

Financial Health

How to Master Personal Finance !



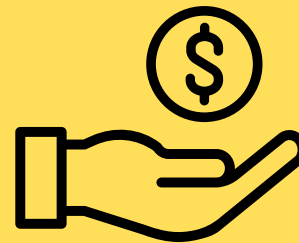
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Topic Overview



Relationship With Money

- What Is Money?
- What Does it Mean to Have a Healthy Relationship with Money?



Exposure + Value = Money

- How to Gain Exposure?
- How to Gain Valuable Skills?
- How to Leverage Both to Get Money?



Budgeting

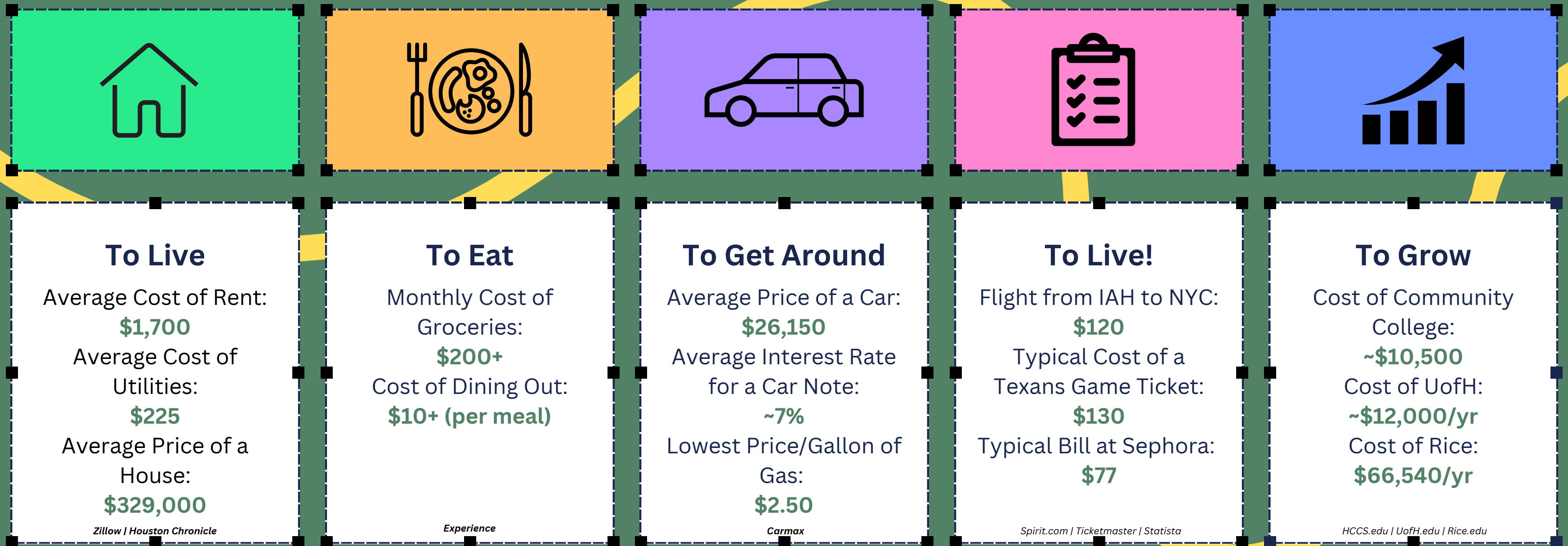
- What is a Budget?
- How to Practically Budget?
- What are Great Budgeting Tools?



Saving & Investing

- What is Saving?
- What is Investing?
- How to Master Saving & Investing

Money is a utility for obtaining goods, services, and satisfaction in our lives



Pro Tip

A healthy relationship with money fosters an understanding of what money is; it promotes mutual growth; and it aids in self-preservation. You are never too young to develop a healthy relationship with money.

Expose Yourself to Value and Work to Become Valuable

Exposure

comes from putting yourself in positions to identify where value is needed/desired

Value

comes from developing skills that others are willing to pay for



On the other side of your comfort zone is a world of endless opportunities and possibilities, but you have to be audacious enough to seize them!



Use experiences like this program, college, social media, and websites like Forbes and US Weekly to learn about careers, jobs, and skills that pay well! As high school students your potential will never be greater than it is now so capitalize on it!

Budgeting 101

A budget is simply a plan that shows how much money a person will earn and how much they will need or be able to spend. The act of budgeting is **planning your cash flows** ahead of time, **sticking to your plan**, and **assessing your results** at the end of the planned period

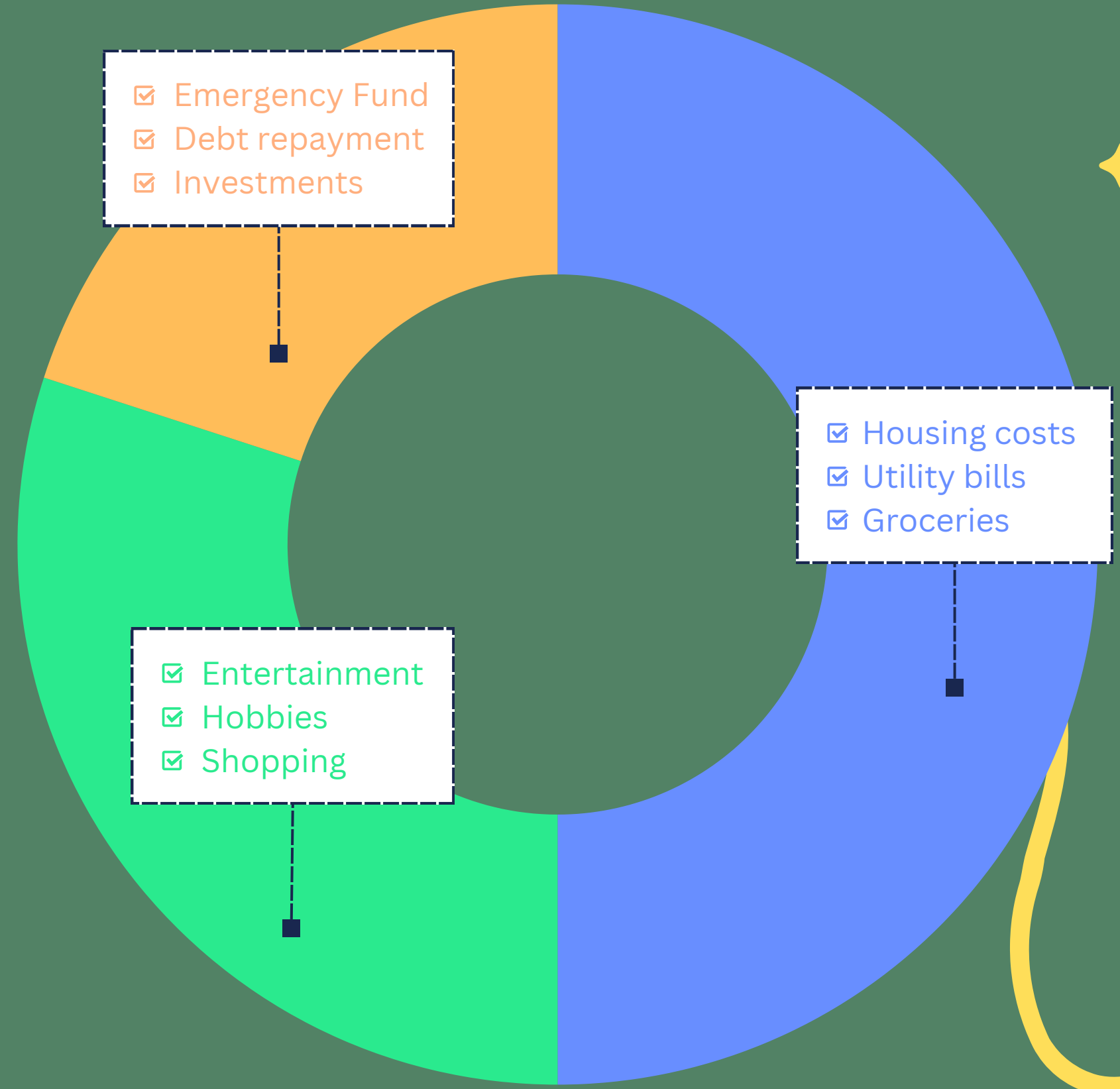
50/30/20 Rule of Thumb

Budgeting Technique

50%
Budget to fulfill
basic needs

20%
Budget for savings
and investments

30%
Budget to fulfill
entertainment needs



Pro Tip

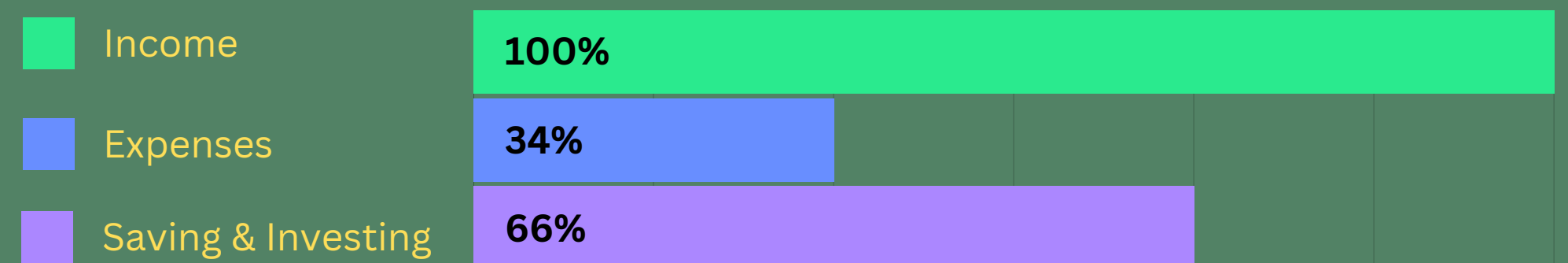
The Rule of Thumb is just a compass. The real objective should always be to spend **significantly** less than you earn and **prioritize building an Emergency Fund equal to 6 months worth of your monthly expenses as soon as possible**. Once you have an Emergency Fund, then you can align your finances to the Rule of Thumb.

Best Practice Budgeting

Income	Budgeted Amount	Actual Amount
Salary	\$5500	
Side Job	\$500	
Expenses	Budgeted Amount	
Rent + Utilities	\$1350	
Groceries	\$400	
'Live a Little' Fund	\$250	
Retained Earnings	Budgeted Amount	
Saving	\$2000	
Investment	\$2000	

Scenario

- You just graduated college and because you put in the work in high school, you earned a full ride scholarship to attend the University of Houston which means you earned your degree without going into student loan debt!
- You spent time before college educating yourself on high paying career options and decided that you wanted to major in Finance so that you could have a great shot at earning a high-income job upon graduation and your hard work paid off!
- You got a great job working as a consultant and decided you wanted to tutor part time throughout the month to earn extra income so that you could build your Emergency Fund faster and utilize your money for other things like saving to buy a home to live in or as an investment property!
- You use an Excel template to start budgeting!



Pro Tip

Always have more than one stream of income and live below your means! Time is on your side as a young adult and even in the most demanding careers you will have less responsibility at this stage in your life so develop multiple skills and leverage them to increase your earning potential!

Saving and Investing



Saving

Save your money because it can save you! Studies show that 66% of Americans are living paycheck to paycheck meaning they would not be able to cover a \$1000 emergency if it came up. A lack of savings is the cause of this.

This doesn't have to be you!



Save your money in a high-yield savings account for a safe way to grow it! Current rates are as high as 4.5%

Investment

Investing allows your money to compound which means it is making money on top of the initial investment you put into. With the rate of inflation being at 3%, **investing is not only smart - it is critical!**

Investing is a risk but one you can't afford not to take!



There are many ways to invest but the most common is in the Stock Market which averages a yearly ROI of 9%






Pro Tip

Many companies offer a 401K plan for their employees which allows you to invest money and deduct the amount invested from your taxable income. In addition, many companies offer a **'401K Match'** as a benefit. This 401K Match generally means that your company will match your investment dollar for dollar up to a certain amount! That's **free money!**

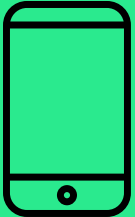
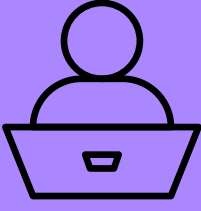

Improving Financial Literacy

Resources

	Finance Podcasts Earn Your Leisure The Dave Ramsey Show
	Finance Books Psychology of Money The Richest Man in Babylon
	Finance Websites Investopedia EdX



Resources

	Finance Social Pages Earn Your Leisure The KPIs of Life
	Finance Courses Udemy Coursera
	Finance Simulators FoolProof Wall Street Survivor

Like any skill, Financial Literacy and your overall Financial Health KPI is something that you must practice and train to develop fully. As teenagers, now is the best time to start your development!



Pro Tip

As you make your transition from high school to college, start identifying skills and careers that will allow you to make money now. You can follow your passions AND earn a great living and they don't always have to be mutually exclusive.

Thank You!

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