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Financial Action Steps and Milestones for Different Ages and Stages of Life

Barbara O'Neill, Ph.D., CFP
Extension Specialist in Financial Resource Management




@moneytalk1

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Personal Introduction

- Extension Specialist in Financial Resource Management at Rutgers University (NJ)
- Cooperative Extension employee for 41 years
 - 26 years as a county FCS educator and 15 as a state specialist
- CFP® for 34 years
- CFCS and CPFFE certifications
- Financial educator and author

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"Smush-Up": of Three Prior Presentations


- Financial Planning Transitions for Different Generations (MFLNPF webinar):
<https://learn.extension.org/events/3108>
- Financial Planning for Life Events (MFLNPF webinar):
<https://militaryfamilieslearningnetwork.org/event/20234/>
- 55 Interactive Ways to Teach Personal Finance:
<https://www.slideshare.net/BarbaraONeill/55-interactive-personal-finance-learning-activities-155655244>

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Think of This Session as a "Financial Toolkit"

- Information and action steps to refer to when you and clients experience life events
- Will save you time and help you avoid overlooking key data



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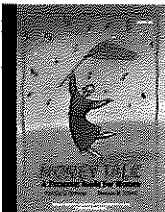
Activity #1: Human Scavenger Hunt

Financial Action Steps and Milestones
Human Scavenger Hunt

Find a subject who fits each description and then see how many you can find in 10 minutes. Great "team" activity and good for 20 people or more and continues to engage and test to go.

1. Name of a financial planning professional	2. Name of a financial planning professional who is a woman	3. Name of a financial planning professional who is a man	4. Name of a financial planning professional who is a child	5. Name of a financial planning professional who is a young adult
6. Name of a financial planning professional who is a senior	7. Name of a financial planning professional who is a retiree	8. Name of a financial planning professional who is a widower	9. Name of a financial planning professional who is a divorcee	10. Name of a financial planning professional who is a single parent
11. Name of a financial planning professional who is a military member	12. Name of a financial planning professional who is a military spouse	13. Name of a financial planning professional who is a military child	14. Name of a financial planning professional who is a military retiree	15. Name of a financial planning professional who is a military widow
16. Name of a financial planning professional who is a military divorcee	17. Name of a financial planning professional who is a military single parent	18. Name of a financial planning professional who is a military senior	19. Name of a financial planning professional who is a military retiree	20. Name of a financial planning professional who is a military widow

There are prizes!




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Workshop Objectives

Participants will learn about...

- Characteristics and financial management practices of different generations
- Recommended action steps and milestones for different ages
- Common financial life events
- Useful personal finance resources
- 11 learning activities that can be replicated with clients



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Overall Objective

Increase your personal financial wellness and the financial wellness of people that you serve

FINANCIAL WELLNESS ROADMAP

FINANCIAL LITERACY
Understanding money and banking terms; budgeting; credit knowledge

FINANCIAL SECURITY
Adequate savings; retirement planning; investment income

FINANCIAL CAREERISM
Absence of debt; financial literacy; saving practices and services

FINANCIAL INDEPENDENCE
An emergency fund; managing risks; retirement planning and investment income

FINANCIAL FREEDOM
Control of one's future; funds to offset health savings; security planning; income streams; wealth and assets and investment portfolio

FINANCIAL WELLNESS
Confidence in one's ability; large financial asset equity income; producing assets; positive health strategy; investments

Source: Jason Vitug, Author of *You Only Live Once*

Source: Jason Vitug, Founder of Phirolog

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Activity #2: Wellness Wheel Activity

Wellness Wheel Activity

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NEAFCS Attendees Are at Many Ages and Stages of Life

Blurred Lines
Generations refer to people associated with a distinct era of history based on their birth years, but the cutoffs are fuzzy.

Source: David Lerner Associates, *Guide to Smart Retirement Strategies*, David Lerner Associates, Inc., Syosset, NY

Source: Wall Street Journal: <http://www.wsj.com/graphics/analysis-of-the-generation-overlap-in-the-us>

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Generation Definition

Nefe Digest

My Generation

Understanding the various of people within the "generations" of the same time in history

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The Influence of Early Environments

"What imprints on younger people impacts them for the rest of their lives"

Cam Marston, Generational Insights
<https://generationalinsights.com/about/>

EXPERT ON THE GENERATIONS

Cam Marston is the leading expert on generational change and its impact on the workplace and marketplace. As an author, columnist, training and development designer, and lecturer, he brings a clear understanding of how generational demographics are changing the landscape of business. Marston and his firm, Generational Insights, have provided research and consultation on generational issues to hundreds of companies and professional groups, ranging from small businesses to multinational corporations, as well as major professional associations, for over 20 years.

Marston's books, articles, e-books, and blog describe and analyze the major generations of our time: *Millennials* (born before 1946), *Baby Boomers* (born 1946-64), *Generation X* (born 1965-79), and *Millennials* (born 1980-2000). He explains how their generational characteristics and differences affect every aspect of business, including recruiting and retention, management and motivation, and sales and marketing.

Click to view his online.

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Generational Differences

Summarizing Generations

	Traditionalists	Baby Boomers	Generation X	Millennials
Birth Years	Before 1946	1946-1964	1965-1980	1979-2006
Business Focus	Quality	Long hours	Productivity	Contribution
Motivator	Security	Money	Time off	Time off
Company Loyalty	Highest	High	Low	Low
Money is	A reward	Status symbol	Means to an end	Today's payoff
Value	Family/Community	Success	Time	Individuality

Source: Dr. Ethel G. Jones, Louisiana Tech University, School of Human Ecology

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Activity #3: Generational Differences Activity

Generational Differences Activity

By: [Name]

Check the generation that best describes your perception of each trait from the list of 100 traits on the left.

Generation	1946-1963 (The Silent Generation)	1964-1981 (The Baby Boomer Generation)	1982-1997 (The Generation X Generation)	1998-2013 (The Millennial Generation)	2014-2030 (The Generation Z Generation)
1. Conservative	4	10	15	20	25
2. Risk taker	25	20	15	10	4
3. Traditional	10	15	20	25	30
4. Modern	30	25	20	15	10
5. Hardworking	15	20	25	30	35
6. Lazy	35	30	25	20	15
7. Selfish	30	25	20	15	10
8. Team player	10	15	20	25	30
9. Competitive	15	20	25	30	35
10. Cooperative	10	15	20	25	30
11. Ambitious	15	20	25	30	35
12. Laid back	35	30	25	20	15
13. Hard on the eyes	10	15	20	25	30
14. Soft on the eyes	30	25	20	15	10
15. Organized	15	20	25	30	35
16. Disorganized	35	30	25	20	15
17. Responsible	10	15	20	25	30
18. Irresponsible	30	25	20	15	10
19. Hard on the ears	10	15	20	25	30
20. Soft on the ears	30	25	20	15	10
21. Hard on the nose	10	15	20	25	30
22. Soft on the nose	30	25	20	15	10
23. Hard on the mouth	10	15	20	25	30
24. Soft on the mouth	30	25	20	15	10
25. Hard on the stomach	10	15	20	25	30
26. Soft on the stomach	30	25	20	15	10
27. Hard on the back	10	15	20	25	30
28. Soft on the back	30	25	20	15	10
29. Hard on the heart	10	15	20	25	30
30. Soft on the heart	30	25	20	15	10
31. Hard on the head	10	15	20	25	30
32. Soft on the head	30	25	20	15	10
33. Hard on the hands	10	15	20	25	30
34. Soft on the hands	30	25	20	15	10
35. Hard on the feet	10	15	20	25	30
36. Soft on the feet	30	25	20	15	10
37. Hard on the skin	10	15	20	25	30
38. Soft on the skin	30	25	20	15	10
39. Hard on the hair	10	15	20	25	30
40. Soft on the hair	30	25	20	15	10
41. Hard on the eyes	10	15	20	25	30
42. Soft on the eyes	30	25	20	15	10
43. Hard on the ears	10	15	20	25	30
44. Soft on the ears	30	25	20	15	10
45. Hard on the nose	10	15	20	25	30
46. Soft on the nose	30	25	20	15	10
47. Hard on the mouth	10	15	20	25	30
48. Soft on the mouth	30	25	20	15	10
49. Hard on the stomach	10	15	20	25	30
50. Soft on the stomach	30	25	20	15	10
51. Hard on the back	10	15	20	25	30
52. Soft on the back	30	25	20	15	10
53. Hard on the heart	10	15	20	25	30
54. Soft on the heart	30	25	20	15	10
55. Hard on the head	10	15	20	25	30
56. Soft on the head	30	25	20	15	10
57. Hard on the hands	10	15	20	25	30
58. Soft on the hands	30	25	20	15	10
59. Hard on the feet	10	15	20	25	30
60. Soft on the feet	30	25	20	15	10
61. Hard on the skin	10	15	20	25	30
62. Soft on the skin	30	25	20	15	10
63. Hard on the hair	10	15	20	25	30
64. Soft on the hair	30	25	20	15	10

If you must wear it, use this as the Name for the 100 traits. Use the 100 traits to create a profile for each generation. List the traits that you think best describe each generation.

Source: The Myers-Briggs Company, Inc. © 2013 Myers-Briggs Co.

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Millennials outperform everyone in saving, but it's not for what you'd think

Source: Merrill Edge Report, spring 2017.
https://oui2.fs.ml.com/Publish/Content/application/pdf/GWMOU/Merrill_Edge_Report_Spring_2017.pdf

I am saving to live my desired lifestyle

Millennials	45%
Gen Xers	35%
Baby Boomers	25%
Silent Generation	15%

I am saving to leave the workforce

Millennials	15%
Gen Xers	25%
Baby Boomers	35%
Silent Generation	45%

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Comfortably cashless

■ Percent of Americans comfortable not carrying any cash
● Median amount they like to have on them when out

Age Group	Percent of Americans comfortable not carrying any cash	Median amount they like to have on them when out
Age 18-29	58%	\$10
Age 30-49	42%	\$20
Age 50-64	39%	\$20
Age 65+	32%	\$20

Source: Gallup, July 2016. CreditCards.com

Source: Next Gen Personal Finance:
https://docs.google.com/presentation/d/1-2R_jszVMwVWz2mUvyrnPM:EFo6GqhlpRlK9z1LfuinE/edit#slide=id.g1821408edd_0_0

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Cash Asset Allocation

Source: Blackrock survey via Investopedia:
<http://www.investopedia.com/news/millennials-are-risk-averse-and-hoarding-cash/?q=ira-baseline-vertical>

Generation	Cash Allocation
Millennials	45%
Gen Xers	35%
Baby Boomers	25%
Silent Generation	15%
Greatest Generation	10%

Why Millennials Hoard Cash

It's not as if one can't find 401(k)s in the U.S., a common criticism that says parents are unable to find the right plan for their kids. The fact is that Millennials are more risk-averse and are hoarding cash. Not the retirement savings but cash.

Another big factor is the high volatility of the stock market. In the past, the stock market has been volatile, and Millennials are more risk-averse and are hoarding cash. The fact is that Millennials are more risk-averse and are hoarding cash. Not the retirement savings but cash.

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NGPF Next Gen Personal Finance

How Much Do Auto Insurance Rates Vary By Age? Data Crunch Insurance #1

Annual Car Insurance Premiums By Age

Age	Average Cost
16	\$1,100
18	\$1,200
21	\$1,300
25	\$1,400
30	\$1,500
35	\$1,600
40	\$1,700
45	\$1,800
50	\$1,900
55	\$2,000
60	\$2,100
65	\$2,200
70	\$2,300

Source: Value Penguin via Next Gen Personal Finance:
<https://docs.google.com/document/d/1sgTUFbCvNvUjEvAlfUjXsXIAxX9PD4QSpACit0xzczE/edit>

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NGPF Next Gen Personal Finance

How Does the Cost of Health Insurance Premiums Vary By Age? Data Crunch Insurance #3

Monthly Health Insurance Premium - Silver Tier Plan

Age	Cost
Under 21	\$112
21	\$120
25	\$130
30	\$140
35	\$150
40	\$160
45	\$170
50	\$180
55	\$190
60	\$200
64	\$1,000

Source: Value Penguin via Next Gen Personal Finance:
<https://docs.google.com/document/d/13xvHDBc91oCZUzmWip7PRC9CUmFDmg89d1kXHBkULM/edit>

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Multi-Generational Housing Arrangements

NGFP
Next Gen Personal Finance

Home | Clientele | Community

Source: Next Gen Personal Finance:
https://docs.google.com/presentation/d/1RqigeQwXdA6_HsyjYvKha1S6t1BSGOj0XlnQsItLh4/edit#slide=id.g99918596f_0_129

Substantial pent-up demand for housing:
Almost 1/3 of 18-34 year olds living with their parents

% of 18-34 year olds living with their parents

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Young Adults Living With Parents

Share living with spouse or partner continues to fall

Source: Pew Research Center:
<http://www.pewsocialtrends.org/2016/09/24/for-first-time-in-modern-era-living-with-parents-edges-out-other-living-arrangements-for-18-to-34-year-olds/>

Living with a parent is the most common young adult living arrangement for the first time as recorded in a 20-year study by the researchers.

This form of event is fueled primarily by the dramatic drop in the share of young Americans who are choosing to wed soonest before age 25. Dating back to 1965, the most common living arrangement among young adults has been living with a romantic partner, whether a spouse or a significant other. This type of arrangement peaked around 1990, when 42% of the nation's 18-to-34-year-olds were living with a spouse or partner in their own household, and only one-in-five were living with their parents.

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Personal/Family Lifecycle

Life Situation Factors Affect Financial Planning Activities

Age	Marital Status	Number and Age of Household Members	Employment Situation
• 18-24	• single	• no other household members	• full-time student
• 25-34	• married	• preschool children	• not employed
• 35-44	• separated/divorced	• elementary and secondary school children	• full-time employment or volunteer work
• 45-54	• widowed	• college students	• part-time employment or volunteer work
• 55-64		• dependent adults	
• 65 and over		• nondependent adults	

Source: Focus on Personal Finance (2010), p. 5.

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The Financial Life Cycle

An Individual's Financial Life Cycle

Source: Take Charge Today, formerly known as Family Economics and Financial Education (FEFE)

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Activity #4: Vanity License Plate

My Vanity License Plate

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Financial Tasks in Your 20s

- Learn to invest
- Learn to budget
- Start a 401(k)/403(b)/457/TSP retirement savings plan
- Pay back student loans
- Build a good credit history
- Build an emergency fund


Investing For Your Future

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Financial Tasks in Your 30s

- Save as much as possible in retirement plans
- Buy a house, if desired and not done already
- Build your investing expertise
- Diversify your investments
- Boost your job skills
- Prepare basic estate planning documents
- Start an investment account for children




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Financial Tasks in Your 40s

- Max out retirement savings, if possible
- Consult with financial advisors, if needed
- Maintain adequate insurance and emergency savings
- Review and/or update estate planning documents
- Talk to your aging parents about their finances




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Financial Tasks in Your 50s

- Ramp up savings in peak earning years
- Rough out how much money you'll need to live on after you leave work
- Pay off all of your debts except a low-rate mortgage
- Consider buying a retirement or vacation home
- Educate yourself about Social Security, your retirement savings plan, and long-term care costs
- Start preparing for your "next act"




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Financial Tasks in Your 60s

- Start collecting Social Security
- Cash in on senior discounts
- Purchase LTC insurance or earmark a portion of savings or annuitized income for LTC expenses
- Educate yourself about Medicare and required minimum distributions (RMDs) at age 70 1/2
- Get more strategic about charitable gifting
- Prepare yourself psychologically for the "withdraw and spend" phase of life



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Activity #5: Future Me

Write a letter to the future

1. Identify a long-term goal or vision for your future. Write a letter to your future self, describing how you will achieve this goal. Be specific about the steps you will take to reach your goal. Write your letter on a piece of paper and place it in an envelope. Address the envelope to your future self and place it in a safe place where you can find it in the future.

2. Write a letter to your future self. Describe how you will achieve this goal. Be specific about the steps you will take to reach your goal. Write your letter on a piece of paper and place it in an envelope. Address the envelope to your future self and place it in a safe place where you can find it in the future.

3. Seal the envelope and place it in a safe place where you can find it in the future.

4. Open the envelope and read your letter to your future self. Reflect on the steps you have taken to achieve your goal and the challenges you have overcome. Celebrate your success and use the lessons you have learned to guide you in the future.

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Financial Milestones by Age

The purpose of Money Talk is to improve leaders' financial capability with research-based personal finance information.

Source:
https://moneytalk1.blogspot.com/2017/07/personal-finance-tasks-by-decade.html

Financial Milestones by Decade

Age 20:

- Graduate from high school and enroll in college or university
- Start saving for retirement
- Start building credit
- Start investing
- Start thinking about career and job opportunities

Age 30:

- Graduate from college and start a career
- Start saving for retirement
- Start building credit
- Start investing
- Start thinking about career and job opportunities
- Start thinking about marriage and family

Age 40:

- Graduate from college and start a career
- Start saving for retirement
- Start building credit
- Start investing
- Start thinking about career and job opportunities
- Start thinking about marriage and family
- Start thinking about retirement

Age 50:

- Graduate from college and start a career
- Start saving for retirement
- Start building credit
- Start investing
- Start thinking about career and job opportunities
- Start thinking about marriage and family
- Start thinking about retirement
- Start thinking about long-term care

Age 60:

- Graduate from college and start a career
- Start saving for retirement
- Start building credit
- Start investing
- Start thinking about career and job opportunities
- Start thinking about marriage and family
- Start thinking about retirement
- Start thinking about long-term care
- Start thinking about estate planning

Age 70:


- Graduate from college and start a career
- Start saving for retirement
- Start building credit
- Start investing
- Start thinking about career and job opportunities
- Start thinking about marriage and family
- Start thinking about retirement
- Start thinking about long-term care
- Start thinking about estate planning
- Start thinking about social security

Age 80:

- Graduate from college and start a career
- Start saving for retirement
- Start building credit
- Start investing
- Start thinking about career and job opportunities
- Start thinking about marriage and family
- Start thinking about retirement
- Start thinking about long-term care
- Start thinking about estate planning
- Start thinking about social security
- Start thinking about Medicare

Age 90:

- Graduate from college and start a career
- Start saving for retirement
- Start building credit
- Start investing
- Start thinking about career and job opportunities
- Start thinking about marriage and family
- Start thinking about retirement
- Start thinking about long-term care
- Start thinking about estate planning
- Start thinking about social security
- Start thinking about Medicare
- Start thinking about Medicaid




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Age 30

- Financial independence from parents (e.g., independent living arrangements and no "subsidies")
- Student loan debt completely repaid or close to repayment (e.g., standard 10-year repayment plan)
- A half-year's worth of salary saved for retirement
- A good credit history established with a credit score in the low-to mid-700s or higher
- Regular saving/investing and at least three to six months of income set aside for emergencies
- Educational credentials earned or near completion (e.g., certifications and graduate/professional degrees)
- Have current estate planning documents and life insurance to protect dependents or co-signers, if applicable




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Age 40

- Two times annual salary saved for retirement; saving at least 10% of gross income (15%+ is better!)
- College savings established for children, if applicable
- Increased investing expertise and diversification of investment portfolio assets
- Increased human capital (i.e., job skills and knowledge) to remain employable and earn promotions/raises
- Continued adequate insurance (life, property, disability)
- Career advancement




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Age 50

- At least 4 to 6 times annual salary saved for retirement
- Making catch-up retirement savings plan contributions
- Increased knowledge about the specifics of Social Security, Medicare, and employer retirement benefits
- Increased knowledge of aging parents' finances and communication about caregiving-related issues
- Use of financial advisers, as needed, as net worth increases and finances become more complex
- Continued adequate insurance (life, property, disability)
- Career advancement




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Age 60

- At least 6 to 10 times annual salary saved for retirement
- Paid off mortgage, home equity loan, and credit card debt prior to retirement
- Catch-up retirement strategies used, if needed (e.g., downsizing, moving, working longer, and selling assets)
- Learning new skills and/or making other preparations to transition to a "second act" job or volunteer role
- Use of financial advisers, as needed, as net worth increases and finances become more complex
- Continued adequate insurance (life, property, LTC)



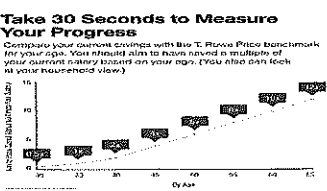
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Recommended Benchmarks

Take 30 Seconds to Measure Your Progress

Compare your current savings with the T. Rowe Price benchmark for your age. You should aim to have saved a multiple of your current salary based on your age. (You also can look at your household view.)



Source: Fidelity Investments

Investments:

- www.fidelity.com
- www.fidelity.com/retirement
- www.fidelity.com/retirement

Assumptions: Individuals are saving 15% of their annual salary at age 20 in a tax-deferred retirement account with a portfolio consisting of 60% stocks and 40% bonds (asset allocation, changing to 40% stocks and 60% bonds at age 65). Retirement asset allocation of investment portfolio will be 60% stocks and 40% bonds. Retirement asset allocation of investment portfolio will be 60% stocks and 40% bonds. Retirement asset allocation of investment portfolio will be 60% stocks and 40% bonds. Retirement asset allocation of investment portfolio will be 60% stocks and 40% bonds.

Source: T. Rowe Price Investor, Spring 2017, p. 9

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Activity #6: Backwards and Post-It® Planning

Backwards Planning

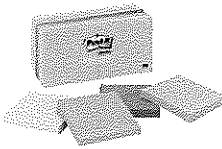
Materials Needed: envelopes, markers, sticky notes

Instructions: Backwards planning is a process of starting with a goal and working backwards to determine the steps needed to achieve that goal. It is a process of starting with a goal and working backwards to determine the steps needed to achieve that goal. It is a process of starting with a goal and working backwards to determine the steps needed to achieve that goal.

Post-It® Planning

Materials Needed: Post-It Notes, Flipchart

Instructions: Post-It planning is a process of starting with a goal and working backwards to determine the steps needed to achieve that goal. It is a process of starting with a goal and working backwards to determine the steps needed to achieve that goal. It is a process of starting with a goal and working backwards to determine the steps needed to achieve that goal.




Source: University of Minnesota Extension

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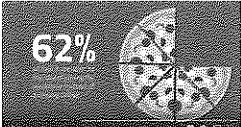
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Don't Forget Generation Z!



Video:
<https://www.youtube.com/watch?v=K1HyDn7dZ1o>

Including Generation Z
Born 1994-2010 (approx.); next cohort of future employees



Video:
<https://www.youtube.com/watch?v=17N1JJo6eFg>

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Gen Z Take-Aways

- Make up 25 percent of U.S. population
- Realistic thanks to skeptical Gen X parents, recession
- Competitive with "do it yourself" mentality
- 74% prefer to communicate face-to-face
- 75% say there are other ways to get a good education than going to college

<https://www.inc.com/ryan-jenkins/generation-z-vs-millennials-the-8-differences-you-.html>

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Journal of Financial Planning Blog Post



Source:
<https://practicemanagementblog.onfpa.org/2017/06/27/be-a-gen-savvy-planner-take-off-your-generational-lenses/>

Be A Gen Savvy Planner: Take Off Your Generational Lenses

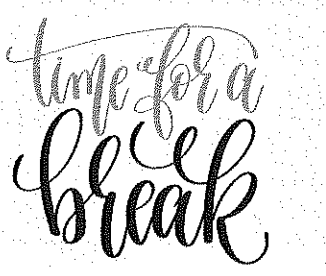
Get away from old-school thinking. Get away from old-school thinking. Get away from old-school thinking. Get away from old-school thinking. Get away from old-school thinking.

CATEGORIES:
Financial Planning
Practice Management
Client Relationships
Technology
Regulatory
Risk Management
Estate Planning
Retirement
Tax

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Break Time! (15 Minutes)



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Life Event #1: Cohabitation

- 18 million U.S. adults in cohabitating relationships in 2016; up 29% since 2007 (14 million)
- Roughly half are under age 35; 23% are age 50+
- Since 2007, the number of cohabitating adults age 50+ grew by 75% (faster increase than other age groups); most were previously married and were divorced (55%) or widowed (13%)
- Cohabitors are still a relatively small percentage of each age group (especially 50+)

Source: <http://www.pewresearch.org/fact-tank/2017/04/06/number-of-u-s-adults-cohabiting-with-a-partner-continues-to-rise-especially-among-those-50-and-older/>

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Cohabitation Action Steps

- Develop a method for bill-paying: separate bill-paying, proportionate bill-paying, or both; ditto for saving
- Beware co-mingling of assets and/or debts
- Know the Rules: Impact on child support, alimony, pension? Does *not* affect Social Security benefits
- Gift carefully (apply gift tax rules only in long-term relationships)
- Consider joint property insurance coverage

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More Action Steps

- Consider a cohabitation agreement
- Understand the fine print on loan documents, a lease, utility company services, etc.
- Consider beneficiary designations on insurance policies and retirement plans (to protect unmarried partners in long-term relationships)
- Keep good records of individual payments for big ticket purchases
- Draft a will and keep it current (to protect unmarried partners in long-term relationships)

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Life Event #2: Marriage

- Changed beliefs about what people should do in 20s
- U.S. Census Bureau: highest age ever for U.S. first marriages: 27.4 women and 29.5 for men (2017): <https://www.womenshealthmag.com/relationships/a19567270/average-age-of-marriage/>
- Marriage and Money Issues: splitting bills, debt, money personality traits, power plays (control), children/child expenses, extended family expenses <https://www.investopedia.com/articles/pf/09/marriage-killing-money-issues.asp>
- Money remains the top source of friction for couples: <http://time.com/money/2791658/couples-marriage-money-survey-female-breadwinners/>

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Marriage Action Steps

- Set joint financial goals
- Develop a spending plan
- Develop a cash management plan
- Develop a bill payment plan
- Share credit histories
- Adjust tax withholding, if needed

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More Action Steps

- Learn about each other's finances
- Consider the timing of the wedding
- Determine your tax filing status
- Coordinate employee benefit plans
- Invest holistically
- Offset each other's investments

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Life Event #3: Parenthood

- Mean age of first-time mothers increased 1.4 years from 24.9 in 2000 to 26.3 in 2014
 - Main reason: decrease in teenage mothers
- The gap in mean age between sequential birth orders has decreased to 2.4 years from 2.8 years <https://www.cdc.gov/nchs/data/databriefs/db233.pdf> <http://www.businessinsider.com/why-delaying-parenthood-and-having-kids-later-is-a-big-deal-2015-6>
- Study: Drop in life satisfaction after first birth > that caused by unemployment, divorce, or death of partner <https://www.cnn.com/2015/08/12/health/stressed-parents-second-child-irpt/index.html>

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Parenthood Action Steps

- Revise your spending plan
 - New child-related expenses
 - Possible decreases in household income
- Revise your income tax withholding
 - Child tax credit; Child and dependent care tax credit
- Plan proactively
 - \$4,000 for baby costs ÷ 9 months = \$445/month

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More Action Steps

- Shop inexpensively
 - Thrift and consignment shops, garage sales, family hand-me-downs
- Investigate employee benefits related to parenting (newborn or adoption)
- Plan your estate
 - Will with a named guardian and back-up guardian
- Start an education fund

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Cost of Raising a Child Calculator

https://www.cnpp.usda.gov/tools/CRC_Calculator/

USDA
NATIONAL CENTER FOR CHILDREN AND FAMILIES
Cost of Raising a Child Calculator

USDA Cost of Raising a Child Calculator
Powered by the USDA

Age of first child:

Age of second child:

Age of third child:

Age of fourth child:

Age of fifth child:

Age of sixth child:

How many children in the home (optional):

Which state do you live in? (optional):

How much do you spend on child care per month? (optional):

How much do you spend on child care per year? (optional):

How much do you spend on child care per year? (optional):

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Life Event #4: Divorce

- More than 90% of people marry by age 50
- About 40%-50% of U.S. married couples divorce
- Divorce rate for subsequent marriages > first marriages: <http://www.epa.org/topics/divorce/>
- "Gray divorces" (age 50+) roughly double 1990s rate
<http://www.pewresearch.org/fact-tank/2017/03/09/led-by-baby-boomers-divorce-rates-climb-for-americas-50-population/>
- Research: High correlation between frequency of financial disagreements and divorce

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Divorce Action Steps

- Learn the local laws
 - Community property state
 - Equitable distribution state
 - Exceptions: Un-commingled pre-marital assets, gifts
- Prepare a net worth statement
- Do some math
 - Ability of either spouse to afford family home alone
 - Costs of moving and separate housing units
- Protect a good credit history
 - Close joint accounts, third party notification from creditors

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More Action Steps

- Psychologically prepare to live on less
 - Loss of economies of scale, legal expenses, shared parenting expenses
- Maintain adequate life and disability insurance coverage (to protect future payments)
- Know the tax laws regarding divorce
 - Alimony write-offs went away in 2019
 - Capital gains tax implications of property transfers
- Consider retirement plan distributions
 - QDRO to divide benefits among divorcing spouses

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Life Event #5: Widowhood

- In 2011, the U.S. Census Bureau reported the median age of widowhood across all ethnicities was 59.4 for a first marriage and 60.3 for a second marriage
<https://www.farmag.com/news/servicing-widowed-clients-whatever-their-age-14829.html>
- Half of surviving spouses (widows) over age 65 will outlive their husbands by 15 years
<https://www.cnbc.com/2013/09/30/recent-widows-are-in-need-of-financial-guidance-following-the-loss-of-a-spouse.html>
- Widowhood increases economic hardship:
<http://ctr.bc.edu/briefs/why-are-widows-so-poor/>
- Lots of "issues": Probate will, life insurance, pension and/or Social Security survivor benefits, retitle accounts, review loans and bills, cancel payments

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Widowhood Action Steps

- Evaluate current financial status
 - Income, expenses, assets, and debts
- Avoid hasty decisions (have a “decision-free zone”)
- Assemble a team of experts
 - Attorney, financial planner, accountant, etc.
- Update legal documents
 - Will, power of attorney
- Learn things that you need to
 - Example: Inherited IRA rules

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More Action Steps

- Watch out for “financial wolves”
 - Unscrupulous financial salespeople, family, friends
- Make housing decisions carefully
 - Could experience secondary grief as a result
- Adjust insurance coverage as needed
- Make a checklist of things to do and start with “the essentials”
 - Death certificate, life insurance benefits, COBRA or ACA marketplace health insurance, contacting spouse’s employer and/or Social Security
- Take care of yourself (physical health)

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Activity #7: Poverty Risk Calculator

<https://riskcalculator.org/>

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Life Event #6: Remarriage

- Remarriage becomes more common with age and is on the rise for Americans ages 55+
 - Rising life expectancies; search for fulfillment
 - Aging Baby Boomers (more people to remarry)
- Men are more likely than women to remarry
 - 64% of previously-married men vs. 52% for women
- 4 in 10 new marriages included at least one partner who had been married before
 - 2 in 10 couples had both spouses previously married

<http://www.pewsocialtrends.org/2014/11/14/four-in-ten-couples-are-saying-i-do-again/>

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Remarriage Action Steps

- Consider a prenuptial agreement
 - Define assets brought to the marriage, how expenses and existing debts will be repaid, property titling, and property distribution after death
- Develop a joint spending plan
 - Fairer to pay expenses in proportion to incomes
- Separate the past from the present
 - Pay support obligations from personal funds in a separate account so they are not “visible” to new spouse

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More Action Steps

- Treat children and step-children fairly
 - Develop uniform policies for all children living at home regarding allowances, payment for household chores, cell phone plans, etc.
- Consider a QTIP Trust
 - Leaves income to a spouse for life but distributes assets to children from a prior marriage
- Don’t automatically try to replicate old financial strategies in a new relationship

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Life Event #7: Homeownership

- 63.7% of families owned their primary residence according to the Federal Reserve
<https://www.federalreserve.gov/publications/files/scf17.pdf>
- Millennials: 33% of homebuyers in 2017
- Only 62% of all new and existing housing was deemed "affordable" to the median U.S. household
<https://www.contactually.com/blog/real-estate-statistics-for-2017>

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Home Buying Action Steps

- Shop around for mortgage financing (Rule of Three)
- Know your borrowing limits
 - \approx 28% front-end ratio and \approx 36% back-end ratio
 - **Example:** \$1,200 PITI, \$750 loans, \$5,000 mo. gross pay
 - 24% front-end ratio and 39% back-end ratio
- Get pre-approved for a loan before you shop
- Save diligently for down payment and closing costs

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More Action Steps

- Get help, if needed
 - First-time homebuyer programs, VA loan staff
- Be patient and diligent
 - It takes time to save for downpayment and closing
 - Don't expect a large home with upscale features the first time around
- Set aside a maintenance fund after buying a home
 - Aim to save 1% to 3% of the home value annually

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Activity #8: Retirement Coat of Arms

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Life Event #8: Retirement

- About half of today's working-age households will not be able to maintain standard of living in retirement
<http://crr.bc.edu/special-projects/national-retirement-risk-index/>
- Average retirement age for 64.6 (men); 62.3 (women)
<https://www.marketwatch.com/story/why-the-average-retirement-age-is-rising-2017-10-09>

Half of Americans retire between ages 61 and 65.

Source:
<http://time.com/money/4584900/ages-people-retire-probably-too-young-early-retirement/>

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Retirement Action Steps

- Be above average: 40% of American workers have retirement savings < \$25,000 (2019 RCS, EBRI)
 - https://www.ebri.org/docs/default-source/rcs/2019-rcs/rcs_19-fs-3_prep.pdf?sfvrsn=3a553f2f_4
- Understand the "4% Rule": withdraw 4% of savings annually with an inflation adjustment to last 30 years
 - \$500,000 of savings = \$20,000/yr and \$1,666/mo
 - \$300,000 saved for \$1,000 of monthly income (4% Rule)
- Prepare for non-financial aspects of retirement
 - 3 pillars: Leisure activities, work, volunteerism
 - People need daily time structure and a sense of purpose

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More Action Steps

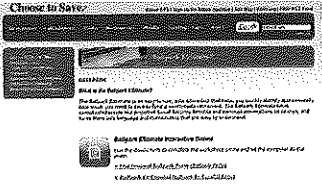
- Calculate a retirement savings goal
 - Ballpark Estimate calculator:
<http://www.choosetosave.org/ballpark/>
- Get help when needed
 - Retirement savings calculators and worksheets, Monte Carlo calculators, HR department, financial planners, Cooperative Extension programs, etc.
- Take action: contribute to a retirement savings plan
- Develop catch-up saving plans (e.g., working longer)

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Activity #9: Ballpark Estimate

<https://www.choosetosave.org/ballpark/>



Choose to Save: How much do you want to save each month?

Ballpark Estimate: How much do you want to save each month?

Ballpark Estimate Interactive Demo
This interactive demo allows you to explore the calculator and see how it works. It includes a video and a worksheet.

Ballpark Estimate iPhone App
Download the Ballpark Estimate iPhone App from the App Store.

Ballpark Estimate Android App
Download the Ballpark Estimate Android App from Google Play.

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Key Take-Aways

- Personal and financial lifecycles overlap
- People experience different life events, often in a different chronological order, than others
- Some life events have long planning time lines and some do not
- All life events can be addressed with positive action steps
- Staying "on track" for your age will increase your chances of wealth-building and financial well-being

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Key Take-Away: Don't Impose YOUR "Social Clock" on Other People!

Social Clock- "a cultural timeline of expectations of what people should do at a certain age" (William Doherty, U of Minnesota)

- **Late 20s/30s:** "So when are you two going to have a baby?"
- **Late 50s/60s:** "So when are you going to retire?"
- **Late 60s/70s+:** "Are you still working? Why?"

<https://www.wsj.com/articles/its-ok-to-party-when-you-turn-60-1500914273>


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Activity #10: Seven Word Summary

How to Make Bitmojis

- Install the bitmoji app on your cell phone (e.g., Playstore)
- Open the bitmoji app
- Enter a birth month/day/year on the rotating dial
- Add your name, e-mail address, and a password
- Click on the female or the male character
- Take a selfie by placing your face in the circle
- Pick out skin tone, hair, clothing, glasses, hats, etc.
- Save your bitmoji avatar when it looks like you
- Send messages with your bitmoji using Facebook or Twitter
- E-mail various bitmojis to yourself via e-mail to save them



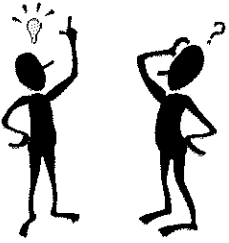
Seven Word Summary

- Adapted from Six-Word Memos: <http://www.sixwordmemos.com/>
- Summarize key take-aways in just 7 words
 - Pay yourself first to save for retirement
 - Always pay more than credit card minimum
 - Avoid high cost payday lenders and pawnshops
 - Follow the "Rule of Three" when shopping
 - Save at least part of your tax refund

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Financial Education Resources



What are YOUR favorite financial education resources?

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eXtension: Cooperative Extension 24/7/365

http://www.extension.org/personal_finance

The screenshot shows the Rutgers eXtension Personal Finance website. It features a navigation bar with 'Personal Finance' and 'eXtension' logos. Below the navigation, there are several articles and resources, including one titled 'Getting My Financial Situation Under Control' and another 'Answers from our Experts'. The layout is clean and professional, with a focus on providing accessible financial information.

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Investing For Your Future Home Study Course (eXtension)

- Free of charge and downloadable
- 11 units; do at your own pace
- Designed for beginning investors
- Monthly investment messages

<https://articles.extension.org/pages/10984/investing-for-your-future>

The logo for the 'Investing For Your Future' course is displayed in a stylized, 3D font. It features the words 'Investing For Your Future' in a bold, sans-serif typeface, with 'Investing' and 'Future' in a larger size than 'For Your'.

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The Ball Park Estimate

- Six easy steps; can do online or download paper worksheet
- Can do online at www.choosetosave.org
- Flexible annual retirement income and life expectancy figures
- Assumes a 3% constant real rate of return

The screenshot shows the 'The Ball Park Estimate' online tool. It features a 'Change to Note' section at the top, followed by a list of 'Assumptions' and 'Inputs'. The interface is designed to be user-friendly, with clear labels and a structured layout for entering data and viewing results.

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529 College Savings

www.collegesavings.org

CSPN | COLLEGE SAVINGS PLANS NETWORK

Which plan is RIGHT for me?

Compare plans by feature or state.

The screenshot shows the 529 College Savings website. It features a prominent question 'Which plan is RIGHT for me?' and a sub-headline 'Compare plans by feature or state'. Below this, there are sections for '529 RESOURCES', 'ARE YOU PREPARED?', and 'COLLEGE SAVING NEWS'. The website is designed to help users navigate the complex world of 529 plans.

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MyMoney (Federal Government Site)

<http://www.mymoney.gov/>

The screenshot shows the MyMoney.gov website. It features a navigation bar with 'Life Events', 'My Resources', and 'Tools'. Below the navigation, there are several sections of information, including 'Welcome to MyMoney.gov', 'What You Need to Monitor Your Money', and 'How to Use MyMoney.gov'. The website is designed to provide comprehensive financial information and resources for users.

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Internal Revenue Service (IRS)

www.irs.gov

The screenshot shows the Internal Revenue Service (IRS) website. It features a navigation bar with 'Home', 'Business', 'Changes & New Profile', 'Government Entities', 'The Professionals', 'Retirement Plans Community', and 'Tax-Exempt Bond Community'. Below the navigation, there are several sections of information, including 'New and Publications', 'Online Services', and 'Special Notices'. The website is designed to provide comprehensive tax information and resources for users.

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Activity #11: Mill to the Music

Mill to the Music

Using the 100 to the Music reflection activity described below, take several minutes to reflect on the activity and how it relates to your own work. Write a short paragraph or two about the activity and how it relates to your own work. Write a short paragraph or two about the activity and how it relates to your own work.

First Song: For the Love of Money (The 12 Years Band)
<http://www.youtube.com/watch?v=6HnKtDSE-00>

Second Song: Get on the Floor (Money Problem)
<http://www.youtube.com/watch?v=6HnKtDSE-00>

Final Question: What are you trying to do every day today?

Final Question: How do you use Financial Education Best Practices?

MIR to Music

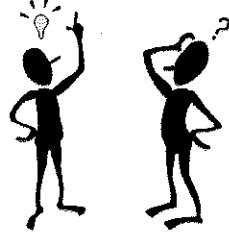
Money Problem

This is a parody on the popular children's game, "Duck, Duck, Goose." The money problem is a financial education activity that is designed to help students understand the concept of money and how it is used in the real world. The activity is designed to be a fun and interactive way to teach students about money and how it is used in the real world. The activity is designed to be a fun and interactive way to teach students about money and how it is used in the real world.

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Comments? Questions?




boneill@njaes.rutgers.edu
moneytalk1@juno.com

@moneytalk1 on Twitter

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Financial Action Steps and Milestones

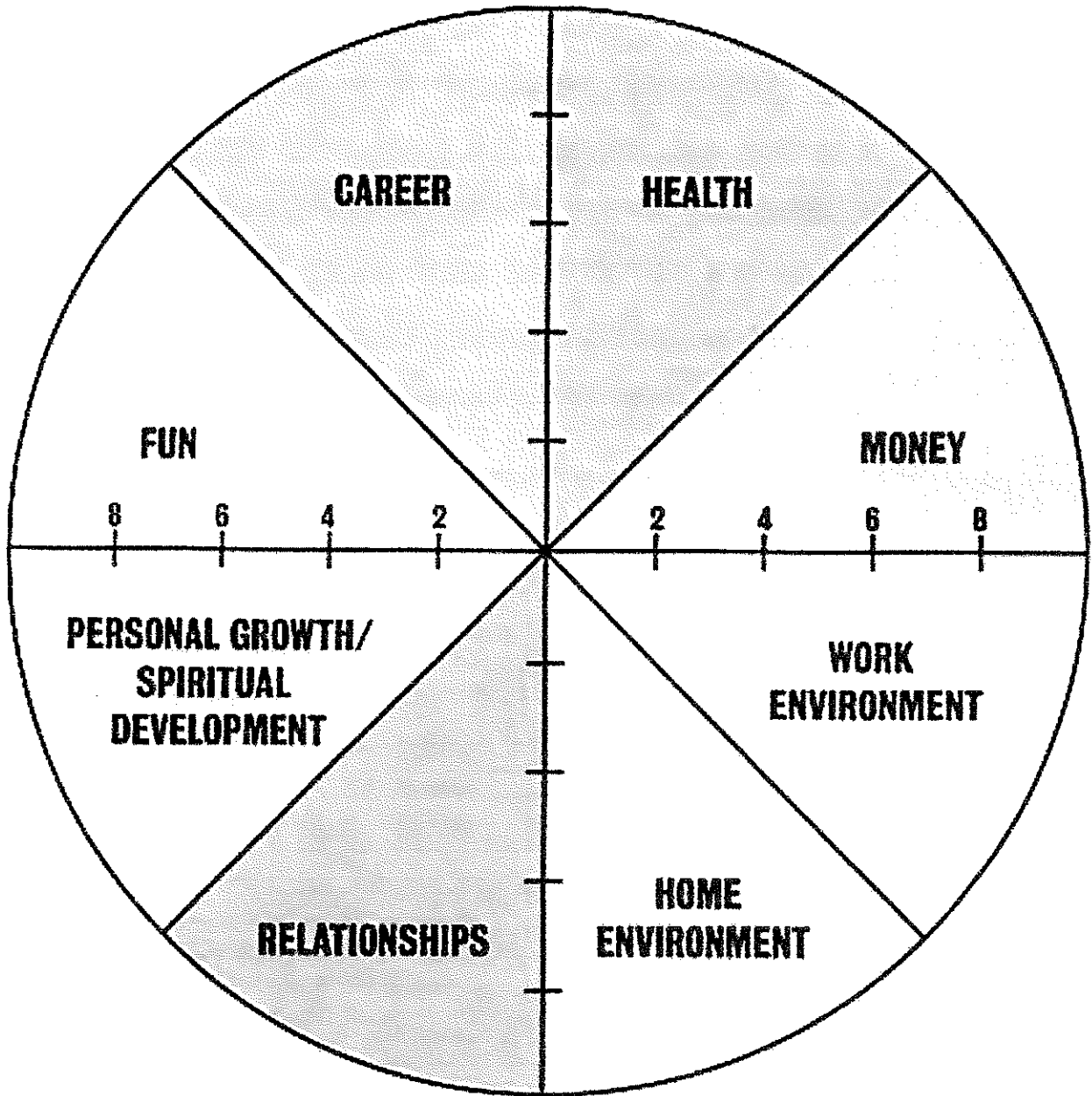
Human Scavenger Hunt

Find a colleague who fits each description below and have them place their initials within the space in a box below. **Only one initial per person, please.** No double-dipping!

Shout "money" when your board has **10 signed spaces** and continue to mingle until time is up.

I have a retirement savings account such as an IRA or a tax-deferred 403(b) savings plan	I use Twitter, Facebook, and/or LinkedIn to share and/or receive information	I have been employed by Cooperative Extension for less than 10 years	I have NO student loan debt for myself and/or another person (e.g., family member)	I own shares of common stock and/or a stock (growth) mutual fund
This is my first time ever visiting the state of Pennsylvania	I have previously attended over 20 NEAFCS annual conferences	I have one or more personal finance advisors (e.g., CPA, CFP®, insurance agent, broker)	I prepare my own income tax returns using paper forms or tax software	I pay my credit card bills in full each month to avoid interest charges
I made a donation to a qualified charitable organization within the past year	I have administrative responsibilities as part of my Extension job assignment	I am presenting a workshop or poster at the 2019 NEAFCS Annual Conference	I set financial SMART goals with an estimated cost and a time deadline	I hold one or more types of certifications such as CFCS, CPFFE, RD, CFP, or CNWE
I own an umbrella liability insurance policy with \$1 million (or more) of coverage	I have received an award for my work from NEAFCS within the last 5 years	I have been employed by Cooperative Extension for 30+ years	I calculate my personal or household net worth (assets-debts) regularly	I make and follow a budget to manage my income and expenses

Wellness Wheel Activity



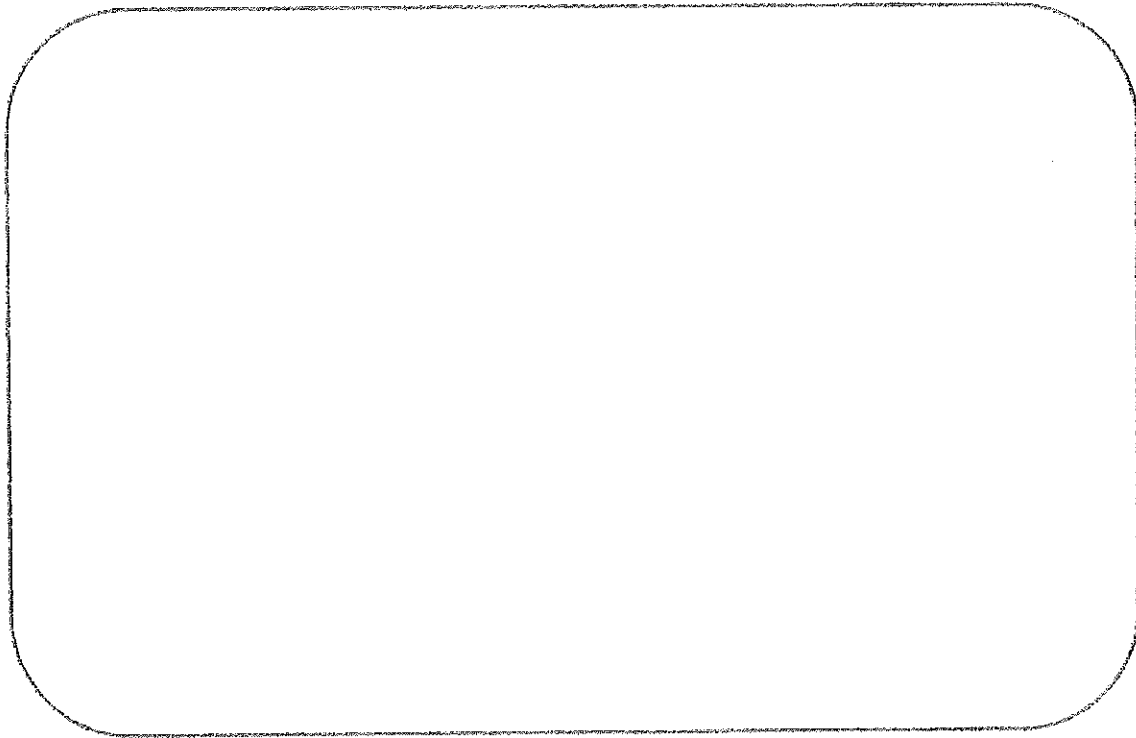
Generational Differences Activity

Self Quiz

Circle the description that best describes your perception of work in each row. Then, add up your score for all columns.

	4	3	2	1
Attitude toward work assignments	If they say "jump", I say "how high".	If they say "jump", I think about doing it a better way, then I jump.	If they say "jump", I want to know what's in it for me.	If they say "jump", I say "Why?"
Role of working women	Women should stay home and raise the children.	Women have come a long way. Some women are even capable of holding high level positions within an organization.	Women should have the same opportunities as men in the workplace.	Is there a difference between men and women?
Perception of work life	I'll work at the same company from cradle to grave.	I'll work at a company well into my 60's, and then maybe do something else.	I'll work at a job until something better comes along – more money is always better but opportunity for quick advancement is best. I don't want to jump through endless hoops to get promoted.	Work? I thought we were supposed to have fun and experience all we could. If it feels like work, I don't want any part of it!
Attitudes toward working hours	Working long hours every day shows your commitment to the organization. Your family will always be there, but the company may fail if I don't work hard.	It's hard to balance work and family, but work should come before family if a choice needs to be made.	I'll work from 8-5, unless something very important comes up. Flexibility on the job is really important to me.	Standard working hours? If there's nothing interesting to do at work I should be able to go home. Getting in early is also a problem.

If you scored near 20, you think like the Mature Generation; 15-19 points like a Baby Boomer; 10-14 points as Generation X; and 5-9 points like the Millennial (Generation Y).



My Vanity License Plate

Instructions:

Develop a creative personal finance tip or slogan in 10 characters or less. Some examples are below.

Financial License Plate Submissions

SAVE TODAY (NJ)	SMALL STEPS (NJ)	MONEYWOMAN (NJ)	@moneytalk1
M&K CENTS (NC)			@JayneMakesCents
SAVN 4 TMR	NO LATE PMT	CC BAL LOW	@BillyHensley
MOS MO PROBS	SPEND < U ERN		@jerrybuchko
EARN MORE			@michaelkites
MAKE A BDGT (MO)	SPNDPG PLN (MO)	INVEST MOR MO)	@ashleyhayles
BUY LOW (VT)	SELL HIGH (VT)	FIN Ed HERO (VT)	@msbusinesssep
SMART KIDS			@levine
SELF CONTROL			@original2cents
SVR 4 LYF	FICO836		@KateMielitz
SET \$ GOALS (FL)	AUTO SAVE (FL)		@H.MoneyMentors
SAVE FIRST			@FinEdChat
CHECK FICO			@MrsPrestor
WEAR IT OUT	CO-OP BUYING	DRIVE LESS	@ethnobot
AVOID DEBT	SAVE 1 ST	TRACK UR \$	@SNewland
SAVE UP	THINK BIG	SPEND SMALL.	@KateMielitz,(kids)
INVEST IN U			@BSUFinLit
MONEY 4 GOOD			@DoingGood365
WAIT 2 BUY	SET GOALS	MAKE A PLAN	@CTFamilyMoney

My Vanity License Plate

Future Me

futureme

CUSTOMIZE!

Press & Props

Read Public Letters

Write a Letter to the Future

SIGN IN

Write a letter to the future

"I love this. I've sent myself 5 letters so far and every year it's a surprise. Because I forget so easily. It turns into such a deep reflective process, that I usually weep and laugh while I write."

Margaret
Member since 2011

Sponsored

TransUnion
Manage And Protect
Your Credit

Get Your Score



YOUR FUTURE LETTER

FULL SCREEN

Dear FutureMe,

DELIVER IN

1 Year

3 Years

5 Years

Choose Specific Date

MAKE THIS LETTER

Private

Public, but anonymous

YOUR EMAIL ADDRESS

Your Email

SEND TO THE FUTURE!

You will receive a confirmation email. By writing a letter and signing up for FutureMe you agree to the terms and conditions.

Backwards & Post-It® Planning

- Draw a timeline (or other visual method) from the start to finish of planning horizon for a financial goal
- Use sticky notes to put required steps along timeline

<http://fyi.uwex.edu/ncrvd/files/2015/04/Program-Planning-and-Reflection-Activities-11.12.13.pdf>

Backwards Planning

Materials Needed: easel paper, markers, sticky notes

Young people begin by choosing the final outcome of a project or an activity. Using a time line or other visual method, young people then work backward to outline all the necessary steps to reach that outcome. If done with index cards or sticky notes, participants can rearrange steps as they go (See Post-It® Planning).

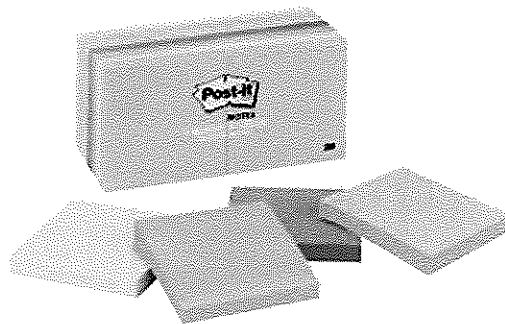
For example, in a pottery workshop, a small group of young people may decide on a particular type of bowl they'd like to make. They write down "shiny purple soup bowl." Then, creating a reverse timeline, they write "glaze it, fire it, smooth all bumps away, create shape on wheel, center clump of clay on wheel, get clay." Once the timeline is in place, young people can begin carrying out the steps, starting at the beginning.

Adapted from the Quality Matters Toolkit, University of Minnesota, Youth Work Institute

Post-It® Planning

Materials Needed: Post-It® notes, flip chart

Young people, by themselves or as a group, write on self-stick notes all the tasks that are necessary to undertake a particular project or activity. As a group, they place these notes in order on a wall or on butcher paper to create a timeline of the steps they will need to take.



Poverty Risk Calculator

<https://riskcalculator.org/>

American Misfortune

POVERTY RISK CALCULATOR

ABOUT THE BOOK

ABOUT THE AUTHORS

CONTACT

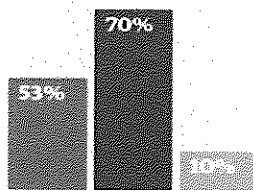


American Misfortune

Understanding Economic Risk Throughout Our Lives

Poverty Risk Calculator

Have you ever wondered what your risk of poverty might be in the future? Our calculator will estimate your personal risk over the next 5, 10, or 15 years. [Get started >](#)



About the Book

The United States has been epitomized as a land of opportunity, where hard work and skill can bring about personal success and economic well-being. Yet in their pursuit of the American Dream, many will experience poverty firsthand. [Read more >](#)



About the Authors

This work was a collaborative effort between:

Mark Robert Rank
Washington University

Thomas A. Hirschl
Cornell University

Kirk A. Foster
University of South Carolina



[More information >](#)

Confronting Poverty

POVERTY RISK CALCULATOR

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Poverty Risk Calculator

1

Please select a time period for predicting your future risk of poverty:

- Next 5 Years
- Next 10 Years
- Next 15 Years

[Next >](#)

How It Works

- 1 Select a time period for predicting your future risk of poverty (at left).
- 2 Select a level of poverty you wish to predict.
- 3 Select your race, educational level, gender, marital status, and age.

Submit several different profiles for comparison.

[For additional information about the Poverty Risk Calculator click here.](#)

Coat of Arms

The form is a shield shape divided into five sections by a vertical line down the center, a horizontal line across the middle, and another horizontal line below the middle. The sections are labeled as follows:

- Top-left: My #1 Retirement Dream
- Top-right: My #1 Retirement Fear
- Middle (spanning both sides): Savings Goal
- Bottom-left: The Best Way I Save For Retirement
- Bottom-right: My Planned Retirement Age

My #1 Retirement Dream

My #1 Retirement Fear

Savings Goal

The Best Way I Save For Retirement

My Planned Retirement Age



Get a Ballpark E\$timate® of Your Retirement Needs.

The ChoosetoSave.org and American Savings Education Council's Planning and Saving Tool

Forget, for a moment, the complexity of planning and saving for a comfortable retirement. Use this print form Ballpark E\$timate® worksheet to get an initial fix. Want a more "sophisticated" number? Go online at www.choosetosave.org and use the interactive version with more assumptions that you can change. By simplifying some issues, such as projected Social Security benefits and earnings assumptions on savings, the print version of Ballpark offers users a way to obtain a rough first estimate of what Americans need for retirement. The worksheet assumes you'll realize a constant real rate of return of 3% and that wages will grow at the same rate as inflation; however, it does provide the user an opportunity to take into account longevity risk.

For example, let's say Jane is a 35-year-old woman with two children, earning \$30,000 per year. Jane has determined that she will need 70% of her current annual income to maintain her standard of living in retirement. Seventy percent of Jane's current annual income (\$30,000) is \$21,000 (Question 1). Jane would then subtract the income she expects to receive from Social Security (\$12,000 in her case) from \$21,000, equaling \$9,000 (Question 2). This is how much Jane needs to make up for each retirement year.

Jane expects to retire at age 65 and if she is willing to assume that her life expectancy will be equal to the average female at that age (86), she would multiply \$9,000 by 15.77 for a result of \$141,930 (Question 3). Since Jane does not expect to retire before age 65, she does not answer Question 4. Jane has already saved \$2,000 in her 401(k) plan. She plans to retire in 30 years so she multiplies \$2,000 x 2.4 equaling \$4,800 (Question 5). She subtracts that from her total, making her projected total savings needed at retirement \$137,130. Jane then multiplies \$137,130 x .020 = \$2,742 (Question 6). This is the amount Jane will need to save in the current year for her retirement (it is assumed the annual contribution will increase with inflation in future years).

It is important to note that the calculation above assumed Jane would have an average life expectancy for a female already age 65. However, this will produce an amount that is too low in approximately ½ of all cases. If instead Jane wanted to have a sufficient amount ¾ of the time, she would base her calculations on a life expectancy of 92 (see the grid on step three of the calculation). This would necessitate multiplying \$9,000 by 18.79 for a result of \$169,110. All the remaining calculations would be similar and the contribution for the first year would increase to \$3,286.

If Jane would prefer to save enough to have a sufficient amount 90 percent of the time, she would assume a life expectancy of 97. This would require a first year contribution of \$3,671.

Planning for retirement is not a one-size-fits-all exercise. The purpose of Ballpark is simply to give you a basic idea of the savings you'll need to make today for when you plan to retire.

If you are married, you and your spouse should each fill out your own Ballpark E\$timate® worksheet taking your marital status into account when entering your Social Security benefit in number 2 below.

1. **How much annual income will you want in retirement?** (Figure at least 70% of your current annual gross income just to maintain your current standard of living; however, you may want to enter a larger number. See the tips below.)
 \$ _____

Tips to help you select a goal:

- 70% to 80% — You will need to pay for the basics in retirement, but you won't have to pay many medical expenses as your employer pays the Medicare Part B and D premium and provides employer-paid retiree health insurance. You're planning for a comfortable retirement without much travel. You are older and/or in your prime earning years.
- 80% to 90% — You will need to pay your Medicare Part B and D premiums and pay for insurance to cover medical costs above Medicare, which on average covers about 55%. You plan to take some small trips, and you know that you will need to continue saving some money.
- 100% to 120% — You will need to cover all Medicare and other health care costs. You are very young and/or your prime earning years are ahead of you. You would like a retirement lifestyle that is more than comfortable. You need to save for the possibility of long-term care.

2. **Subtract the income you expect to receive annually from:**

- Social Security — If you make under \$25,000, enter \$8,000; between \$25,000 - \$40,000, enter \$12,000; over \$40,000, enter \$14,500 (For married couples - the lower earning spouse should enter either their own benefit based on their income or 50% of the higher earning spouse's benefit, whichever is higher.) —\$ _____
- Traditional Employer Pension — a plan that pays a set dollar amount for life, where the dollar amount depends on salary and years of service (in today's dollars) —\$ _____
- Part-time income —\$ _____
- Other (reverse annuity mortgage payments, earnings on assets, etc.) —\$ _____

This is how much you need to make up for each retirement year: =\$ _____

Now you want a Ballpark E\$timate of how much money you'll need in the bank the day you retire. For the record, we assume you'll realize a constant real rate of return of 3% after inflation and you'll begin to receive income from Social Security at age 65.

3. To determine the amount you'll need to save, multiply the amount you need to make up by the factor below.

Age you expect to retire:	Choose your factor based on life expectancy (at age 65):					
	Male, 50th percentile (age 82)	Female, 50th percentile (age 86)	Male, 75th percentile (age 89)	Female, 75th percentile (age 92)	Male, 90th percentile (age 94)	Female, 90th percentile (age 97)
55	18.79	20.53	21.71	22.79	23.46	24.40
60	16.31	18.32	19.68	20.93	21.71	22.79
65	13.45	15.77	17.35	18.79	19.68	20.93
70	10.15	12.83	14.65	16.31	17.35	18.79

\$ _____

4. If you expect to retire before age 65, multiply your Social Security benefit from line 2 by the factor below.

Age you expect to retire:	55	Your factor is:	8.8
	60		4.7

+\$ _____

5. Multiply your savings to date by the factor below (include money accumulated in a 401(k), IRA, or similar retirement plan).

If you plan to retire in:	10 years	Your factor is:	1.3
	15 years		1.6
	20 years		1.8
	25 years		2.1
	30 years		2.4
	35 years		2.8
	40 years		3.3

-\$ _____

Total additional savings needed at retirement: =\$ _____

Don't panic. We devised another formula to show you how much to save each year in order to reach your goal amount. This factors in compounding. That's where your money not only makes interest, your interest starts making interest as well, creating a snowball effect.

6. To determine the ANNUAL amount you'll need to save, multiply the TOTAL amount by the factor below.

If you want to retire in:	10 years	Your factor is:	.085
	15 years		.052
	20 years		.036
	25 years		.027
	30 years		.020
	35 years		.016
	40 years		.013

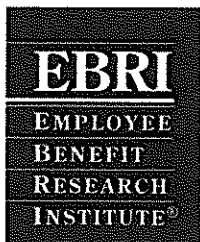
=\$ _____

This worksheet simplifies several retirement planning issues such as projected Social Security benefits and earnings assumptions on savings. It reflects today's dollars; therefore, you will need to re-calculate your retirement needs annually and as your salary and circumstances change.

It also assumes that your wages will increase in the future at the same rate as inflation. This compares with the 2005 intermediate assumptions by the Social Security trustees that wages will increase 1.1 percentage points faster than inflation. Situations in which the wage growth is larger than the inflation rate will often require a higher rate of savings than this worksheet suggests. Unfortunately, a paper worksheet using an example where wage growth is not equal to inflation would be much more complicated.

Should you want a ballpark estimate that allows you to assume a wage growth that is different from the rate of inflation, you will need to go to <http://www.choosetosave.org/ballpark> and use the interactive ballpark estimate worksheet.

The American Savings Education Council (ASEC) mission is to make savings and retirement planning a priority for all Americans. ASEC is a program of the Employee Benefit Research Institute Education and Research Fund. For information on becoming an ASEC Partner, visit www.asec.org



2121 K Street NW
Suite 600
Washington, DC 20037
www.ebri.org
www.choosetosave.org

Bitmoji Banter

How to Make Bitmojis

- Install the bitmoji app on your cell phone (e.g., Playstore)
- Open the bitmoji app
- Enter a birth month/date/year on the rotating dials
- Add your name, e-mail address, and a password
- Click on the female or the male character
- Take a selfie by placing your face in the circle
- Pick out skin color, hair, clothing, glasses, hats, etc.
- Save your bitmoji avatar when it looks like you
- Send messages with your bitmoji using Facebook or Twitter
- E-mail various bitmojis to yourself via G-mail to save them



Seven Word Summary

- Adapted from Six-Word Memoirs:
<http://www.sixwordmemoirs.com/>
- Summarize key take-aways in just 7 words
 - Pay yourself first to save for retirement
 - Always pay more than credit card minimum
 - Avoid high cost payday lenders and pawnshops
 - Follow the “Rule of Three” when shopping
 - Save at least part of your tax refund



Mill to the Music

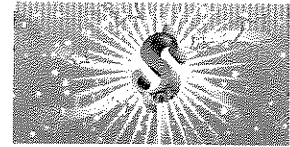
Using the *Mill to the Music* reflection activity described below (like musical chairs without the need to actually sit down in chairs), we will end *Financial Education Boot Camp* with this activity after the Ignite Presentations and before the closing segment with door prizes.

First Song: *For the Love of Money* (The O'Jays)

https://www.youtube.com/watch?v=GXE_n2q08Yw

Second Song: *Get in the Habit* (Sammy Rabbit)

<https://www.youtube.com/watch?v=A2G4HT72FCQ>



First Question: What are your key take-aways from today?

Second Question: How will you use *Financial Education Boot Camp* information?

Mill to Music

Planning Reflection

Materials Needed: Music

This is similar to the popular children's game 'musical chairs.' Play music either with a musical instrument or recording (upbeat music without words tends to work well). While the music plays, have young people move around the room—they don't have to dance or even move to the beat; they simply mill about. When the music stops, ask them to form pairs with those to whom they're standing closest. Give young people a question to respond to with the person who is closest to them. Pairs take a few minutes to ask and answer the question to each other. Start the music again and participants "mill" again. You can repeat this through several rounds.

Source: *Leadership and Reflection Activities You Can Use*, University of Minnesota Extension