

# Money Matters

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# OUR MISSION

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- We are ABC Financial and our business is for people like you. People that work hard and stay focused on the future. People who take charge of their lives, their goals and how the wealth is managed.
- What matters most to us is what matters most to you.

# The Money Matters Workshop for Teens and Young Adults

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- This workshop is the result of a collaboration between ABC Financial Foundation and Boys & Girls Clubs of America.
- ABC Financial Foundation would like to partner with Boys & Girls Clubs of America to create Money Matters: Make It Count a program for teaching Club teens about the basics of money management.
- Due to the success of that program, we created the ABC Financial Money-wise Workshop for Teens and Young Adults to make some of those important lessons and financial strategies available to you.

# OUR VISION

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- Planning with one purpose: to help you to achieve your goals.
- In addition to Money Matters, volunteers can help in these areas: arts, technology, and enrichment; "fun"draising; office support; homework help; career, leadership and life skills; sports and specialty skills.
- The Money Matters: Make It Count program offers two opportunities for ABC Financial employee engagement.
- These include leading a 6-8 week Money Matters workshop, and/or facilitating the new Reality Store, a 90-minute interactive learning experience.

# Our community

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- We are a financial institution that has noticed the enormous need in our community of financial education.
- Boys & Girls Clubs of America helps young people ages 5-18 achieve great futures as productive, caring, responsible citizens.
- ABC Foundation partners with BGCA on a financial capability program for teens called Money Matters: Make It Count, made available to all teen-serving Clubs.

# Boys & Girls Club

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- In 2003, Boys & Girls Clubs of America launched Money Matters: Make It Count, a program designed to build financial responsibility among Club members ages 13 to 18.
  - Youth learn to manage a checking account, create a budget, save and invest their earnings, start a small business, and pay for college.
  - A recent evaluation of 1,600 Club teens confirmed that Money Matters has helped them become smarter about money; youth showed improvement on 94 percent of questions asked before and after participating in the program.
  - The success of Money Matters inspired BGCA and sponsor ABC Financial Foundation to explore ways to extend the program's impact to make learning about finances even more relevant for teens.



Scholarships

Program



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Dear fellows

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Ready to make a huge difference in just a couple hours? I hope you'll join me in volunteering at Boys & Girls.

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Clubs through their new Reality Store program, which builds financial responsibility among youth.

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Volunteer Opportunity.

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The Reality Store is an interactive experience for volunteer station managers and participating teens who receive a career and navigate through a typical month of managing expenses for themselves and a family.

# Overview: What is this workshop about?

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- Money Matters is a program, which was collaboratively developed for teens ages 13–18 by Boys & Girls Clubs of America and ABC Financial Foundation.
- Attendee benefits: After attending this workshop, participants will be able to:
  - Identify some of their own personal financial goals.
  - Distinguish needs from wants to begin budgeting their expenses.
  - Describe what credit is and how to use it responsibly.
  - Explain how compounding helps savings and investments grow.
  - Recognize at least two basic investing concepts
- Who should attend
  - The program is geared to appeal to teens ages 13–18.
  - This presentation could be adapted for college students, young adults, or grade school audiences by adjusting the examples to fit your audience's interests, needs, and experience.)
- Audience size
  - Best suited for groups of 15–30 attendees to allow full participation within the allotted time.

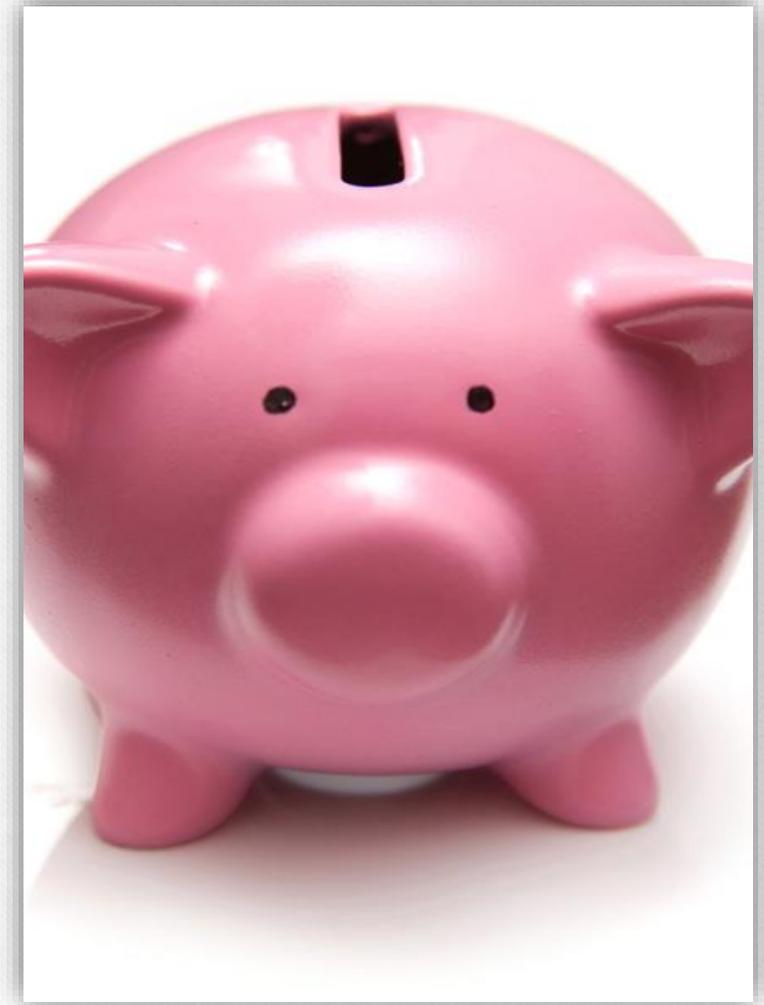
# The Announcement

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- What: The Reality Store Experience with Boys & Girls Clubs of Hackensack
- When: Thursday, February, 6th, 4:30 PM – 6:30 PM
- Where: 89 Anderson St, Hackensack, NJ 07601
- No prior experience is required; volunteers will receive an orientation prior to the activity.
- Thanks in advance for making a difference

## Understanding your money

- To become financially independent, you must first set personal goals.
- Goal setting can make the difference between talking about what you want to do and actually doing it.



# Set SMART goals that are:

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- **Specific:** The more detailed your goal, the better.
- **Measurable:** How will you measure your progress?
- **Achievable:** Pick a goal that is possible to accomplish, not one that is too farfetched.
- **Relevant:** It has to be important and make sense to you; it can't be unrelated to your hopes and dreams.
- **Trackable:** Once you know how you will measure progress, track your progress over time until you reach your goal.

# Spending wisely

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- Once you've got a clear picture of your personal goals, the next step is to create a realistic budget. To help you reach them.
- To do that, you need to be able to distinguish items you really need from those you want. It's important to determine which items are true necessities in order to spend your money wisely.

# Using credit

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- Generally, the best way to use credit is to pay off your entire balance each month before being charged interest or a fee. Otherwise, you may not really be able to afford credit.
- Learn to use credit wisely—or it can cost you plenty.
- Credit cards are one of the biggest financial traps. It's far too easy to get in way over your head in debt and end up paying exorbitant fees and interest payments.
- In 2009, a federal law passed that requires everyone under age 21 to have a co-signer or be able to demonstrate the ability to pay the balance due before being issued a card.
- This helps provide some measure of protection, but it's still essential for you to understand how expensive it can be to carry credit card debt—and how long it could really take you to pay it off.

Think of a product you want that costs \$300, and write it below.

The true cost of buying on credit

- **1. Let's say you decide to charge it, and you buy that \$300 item with a credit card.**
- If the credit card company charges you 18% interest on an annual percentage rate (APR) and you make payments of \$15 each month:
- **Q:** How long will it take you to pay off the balance in full?
- **A:** It will take 24 months (or 2 years) to pay off the balance in full.
- **Q:** How much will you actually wind up paying for the \$300 item?
- **A:** You'll pay \$359 total. That's \$59 more than if you had paid cash or paid off this credit card purchase in full and on time, before interest was charged.

# Establishing your credit history

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- Just as your school report card can affect your ability to get accepted into college, your credit report can have a big impact on your future.
- Your credit history can affect your ability to buy a car or home, rent an apartment, get a loan, or even get a job.
- If you have a bad credit report, you may be offered credit but at a higher interest rate than someone with a good credit history—which means you will pay more for the privilege.
- National credit agencies keep track of how often you pay your bills late, whether you bounce checks, how much money you have borrowed, and how often you apply for credit.
- So do your best to have a good credit report.

## Two magic pennies

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The power of compounding  
What if you had two magic pennies, and  
every day they multiplied by two?



|        |              |
|--------|--------------|
| Day 1  | \$0.02       |
| Day 2  | \$0.04       |
| Day 3  | \$0.08       |
| Day 4  | \$0.16       |
| Day 5  | \$0.32       |
| Day 6  | \$0.64       |
| Day 7  | \$1.28       |
| Day 20 | \$10,486     |
| Day 28 | \$2,684,355  |
| Day 29 | \$5,368,709  |
| Day 30 | \$10,737,418 |
| Day 31 | \$21,474,836 |

# Saving and investing

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## What is an emergency fund?

- Once you are living on your own, a true emergency fund is money you put away that can cover at least three to six months of your everyday living expenses if you should lose your job or ability to work full-time because of a serious illness or injury.

- Start by paying yourself first. People who are financially savvy know that the first payment to be paid from each paycheck is the one to themselves.
- Setting aside a certain amount of money for savings each month is more important than buying things you may want now.
- Saving 10% of your paycheck is generally a good guideline.
- One of the best reasons for opening a savings account is that the bank pays you interest to keep your money there.
- Just as interest works against you when you are in extended credit, it works in your favor when you save or invest money.

# Banking station

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- At the Banking station, youth learn a positive savings strategy by depositing a percent of their net income into a savings account.
- If they have a working spouse, they may choose to deposit the spouse's salary as well; this teaches them not to become dependent on a second salary in case it is not always available.
- Participants also pay a monthly student loan payment based on the level of education needed for their occupation. They may return to this station at any time if they need to add a spouse's income, transfer money from a savings to checking account (or vice versa), record a raise in salary, or get a loan.

# Careers and Salaries

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- At this station, participants receive information on the yearly salary, monthly salary, total tax, and net pay (after-tax amount) for their occupation. They record this information on a blank pay stub, and then make a "deposit" in their checkbook register for the amount of one month's income.