



**Financial Well-Being Webinar Series - 2024**



# ***Saving for your Future!***

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**Let's try to find some synergy 😊**

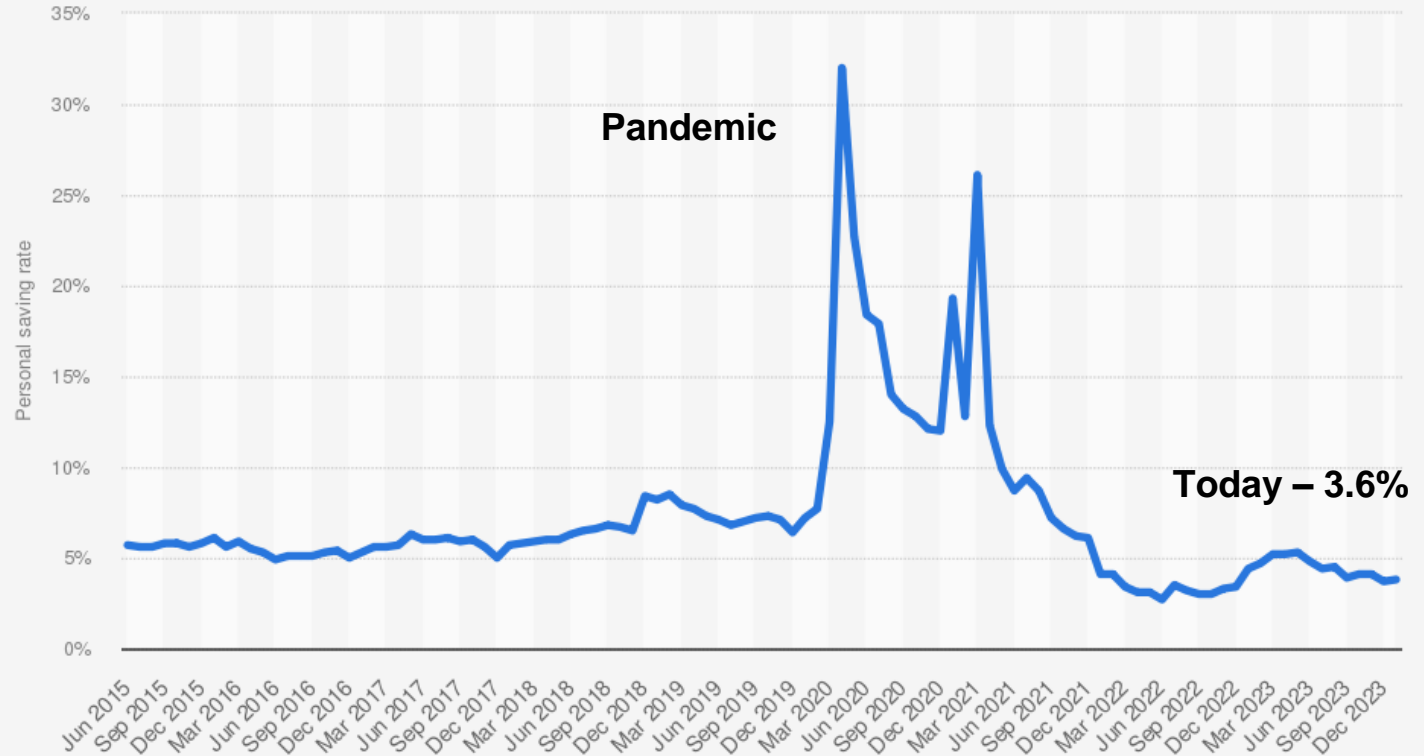
- 1. Think of a number between 1 and 10 ... and write that number down.**
- 2. Double your number (x2).**
- 3. Add six (6) to that number.**
- 4. Divide your number by two (2).**
- 5. Lastly, subtract your number by the original number you wrote down in step 1.**



# AMERICA SAVES WEEK

- **Saving Automatically | Monday, April 8, 2024**
- **Saving For The Unexpected | Tuesday, April 9, 2024**
- **Saving For Major Milestones | Wednesday, April 10, 2024**
- **Paying Down Debt Is Saving | Thursday, April 11, 2024**
- **Saving At Any Age | Friday, April 12, 2024**

# How are we currently doing with our personal savings rate here in the US?




## Sources

St. Louis Fed; BEA  
© Statista 2024

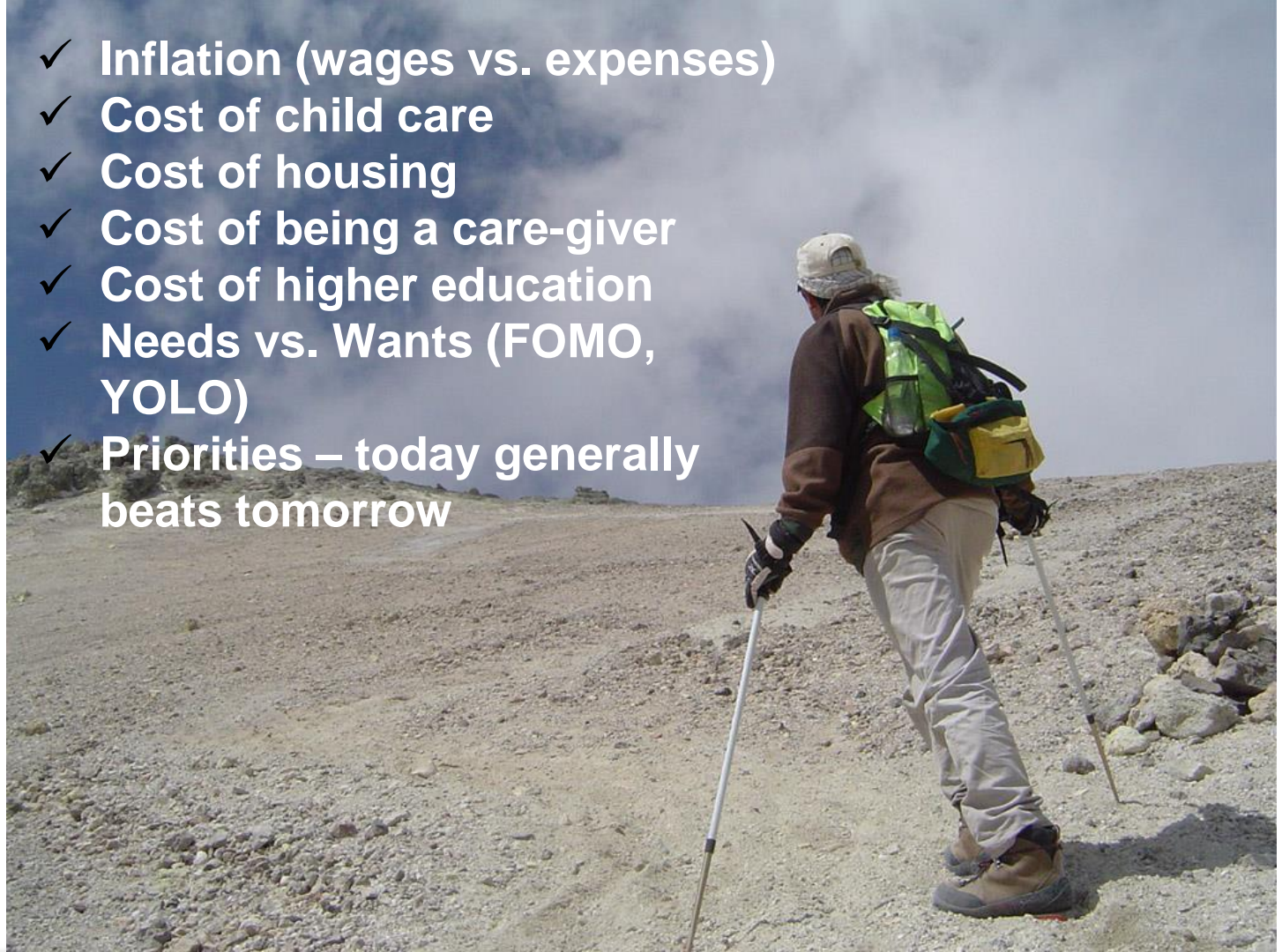
## Additional Information:

United States; BEA; June 2015 to January 2024



**What are some  
reasons people  
struggle to  
save?**

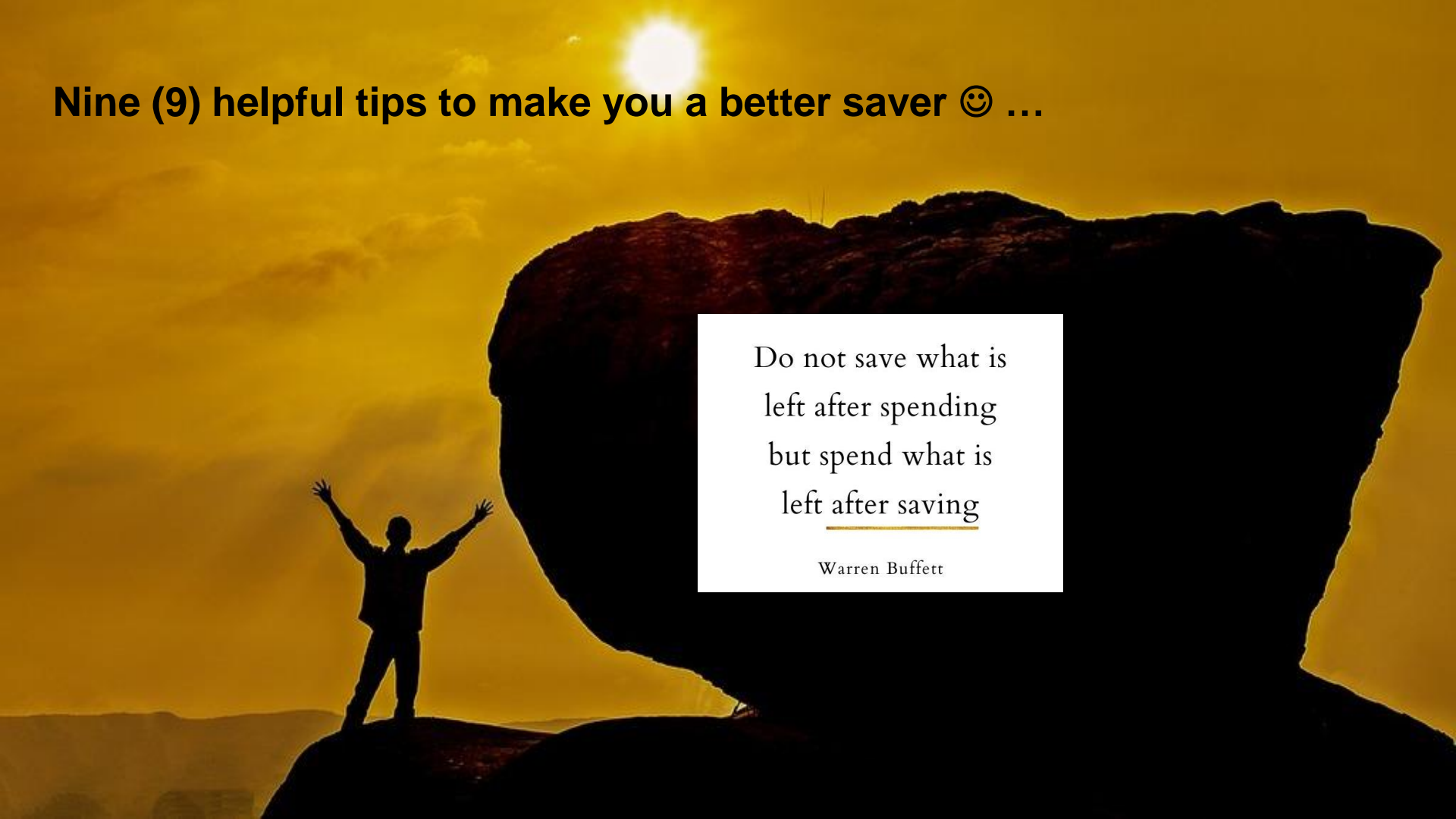
- ✓ Inflation (wages vs. expenses)
- ✓ Cost of child care
- ✓ Cost of housing
- ✓ Cost of being a care-giver
- ✓ Cost of higher education
- ✓ Needs vs. Wants (FOMO, YOLO)
- ✓ Priorities – today generally beats tomorrow



# Nine (9) helpful tips to make you a better saver 😊 ...

Do not save what is  
left after spending  
but spend what is  
left after saving

Warren Buffett





# 1. Have a separate plan to save & invest – they are different!



**Emergency  
Fund**



**Longer-term  
(Retirement)  
Fund**



**"Living Life"  
Fund**



**Safety, security, no  
loss of principal**



**Objective is to grow our  
money, build wealth, risk is  
involved**



# Should I save? Or invest?

- 1. I'm 35, and would like to retire at age 65.**
- 2. My car is 12 years old, with 175,000 miles on it. I'm going to need a new car sometime this year.**
- 3. I just renewed my lease, but next year at this time, I'm really hoping to buy my first house.**
- 4. I know college is expensive, but I'm determined to help my one-year old with those future costs.**

## 2. Use transition moments as a call to action



### 3. Save automatically!

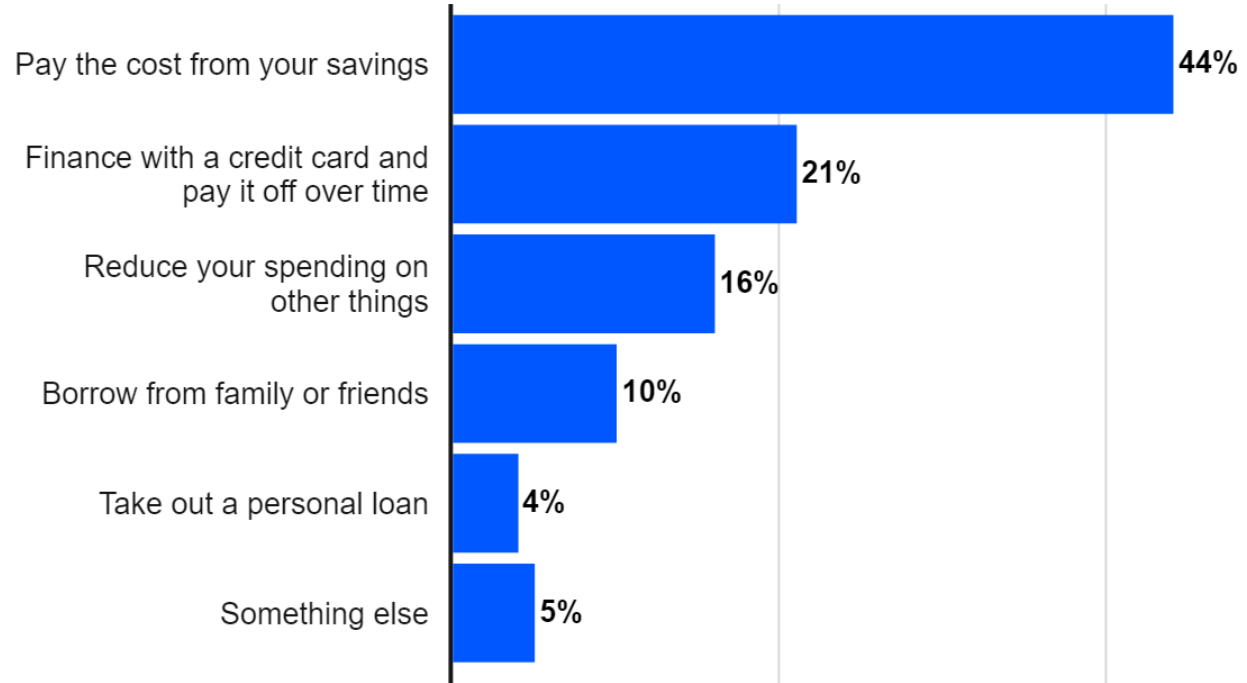
- ✓ Split the direct deposit 2x or 3x
- ✓ Take full advantage of the convenience of payroll deductions (403(b), 401(a), 457(b) plans)
- ✓ Set-up automatic transfers that move money each month from checking to savings
- ✓ Look into “round up” Apps such as Chime, Acorns, Greenlight, and Qapital

SET IT AND FORGET IT

## 4. Build your Safety Net



# Which of the following best describes how you would deal with a major unexpected expense, such as \$1,000 for an ER visit or car repair?



# Emergency Fund



How much?	Where to keep it?	OK to use?
<p>\$1,000. After that, goal should be 3-4 months of “essential living expenses”</p>	<p>Ideally, in a Savings Account. Other options might be a CD or a HYSA.</p>	<p>Yes! But be disciplined to avoid using the account for “non-emergencies”.</p>



**5. Power-up  
your  
savings  
strategy!**



# Savings Options

Certificate of Deposit

Money Market Account

High Yield Savings Account

US Treasury Bond



UNIVERSITY OF MICHIGAN  
CREDIT UNION

**5.144%**  
APY  
12-MONTH CD

**CHAMPION CD**



## 6. Pay down credit card debt!



# Current Average Interest Rates

- ✓ New credit cards = 22.87%
- ✓ Existing credit cards = 21.59%
- ✓ Retail cards = 30.18%



# Example



Current balance = \$1,500

Interest Rate = 20.00%

Only make ***Minimum Payments*** = \$37.50 (2.5% of the balance)

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The results ...

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

# Review your statement

## Account summary

Previous balance	\$1,285.74
- Total payments received	\$33.00
- Credits	\$0.00
+ Purchases	\$0.00
+ Cash advances	\$0.00
+ Fees charged	\$0.00
+ Interest charged	\$19.93
<b>= New balance</b>	<b>\$1,272.67</b>



# Options

- ✓ Debt Snowball (DIY)
- ✓ Debt Avalanche (DIY)
- ✓ Balance Transfers
- ✓ Debt Consolidation
- ✓ Home Equity (situational)



## 7. Track your estimated Social Security benefit every year





Social  
Security

Part-time  
Employment

Pension

Personal  
Savings

Retirement  
Income  
Sources

401(k),  
403(b), 457

Real Estate

IRA  
(Traditional  
or ROTH)

# Social Security

- ✓ 35 years of earned wages
- ✓ Can begin at age 62 (30% reduction)
- ✓ Benefit increases 8% per year until age 70



# *my* Social Security



It's quick.



It's secure.



It's easy.

## 8. Use Opportunity Cost to stay motivated!



Over 5 years

# Even small amounts will add up!



# What are you saving for? Create a Vision




**9. Time in the market  
always beats trying to  
time the market.**



**Most active shares**  
Volume  
118,350

**Stock Exchange**



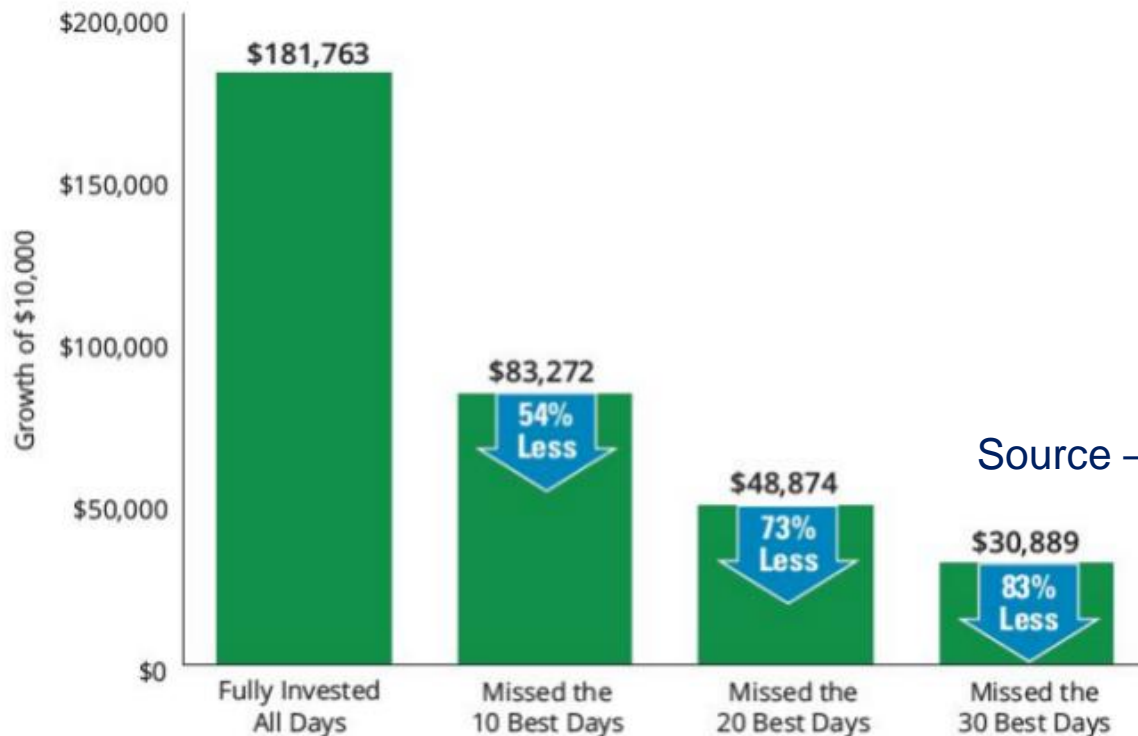
In times of volatility, timing the market may seem tempting. But doing so is impossible and may be a costly mistake.

Avoiding the market's downs may mean missing out on the ups as well. 78% of the stock market's best days occur during a bear market or during the first two months of a bull market. If you missed the market's 10 best days over the past 30 years, your returns would have been cut in half. And missing the best 30 days would have reduced your returns by an astonishing 83%.



# Missing the Market's Best Days Has Been Costly

S&P 500 Index Average Annual Total Returns: 1994-2023



Source – Hartford Funds

Also, there are options for folks who are not investing gurus.

# Index Funds

S&P 500®



A silhouette of a person stands on a rock with their arms raised in a gesture of triumph or achievement. To their right is a large, dark rock formation. The background is a bright, golden sunset sky with a sun low on the horizon, creating a strong silhouette effect. The overall mood is one of accomplishment and optimism.

Those were Nine (9) helpful tips to hopefully make you a better saver ...

**Mark's Bonus Tips 😊**

- \* **Make it a habit**
- \* **Consistency beats spontaneity**
- \* **Stay the course**



**DO  
SOMETHING  
TODAY  
THAT YOUR  
FUTURE SELF  
WILL  
THANK YOU  
FOR.**

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