

Personal Finance \$1.01

How to Plan for Your Future Today



Shraddha Pathways

The Ages of Life

- 0-15 Age of Growth
- 15-25 Age of Education
- 25-35 Age of Career
- 35-45 Age of Establishment
- 45-55 Age of Wealth
- 55-65 Age of Maturity
- 65-75 Age of Retirement
- 75-85 Age of Rest
- 85-95 Bonus Years



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Reflection

- We all come from different backgrounds, but you do not have to stay where you are.
- Set goals and follow through to achieve them; it is a joy in life to achieve.
- Learn what your parents plans are for retirement and help them if you can.
- Think about your future now – your present actions can greatly alter your future possibilities.
- Your future is not written, and is unlimited.

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Recommendations

- Give God 10% of your earnings.
- Always save 10% after taxes for future.
- Live on less than the 80% remaining.
- Plan out your financial future and see if you will likely get to where you want to be.
- You can change your plan if you need to.
- Diversify your portfolio.
- Know the difference between Asset and a Liability. Assets make you money.

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How To Gain Money

- Who wants to be a millionaire?
- Build Assets:
 - Savings, Money Market, Stocks, Bonds,
 - Roth IRA, 401K, Mutual Funds, etc
 - Investment Properties
 - Private Business Ownership
 - Collectable, Antiques, Art, Jewelry
 - Things that help you make money (education, books, computers, etc)

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Spend Wisely

- Don't waste money on Liabilities (you will buy these, but don't spend recklessly):
 - Cars, Trucks, Motorcycles, Boats
 - Clothes, Shoes, Make-Up, Accessories
 - Restaurants
 - Toys (PlayStation, Weapons, Magazines)
- **Beware – the world is out to take your money from you.**



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Habits

- **Begin saving early to take advantage of compound interest.**
- **Avoid collecting credit cards and using them for borrowing.**
- **Always honor your debts and other financial obligations.**
- **Obtain a financial education to be in a position to make intelligent financial decisions.**

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Paying for College

Teens are falsely optimistic about their ability to obtain scholarships and grants to pay for college; 38 percent say that's the main way they'll cover the costs. One in four say their parents will carry the burden, 12 percent plan to work through school to pay the costs, and only ten percent believe they'll mainly use student loans to cover the cost. According to a report by The College Board, loans comprise 58 percent of college aid packages while scholarships and grants only make up 25 percent. Most of NCL's survey respondents (56 percent) believe their parents will pay for 20-50 percent of their college bill, while 12 percent don't expect their parents to make any contribution.

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First Job

Over one-third (38 percent) of teens believe they will make under \$25,000 in their first job out of college. The reality according to the Collegiate Employment Research Institute is that the average college graduate with a bachelor's degree makes between \$29,300 and \$34,600. One in five survey respondents think they'll make more than \$36,000 in the first year. Teens are planning to get credit cards; 58 percent say they'll get their first credit card before they graduate from college.

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Financial Information

This interest in credit cards is noteworthy since over half (52 %) wrongly believe that a credit card is an *informal* agreement to pay money owed. And where are they learning this? Sixty-three percent say they get most of their information about money, credit, and other financial matters from their parents. But parents might not be the best resource. The average American family carries almost \$9,000 in credit card debt. And even if their parents are providing sound advice, over half of the teens admitted that when they do talk to their parents about money it's to ask for some to spend.

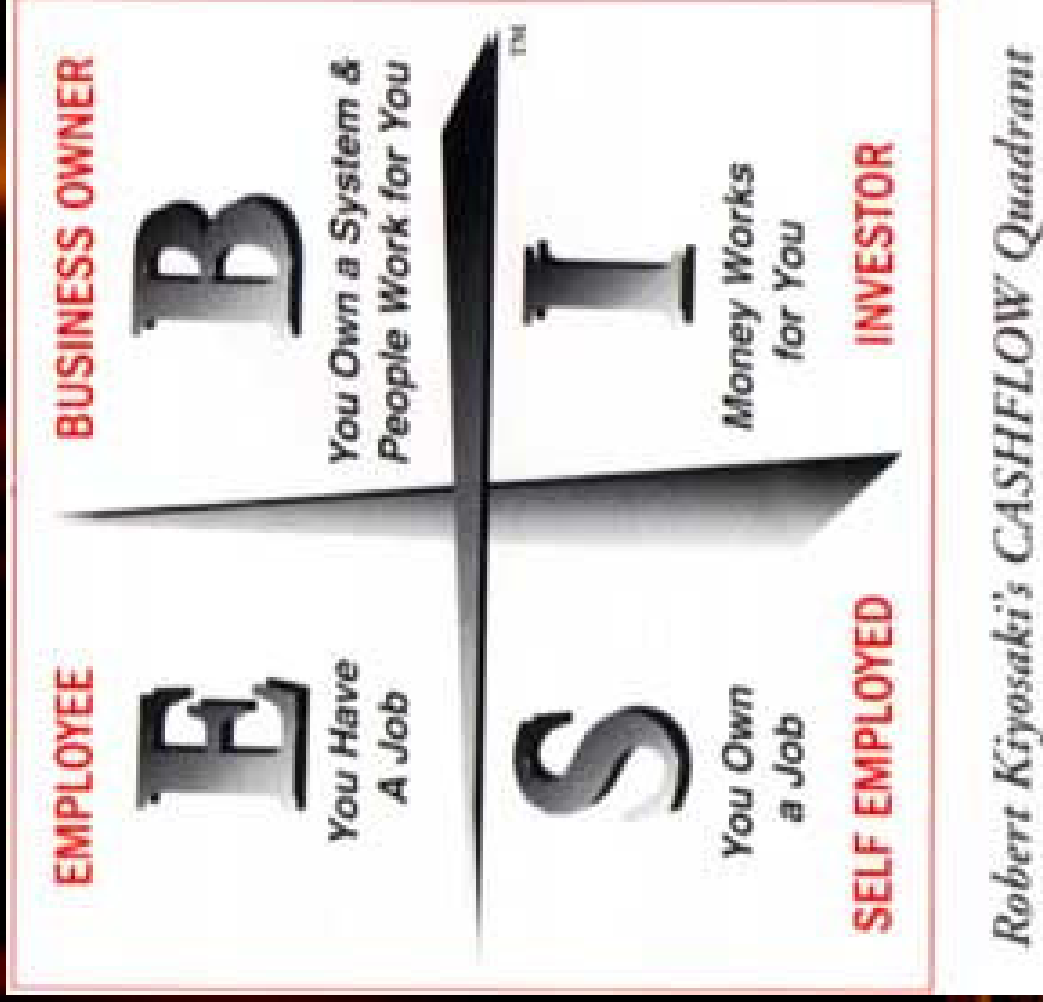
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Realizing Your Potential

- Your potential earning power over a lifetime could be well over \$1 million.
- The money you earn and borrow will affect your life in many ways. Take that seriously, so you can do the things you truly want.

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The Possibilities



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Use Credit Cautiously

- Be cautious about borrowing money and paying interest or asking for credit/debit cards. These cards have a message: “SPEND!” It is expensive to rent someone else’s money, even for a short while. Credit is all about renting another person’s money for a specified period of time. For instance, paying for a \$499 TV over 18 months, \$31.85 a month at 18.8 percent interest, means the TV will really cost about \$575 when you have it all paid off. Rent-to-own stores are another way to get consumers to pay too much for things like TVs, stereos and other types of furniture.

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Scriptures on Finance

- *"Let your character be free from the love of money, being content with what you have; for He Himself has said, 'I will never desert you, nor will I ever forsake you,' so that we confidently say, "The Lord is my helper, I will not be afraid" (Hebrews 13:5-6)*
- *"The wicked borrows and does not pay back, but the righteous is gracious and gives" (Psalm 37:21)*
- *"But whoever has the world's goods, and beholds his brother in need and closes his heart against him, how does the love of God abide in him?" (1 John 3:17)*
- *"God loves a cheerful giver" (2 Corinthians 9:7)*

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Scriptures on Finance

- *"Instruct those who are rich in this present world not to be conceited or to fix their hope on the uncertainty of riches, but on God" (1 Timothy 6:17)*
- *"But if anyone does not provide for his own, and especially for those of his household, he has denied the faith, and is worse than an unbeliever" (1 Timothy 5:8)*
- *"A good man leaves an inheritance to his children's children" (Proverbs 13:22)*
- *"The wise man saves for the future, but the foolish man spends whatever he gets" (Proverbs 21:20)*

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