Course Outline: Career Management & Personal Finance

20 Minutes: Manage your Career:

- Meet with your boss regularly and have them evaluate you.
  - Listen & improve your results.
  - Every boss is a potential Referral later.

- Create value for your Company/Employer:
  - Offer a new idea.
  - Suggest a new process.
  - Recommend new people.
  - Support a Non-Profit: MDA bike ride. LLS Light the Night. Boys & Girls Clubs.
  - Show Passion for what you do and who you do it for.
  - Be Polite: "please" and "thank you" go a long way. Show gratitude.

- Stay current on Industry trends & events.
- Learn how to ace an Interview. Most of us aren't very good at it.
- S.A.R. stories: Situation, Action, Results. Keep track of them now.
- Contact Lists: maintain them and keep them current. LinkedIn.
- What does a similar job pay? Negotiate on your behalf.
- Prepare for the unexpected: Owner sells the Company. Pandemics. Economic conditions change/Mortgage meltdown.

30 Minutes: Personal Finance General Topics:

- Definition of Money and general attitudes about it.
  - *Money is what we trade our life energy for*. So, let's respect it enough to know how we are spending it.
- What % of the population has enough $ to meet their needs?
- Philosophy of Money: some are Savers & some are Spenders.
  - Sam Walton bought his house in 1958 & lived in it until he died. Famous for his red pickup he drove around Bentonville every day.
  - Warren Buffett still lives in the house he bought in Omaha in 1959.
- Discipline makes you a Saver.
- Money in marriage:
  - Two savers are golden.
  - One saver + one spender is trouble.
  - Two spenders are a train wreck.
  - Pick the right person!
- Set realistic short term and long term goals together. Talk about them often and adjust them as your nest egg grows and your needs change.

- Create Savings: Track your expenses with a monthly budget. Live below your means.
    - Provide a sample budget & go over it.
    - Buy generic. Watch those "allowance" expenses.
    - Limit eating out and other extraneous expenses.
    - Shop around for Cable TV + Electric providers + Health Clubs.
    - Take your lunch to work. Avoid the "Starbucks" habit.
    - Buy last year's model. Avoid extended warranties.
    - Buy Regular gas. Keep up with regular maintenance/oil changes. Tires.
    - Reconcile your checking and savings accounts every month.
    - Use software: Quicken & QuickBooks from Intuit.

- Dave Ramsey says get $1,500 in a separate acct first. Then pay off all credit cards: smallest to largest until no more credit card debt.
- Find a "side hustle" in addition to your primary job. Use that to pay off credit cards.
- Create a nest egg of six month's expenses. Mutual Funds? Bank Savings Accts? What is your risk tolerance?
- Cars:
    - buy used and pay it off asap.
    - drive your Hooptee as long as you can.
    - Leasing?
- Housing: Rent vs Buy?
    - Rent until you can make a 20% down payment; avoids PMI.
    - 15-year mortgage is way better in the long run. Make 13 payments every year.
    - Mortgage + Insurance + Property Taxes shouldn't exceed 30% of your <u>Gross</u> Income.
- Income Taxes: does your Broker hold back payroll taxes? Make sure it's enough. If not, pay it Quarterly. Or even better: send in 30% when you get your commission. No excuses.
- Create a good Credit Score & maintain it. Monitor your credit report: Experian/Lifelock etc.
- Talk to your kids about money. Teach them to have financial discipline. Make sure they understand terms & philosophies of money. Make them earn their allowance.

20 Minutes: <u>Investment/Retirement Planning</u>:

- Use the power of Compounding. Start early or Start NOW!
- Examples of S&P 500 annual returns.
- Stocks: you pick them. Mutual Funds: the Experts pick them & you get more diversity. Load and No-load funds.
    - "Dollar cost averaging". Don't try to "time" the market.
    - There are no get rich quick schemes or "sure things" out there.
- Real Estate:
    - Pay off your home asap. One extra payment every year =

    - As an Investment? Yes, for the right people.
- Savings Vehicles: 401(K) and IRAs and Deferred Comp Plans. Employee benefits are worth a lot of money – make sure you understand them and take full advantage: contribute up to the company match/annual limit.
- Max Annual Contributions & Catch Up contributions if over 50.
- Young: weigh your investment allocation heavily in equities. As you age, transition it more into bonds/bond funds.
- Retirement: you either need lots of liquidity or you need income to supplement Social Security, or both.
- Retire where? Big impact on monthly cash needs. Ecuador or California?

- Cost of a college education. How to pay for it? Mom/Dad, Grants, Scholarships, Student Loans. In-state way cheaper than out-of-state. Start local at Junior or Community College & live at home?
- Saving for kid's college expenses. 529 College Savings Accounts. Max annual Contributions. Show examples of compounding growth.

10 Minutes: Insurance

- Medical – usually provided by your employer. Obama care.
- Disability – a good idea, especially if you have dependents.
- Life:
    - Whole Life/Universal: creates cash value. Premiums don't go up?
    - Term Life: lower premiums but premiums increase at end of term.
- Auto: choose the highest deductible to get your premiums down.
- Umbrella Liability: a good idea once you start assembling assets.

15 Minutes: Estate Planning

- Get a Will if you don't have one. Update it every 3 or 4 years or with a major life event. Living Trusts?
- Statutory Power of Attorney: Financial affairs.
- Medical Power of Attorney: need treatment but incapacitated.
- Directive to Physicians: Dr says you have 6 months or less; what do you want them to do?
- Funeral wishes: hand written or a Word document. Same for physical items you want bequeathed to your heirs.
- List of passwords. Location of safe deposit boxes. Safe in the house? Who knows the combo?

- Trusts as a tax planning vehicle. Revocable & Irrevocable. Esp good with minor heirs. Divorce protection for them later.

- Marital Deduction:
- Gifts to heirs and Lifetime exemption.
- Estate tax rates:

5 Minutes: Q & A Wrap Up

Reading List:

Total Money Makeover: Dave Ramsey
Why Didn't They Teach Me This In School?: Cary Siegel
Ready Aim Hired: Fred Coon
Rich Dad, Poor Dad: Robert Kiyosaki

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www.savingforcollege.com
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