



Create Your Money Game Plan 2024!

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Let's think back over the past 12-18 months what have been some financial challenges for consumers?





Inflation

**Rising
Interest
Rates**

**How much
should I
invest?**

**Cost of
Housing**

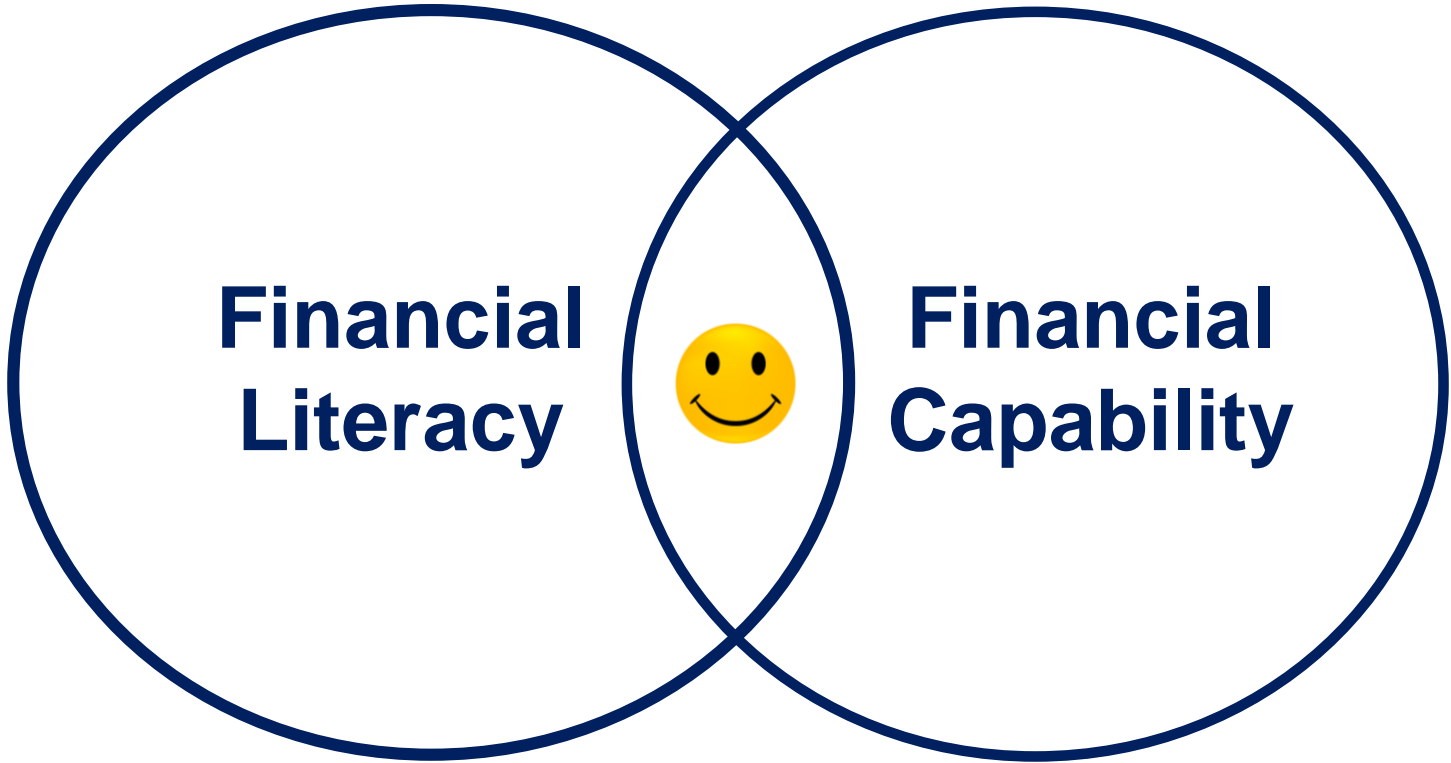


**Paying
down/off
debt**

**Caring for a
parent or child**

Knowledge

**Individual
Choices**



**Financial
Literacy**



**Financial
Capability**

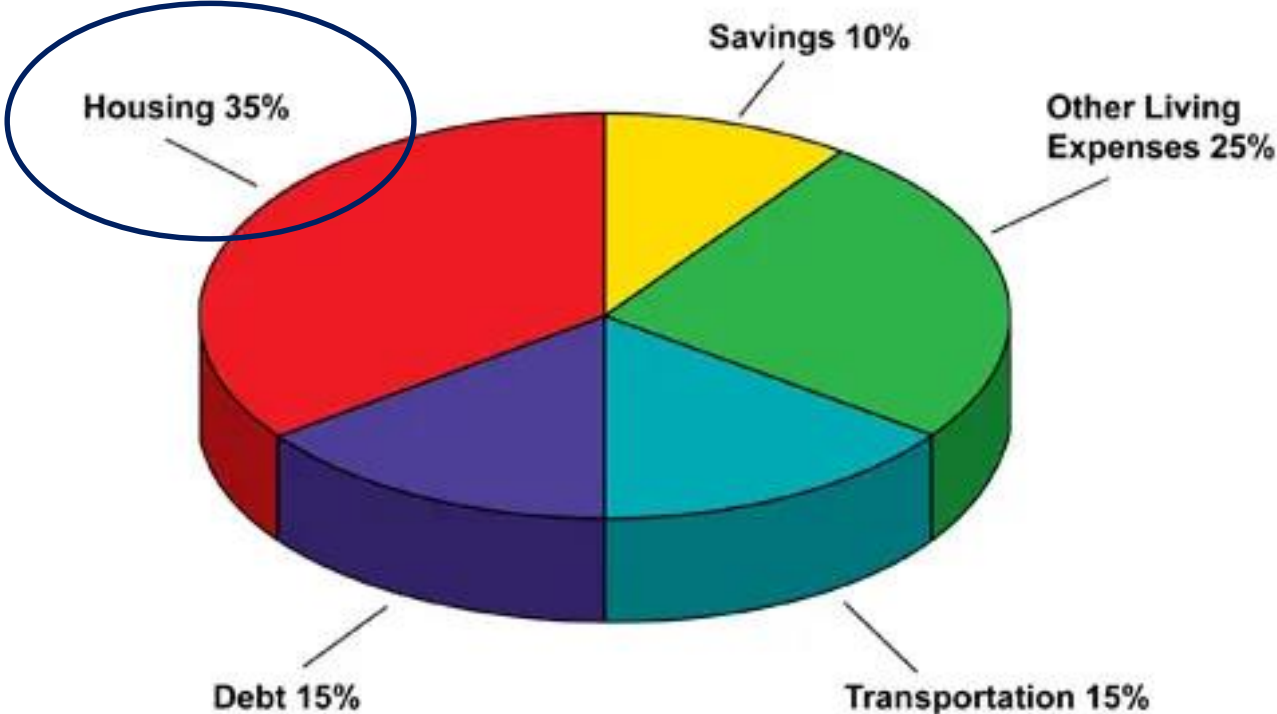
**Let's take a 5
question quiz ...**



1. It is suggested that households allocate this much (%) of their net income towards their overall monthly housing expenses (rent, utilities, insurance)?



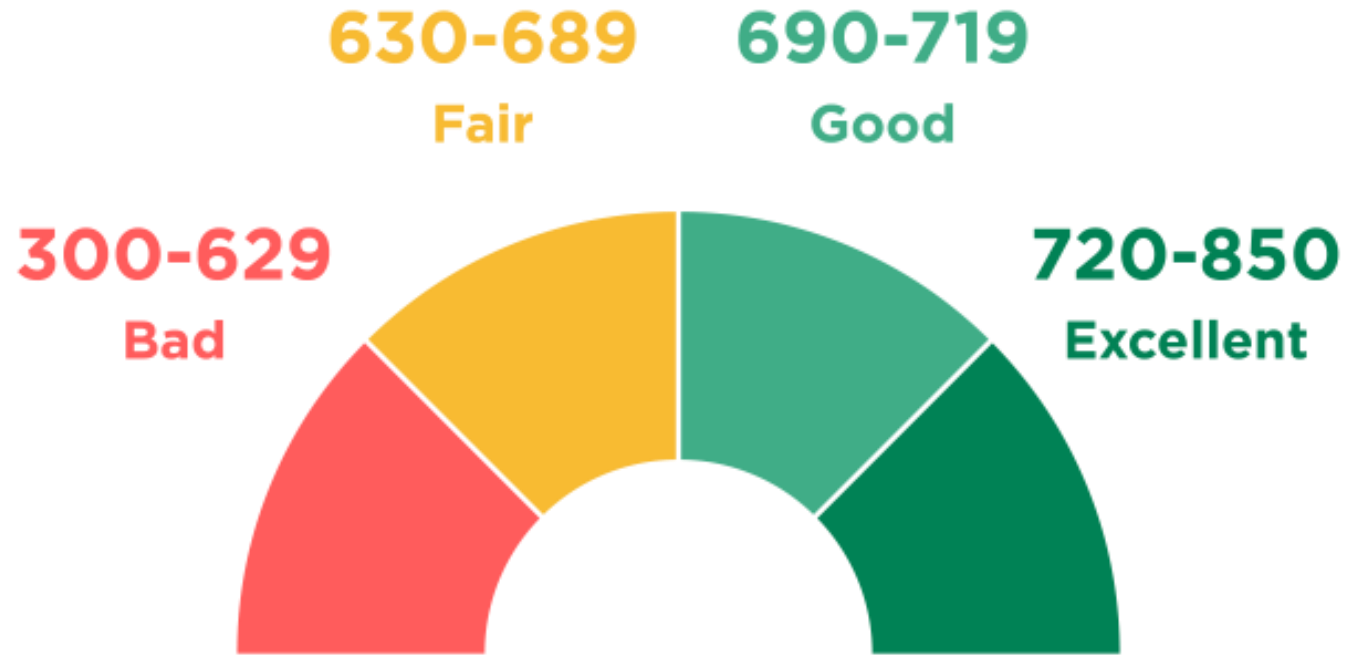
Spending Plan Pie Chart



2. What is the range of credit scores one could have, from lowest to highest.



Here is the Credit Scoring Range



3. What are the names of the two (2) types of Individual Retirement Accounts (IRA) available to consumers?





Traditional IRA

You get a tax deduction for your contributions and pay no taxes until you take distributions



Roth IRA

You contribute after-tax funds but your distributions are tax-free

4. How often can you get a free credit report?

- A. Once a day
- B. Once a week**
- C. Once a month
- D. Once a year



**5. I was born sometime after 1960.
What is my “full retirement age”
according to the Social Security
Administration?**

A. 62

B. 65

C. 67


D. 70





Personal Finances

- **Money management can be learned 😊**
- **Both emotions and values play a huge factor in how we make financial decisions (*FOMO & YOLO*)**
- **Some financial decisions will impact you for weeks & months & years ... so be thoughtful!**

A photograph of a classroom. In the center, a green chalkboard has the words "\$ Financial \$ Education" written on it in white chalk. To the right of the chalkboard, a round analog clock is mounted on the wall, showing a time around 10:10. The foreground shows the tops of several wooden desks and black metal legs. On the far left, there is a vertical decorative graphic with overlapping yellow and blue geometric shapes.

\$ Financial \$
Education

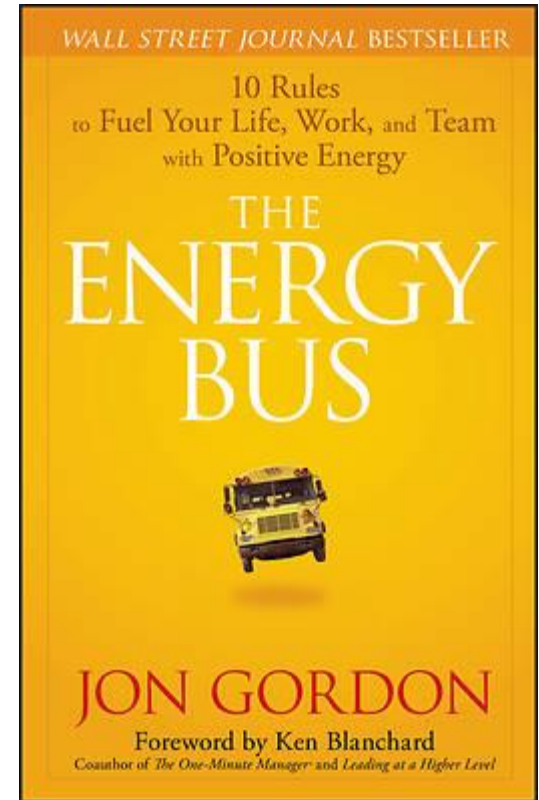
**Are there some actions
we can take right now
to help keep our
finances healthy? YES!**

1. Commit to a positive money mindset



Some suggestions ...

- **Forgive past mistakes**
- **Give some \$\$ away**
- **Slow & steady ... not fast & furious**
- **Never stop learning**
- **You be you ... no comparisons**



2. What is the plan?



2. What is the plan?



We need transparency.

- ✓ **Notebook**
- ✓ **Spreadsheet** (*ask Mark 😊*)
- ✓ **Budgeting App**

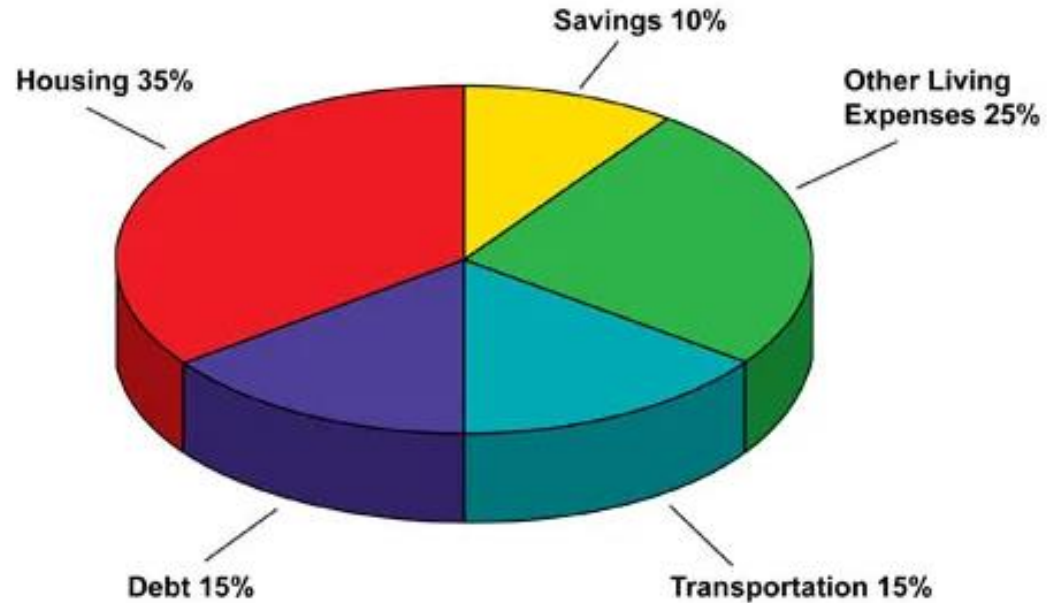


Paperless? Friend or Foe?



- **What are your current interest rates?**
- **What are your debt balances?**
- **How much are you spending each month via debit & credit card?**
- **What was your return last year for your retirement account?**

Monthly Spending Plan – using NET income



Evaluate where your money is going

- Food
- Home utilities (cell phones, internet, subscriptions)
- Insurance (auto, home, life)
- Debt (credit cards, personal loans, car loan)
- Short on income? Is a side-hustle realistic?



Execute a plan

- Auto-pay bills
- Discounts are good 😊
- Savings is a bill we pay to ourselves
- Waterfall approach

Start with Net Income \$\$

- Needs (housing, food, bills, insurance)

- Savings (emergency fund)

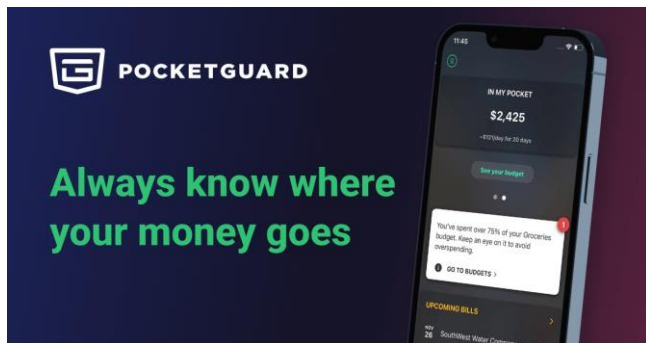
= Discretionary Income \$\$

- Wants (😊) →



what brings
you joy

Technology



The key ... strike a balance



- **Short-term: Live within our means; spend money on things that bring us joy; beware of FOMO and YOLO**
- **Long-term: *“Someone’s sitting in the shade today because someone planted a tree a long time ago.”***

3. Be Credit Smart!

The national average credit card interest rate for new cards is 24.61% percent, an all-time high according to LendingTree. Where are we headed in 2024? Maybe lower, but a lot will depend on what the Federal Reserve does with interest rates (11 increases 😞 since 2022).

www.lendingtree.com, 2/15/2024

Example



Current balance = \$1,500

Interest Rate = 20.00%

Minimum Payment = \$37.50 (2.5% of the balance)

The results ...

It will take **14+ years** to pay off the balance, and the total repaid is **\$3,696**.

Retail & Student Cards



31.99%



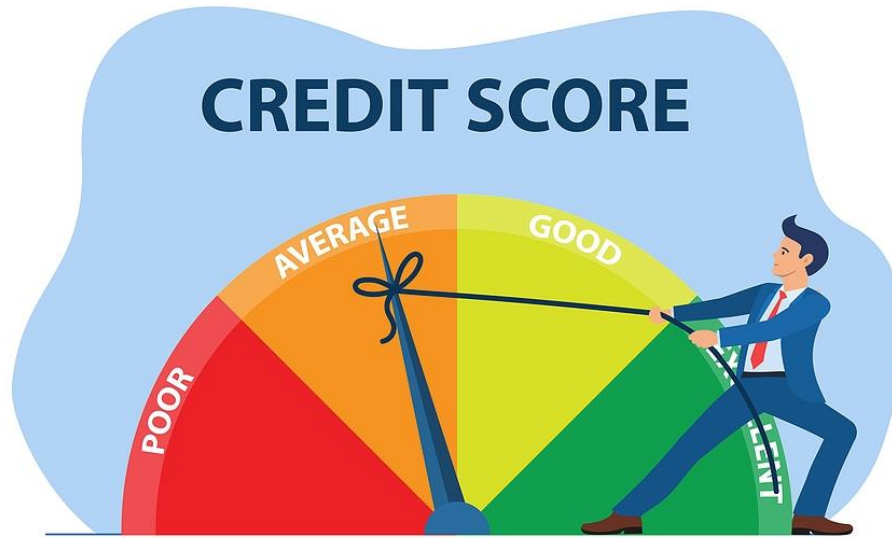
29.99%

Solutions ...

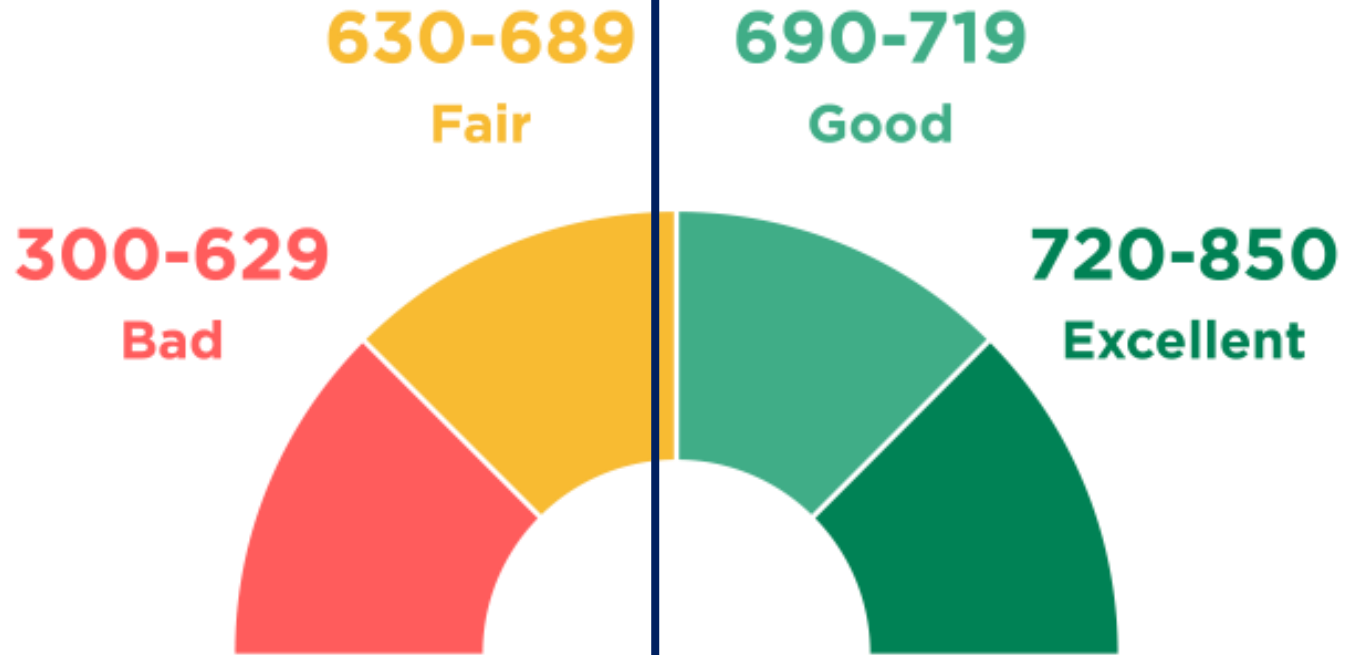
- Be more aggressive – make it a higher priority. Goal is to pay the balance down to zero (\$0) each month.
- Balance transfers
- Debt consolidation
- Debt management plan



**A good Credit Score can save you
lots of money!**



Here is the Credit Scoring Range





**\$25,000 Auto Loan
Finance for 60 months**



Travis

Taylor

Credit Score = 640

Credit Score = 730

APR = 12.99%

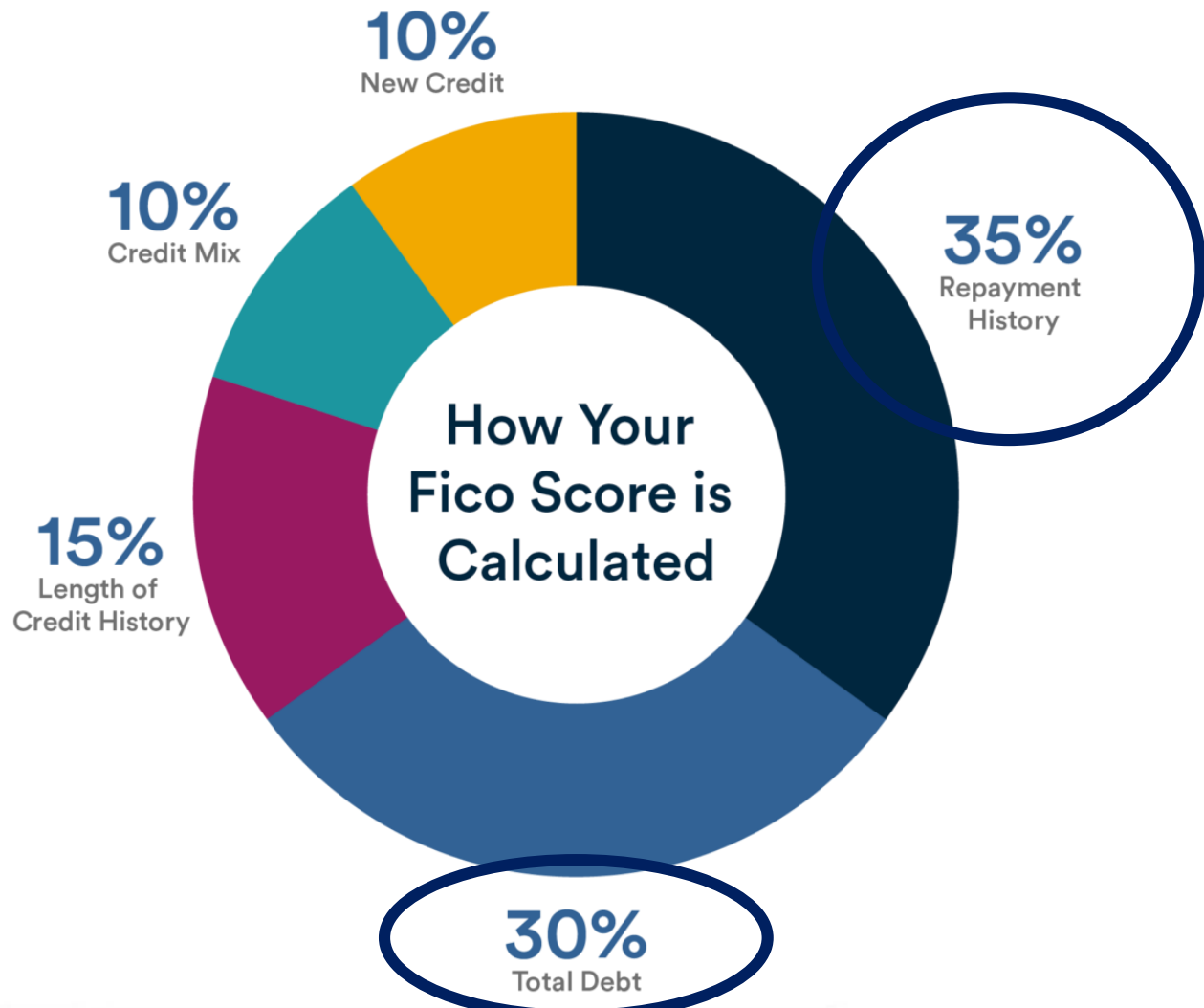
APR = 6.74%

Monthly Payment = \$569

Monthly Payment = \$492

Total cost = \$34,122

Total cost = \$29,518



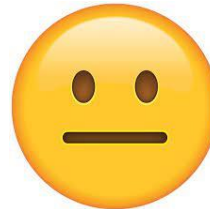


\$1,000 Credit Limit

**\$100 End of the
Month Statement
Balance**



**\$400 End of the
Month Statement
Balance**



**\$800 End of the
Month Statement
Balance**



4. Power up our Savings & Investing



Protect Principal

Build Wealth

Savings options ...

High-Yield Savings Accounts



Capital One 360

**Marcus by
Goldman Sachs**

Ally Bank

Discover

Synchrony

Savings options ...



The screenshot shows the top navigation bar of the University of Michigan Credit Union website. The navigation menu includes the UMCU logo, "APPLY TODAY", "LOCATIONS", "RATES/FEES", "PROMOS", and "NEWS". The main content area features a promotional banner for a "CHAMPION CD" with an interest rate of 5.144% APY for a 12-month term. A call-to-action button at the bottom of the banner reads "GET STARTED TODAY WITH THE CHAMPION CD".

UMCU

APPLY TODAY ▾ LOCATIONS RATES/FEES PROMOS NEWS

UNIVERSITY OF MICHIGAN
CREDIT UNION

5.144%
APY

12-MONTH CD

CHAMPION CD

GET STARTED TODAY WITH THE CHAMPION CD



Investing for the long-term ...

- **Is it time to increase my retirement contributions?**
- **Is it time to change my asset allocation?**
- **Do I know how my account is doing?**
- **What is my estimated Social Security benefit at age 65?**

5. *“We’ve admired the problem long enough ... it’s time to act!”*



Melody Hobson, President and CEO of Ariel Investments



Setting Good Goals

What is a financial goal you have for 2024?

Setting Good Goals



Thank You!

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