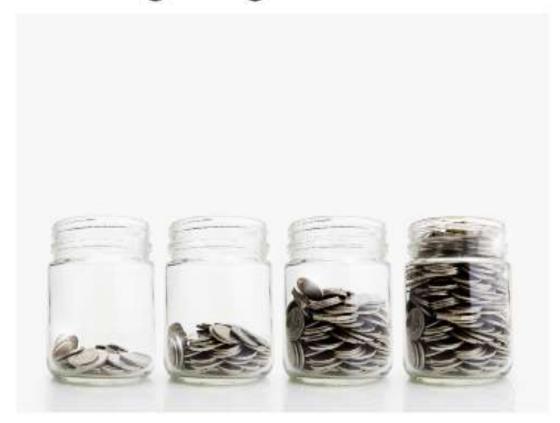
## **NHBC Financial Literacy**

# **Budgeting: Count It All**



### Agenda

- 1. Money Facts We Want You To Know
- 2. 52 Week Saving Plan
- 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 hostily will dwindle, but whoever gathers little by little increases it." Proverbs 13:11 ESV

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

Week	Deposit	Balance	Done
27	\$27.00	\$378.00	
28	\$28.00	\$406.00	
29	\$29.00	\$435.00	
30	\$30.00	\$465.00	
31	\$31.00	\$496.00	
32	\$32.00	\$528.00	
33	\$33.00	\$561.00	
34	\$34.00	\$595.00	
35	\$35.00	\$630.00	
36	\$36.00	\$666.00	
37	\$37.00	\$703.00	
38	\$38.00	\$741.00	
39	\$39.00	\$780.00	$\Box$
40	\$40.00	\$820.00	ÿ
41	\$41.00	\$861.00	6
42	\$42.00	5903.00	
43	\$43.00	\$946.00	
44	\$44.00	5990.00	
45	\$45.00	\$1,035.00	
46	\$46.00	\$1,081.00	
47	\$47.00	\$1,128.00	
48	\$48.00	\$1,176.00	
49	\$49.00	51,225.00	å
50	\$50.00	\$1,275.00	
51	\$51.00	\$1,326.00	9
52	\$52.00	\$1,378.00	

Money Saved This Year:

# 52 Week \$aving 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 months = \$114.83 or \$115 per month = \$1,380.00\*\*
- iii. \$1,378/52 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



#### 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.

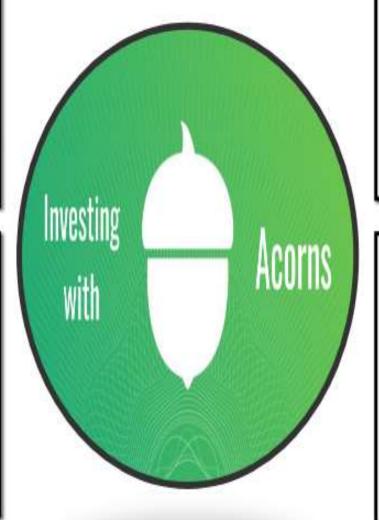


#### Acorns Later

Account, or IRA. Set up in minutes. Roll over your current plan. See potential tax advantages.

### Acorn App

https://signin.acorns.com/





#### Acorns Early

Acoms 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 lowbalance or overdraft fees. 55,000+ fee-free ATMs. Plus, Smart Deposit<sup>®</sup>.

### 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")

### **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)

### <u>Identify All Sources of Income & Expenses</u>

- V Income Count It All (annual income, second job/part time, dividend/interest)
- V Expenses Count Them All
  - V Fixed
  - V Variable
  - V Irregular

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### **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