Year End Investment Check Up

Personal Finance Webinar Series

Presenter:
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Wednesday, December 23rd, 2020
Your Hosts

Shawn Spruce

Autumn Romero
Today’s Topics

• Economic update

• Investing trends

• Financial Check Up

• Key takeaways
Where We Stand

• Dow Jones Industrial Average cracked 30,000 on November 24th

• New $900 billion stimulus package

• Vaccines are being administered

• Economic recovery has slowed down
$900 Billion COVID-19 Relief Bill

- Small Businesses $325 billion
- Direct Checks $166 billion
- Unemployment Benefits $120 billion
- Schools $82 billion
- Nutrition and Agriculture $26 billion
- Childcare $10 billion
- Broadband for Low Income Families $7 billion
- Vaccines $55 billion
- Transportation $45 billion
- Rental Assistance $25 billion
- Small Banks and CDFI’s $12 billion

Source: Wall Street Journal
Indian Country

• $800 million dedicated specifically to Native communities
• Tribal colleges and universities share in set aside of $1.7 billion
• $818 million for rural areas and Bureau of Indian Education
• Share in food benefits, childcare, and CDFI funding
### Direct Payments

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Adjusted Gross Income (AGI)*</th>
<th>Phase Out AGI</th>
<th>Maximum Base Payment</th>
<th>Additional payment for each qualifying child</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$75,000</td>
<td>$87,000</td>
<td>$600</td>
<td>$600</td>
</tr>
<tr>
<td>Head of Household</td>
<td>$112,500</td>
<td>$136,500</td>
<td>$600</td>
<td>$600</td>
</tr>
<tr>
<td>Married Couple</td>
<td>$150,000</td>
<td>$174,000</td>
<td>$1,200</td>
<td>$600</td>
</tr>
</tbody>
</table>

*Benefit is reduced by $5 for each additional $100 of AGI until phase out

**Example: HOH person with two children earning $50,000/year**

Base Payment = $600  
2 children @$600 each = $1,200  
**Total Direct Payment = $1,800**
Investing Trends

• Technology leads the rally
• Companies that can adapt will excel
• Current events create unique opportunities
• Consumer habits are changing at warp speed
• Volatility remains a concern
CBOE Volatility Index (VIX)
5 Year Performance

Source: Cboe.com
Financial Check Up

- Income
- Savings
- Credit
- Insurance
- Investments
Why it’s hard to manage money.

• Basic information and skills

• Using financial services and products

• Critical thinking and decision making
Income

• Spend less or earn more – 3 G’s

• Organization and recordkeeping are critical

• Consider financial technology (budgeting apps, payment apps, mobile banking, etc.)
50-30-20 Rule

Monthly Take Home Pay

- Fixed Expenses 50%
- Flexible Expenses 30%
- Savings Goals 20%
Savings

• 3 month emergency fund

• Money saved is money spent

• Stay 3 steps away from your money

• Commitment devices
Credit

• Maintain at least three active trade lines with a clean 12 month payment history

• Don’t focus on collections

• Review your credit report annually at www.annualcreditreport.com
Insurance

• Identify major risks

• Think of insurance as a financial product

• Re-evaluate insurance needs periodically
Investments

• Aim for retirement savings equal to five times your annual income by age 55

• Aim for savings equal to 8 times your annual income at retirement

• Timing is everything
# My Financial Action Plan

NAME __________________________ Date ________________

## FINANCIAL REPORT CARD

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>OBJECTIVE</th>
<th>GRADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME</td>
<td>At the end of each month, I earn more money than I spend.</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>SAVINGS</td>
<td>If I lost my job tomorrow I have enough emergency savings to pay my bills for at least three months.</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>CREDIT</td>
<td>My credit report lists three active trade lines with at a 12 month clean payment history.</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>INSURANCE</td>
<td>I have enough insurance to manage my financial risks (i.e. auto, home, health, life, disability, etc.).</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>INVESTMENTS</td>
<td>I am on track to have at least five times my annual income in retirement savings by age 55 and eight times my annual income when I retire.</td>
<td>Yes □ No □</td>
</tr>
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</table>
# Financial Action Plan

<table>
<thead>
<tr>
<th>FINANCIAL GOAL #1</th>
</tr>
</thead>
<tbody>
<tr>
<td>I WANT TO:</td>
</tr>
<tr>
<td>MY TIMEFRAME IS:</td>
</tr>
<tr>
<td>IN ORDER TO MAKE THIS HAPPEN I MUST:</td>
</tr>
<tr>
<td>MY BIGGEST CHALLENGES TO ACHIEVING THIS GOAL ARE:</td>
</tr>
<tr>
<td>NOTES:</td>
</tr>
</tbody>
</table>
End of Year Takeaways

- Manage the 3 G’s of flexible expenses
- Tax season is approaching
- Think long term but pay attention
- Create a plan and stay healthy
- Attendee prize