



INTRO - Talk about Money –
think of it as a skill set, not a judgment of where you are

SESSION # 1 – EARLY YEARS

Why is financial education so important – getting comfortable with money
What were your experiences as a child discussing financial issues in your home?
Did the person who made the money have the most control?

1. BIRTH

- Apply for a social security number *10.05-SS-5 form*
- Savings Bonds – how they work *10.06- Series EE Savings Bonds*
- Open up a college savings account *10.07-529 College Savings Plans*
Explain diversification of assets and mitigating risk, glide towards need

2. Age 5-11

- Allowance– planned to spend vs. impulse purchases *10.09-Allowances*
- Unit pricing – using metrics to compare grocery items. *10.10-Unit Pricing*
- Visit a bank, meet with the manager, ask what they do, and open a savings account, learn about interest compounding *12.05-Checking, Savings, Money Market accounts*

3. TEENAGER (no worries, just awareness – and connecting work with reward)

- Banking – Open a checking account, learn how to write a check, and balance a checkbook (cleared vs outstanding). Discussion of online systems, Venmo/PayPal
- Obtain your first paid job – negotiation skills (hourly vs. salary, overtime, benefits)
- What’s the implication of Working on or off the books – intro to Social Security
- Learn the concept of 1/3 – Spend, Save, Donate. Or 50/30/20 rule
- Parents can encourage by “matching” contributions to encourage savings
- Skills Inventory & Developing Skills for Career Choices **HANDOUT** *10.21*
- What is your temperament - are you an individual contributor or a team player? a people (sales) person, technical (computer, engineer), manual (skilled craftsman), artistic/musician
- What environment would you like to work in – desk/manual, indoors/outdoors
- Question what people do for work
Income potential per profession (vs. Cost of Education) – **HANDOUT** *10.22a & 10.22b*
- Introduction to how much things cost (rent, dinner at a restaurant, housing, transportation, car ownership) – early-stage budgeting
- What is the minimum amount you need to support yourself
- Prepare a budget – sources and uses of cash. **HOMEWORK AFTER SESSION #1** *Maria’s Budget*
- Discussion of Taxes

Session 1 ends here



SESSION # 2 – INDEPENDENCE

REVIEW HOMEWORK - MARIA'S BUDGET: Review a W-2; understand Gross Pay is not always on the W-2 because what is shown is after some pre-tax expenses have been removed.

4. YOUNG ADULT – College to Mid 20's

- Introduction to Debt - the concept of credit - interest rates, amortization, time value of money, opportunity cost. *Handout 5.01 How to get a free credit report, Handout t.02 key factors which influence your credit score*
- Understand student loans – subsidized & unsubsidized *Handout 5.21 Student Debt.*
- Getting your first job - Negotiations & employment benefits *HANDOUT 12.25 Employment – questions to discuss when you feel confident you will be offered an employment opportunity*
 - W-2 vs. 1099 Income (the rules)
 - Base Compensation (Salary vs. Hourly)
 - Bonuses & Commissions – is it a significant part of the employment package
 - Anticipated work schedule – start/end time, travel, weekend/evening work
 - Insurance – Medical, Dental, Eye Care, Life (how to handle benefits if you do off the books)
 - Retirement Benefits – what is the difference between a Roth and a Traditional retirement account – which should you choose
 - Other Pre-tax Savings programs – Day or Dependent Care, Health Savings Accounts, Commuter Program
 - Vacation – can it be carried over, can it be cashed out
 - Reviews – how frequently – the annual cost of living increases, merit increases,
 - Advancement – skill set, realistic timeline
 - UNDERSTANDING – Gross Pay vs. Net Pay
 - Introduction to deductions to expect, i.e., Taxes (federal, State, Local, Medicare, Social Security, and Disability)
- Selecting a team of professionals (accountant, attorney, insurance broker, financial advisor)
- **Introduction to Personal Financial Statements and Understanding Net Worth**
- *HOMEWORK AFTER SESSION #2 Prepare Maria's Personal Financial Statement*

Session 2 ends here

**REVIEW HOMEWORK - PERSONAL FINANCIAL STATEMENTS****5. DATING, ENGAGEMENT & MARRIAGE**

- Marriage or Combining Households
 - Pre-Marital Assets & Liabilities – will prior debt be shared
 - Pre-nuptial agreements - Do you want a Pre-nuptial Agreement to protect pre-marital assets, gifts to one individual, inheritance, and potentially decide on Alimony? – What is commingling?
 - Finances (co-mingled, separate, etc.) How will finances be maintained (co-mingled, separate whereby each person pays for specific items, separate accounts, but one account for joint expenses)
 - How will you share expenses 50/50, based on income? - What happens with windfalls, such as bonuses or inheritances? (spend or save) Share or not Handout – one pot – two pot – three pot
 - Wedding expenses/budget - What wedding budget do you think is appropriate? How will we fund/handle wedding expenses? (especially if families have unequal resources)
 - Life Plans: Discuss lifestyle priorities and create a joint budget and five-year plan. Do you expect to help any other people in your family financially? (parents, siblings, etc.)
 - Home Ownership Plans Do you want to become a homeowner? And what will you sacrifice to have a house?
 - Plans for Having Children: What is the attitude towards wanting children, what is the time frame, and will one of us stop working to attend to their needs, or will we outsource childcare?
 - Savings plans – including attitude towards retirement savings and how a retirement account will be set up for a non-working spouse.

6. DIVORCE - END OF MARRIAGE

- What is decided in a divorce, and what is not (child support and custody, alimony, division of assets)
- Attorney Retainers
- CIS statement
- Mediation

Session 3 ends here



Session # 4 PREPARATION FOR RETIREMENT

- Budgeting for retirement years, considering changes in expenses, re-evaluating housing costs, and anticipating medical expenses.
8.01 Retirement Planning Steps
- Understanding Social Security Benefits and Options. **8.02 Social Security**
- Roth vs. Traditional 401k or IRA's -
- What is an IRA or 401k RMD =Required Minimum Distribution
- Medicare

Session # 5 END OF LIFE CHALLENGES

PREPARATION FOR DEATH

- The organization is the first step – need a personal financial statement with a backup showing all account information.
- What essential items should go in a Will,
- Who will handle your affairs?
- Will they be compensated?
- Estate Taxes (federal and state). Inheritance Laws, Gifting restrictions
- Review of tax filing 706 form
- Change of 401K beneficiaries (required signoff when assets don't go to spouse)

PARENTS OF ADULT CHILDREN

- Loans vs. gifts
- Annual gift allowance re estate planning (intro to form 706)

... and if there is time, we will look at

INSURANCE

- Life insurance – term vs. universal. Are proceeds taxable?
- Insurance (property, disability, umbrella)
- Change of 401K beneficiaries (required signoff when assets don't go to spouse)
- Create a Will - who will be the trustees – both financial and custodial.
- Is Trust needed? What is a generation-skipping Trust?