

Before we get started...

Here is an example of the power of compounding interest while saving money. This is one way to teach good financial habits.

Assumptions: A 20-year-old saving \$25 per month. Average investment return rate of 7%.

- In 10 years - \$4,325
- In 20 years - \$12,785
- In 30 years - \$29,426

DPC Adult Education

Modeling Good Financial Habits

“Financial faithfulness for you and your family”

Today's Goals:

- Help your child begin their financial journey
- Planning for financial success
- Financial products – summary
- Payment apps
- Resources

Who am I?

- Worked in Retail and Commercial Banking for over 30 years
- Experienced in developing, planning, and executing financial growth strategies. How can this benefit you?
- Experienced in relationship management
- Banking career has included many community banking financial institutions in the Philadelphia region

Number One Financial Strategy

Use a monthly spending and saving plan to guide how you use your money.



Which financial products and services are right for you?

Financial products and services can help you:

- Save money
- Spend money
- Manage money
- Borrow money

Start with your needs

Questions to think about

- ❖ Where do you bank?
- ❖ Who is your banker?
- ❖ Are you digitally connected to your bank? (online banking, bill pay, and mobile)
- ❖ What are your financial goals?

Deposit products include...

- Savings accounts
- Checking accounts
- Certificates of deposit
- Money market accounts

Checking account info:

- ❖ Purpose: For frequent use and multiple transactions—deposit money, pay bills, make purchases, access cash
- ❖ Debit cards
 - Make purchases in stores, online, or withdrawal cash.
- ❖ Checks
 - Tell your financial institution to pay money to someone else, the payee
 - Some checking accounts don't use checks
- ❖ Statements
 - Review and Balance your account monthly

Using a Savings Account or Money Market Account

- ❖ Build savings by depositing money and keeping it there to earn interest
- ❖ Designed to save money for the future
- ❖ Often offer higher interest rates than checking accounts that earn interest
- ❖ Not designed for frequent transactions

Credit Products Include...

- ❑ Credit Cards
- ❑ Consumer Loans
 - ❑ Student Loans
 - ❑ Home Equity Loans and Lines
 - ❑ Mortgages

Retirement and Deferred Savings

- 529 Plan > pay for college expenses
- UTMA Accounts > restricted access until 21 in PA
- IRA – Roth or Regular
- 401k and 403b Plans

Building Blocks of a Spending and Saving Plan

1. Compare income and expenses
2. Understand where your money is going
3. Make adjustments

INCOME:

Money you receive

EXPENSES:

How you use your income



Reasons to have a financial plan

- First job or currently working– How to handle paychecks?
- Importance of managing and saving your money
- Smart purchase mindset – Xbox, bike, travel, phone, streaming services, etc.
- Car purchase or helping with insurance and gas
- Student loans

Payment Apps

- Pay Pal
- Venmo (Pay Pal)
- Zelle (Bank Consortium)
- Cash app (Square Inc.)
- Apple Pay or Google Pay
- Your personal bank- the most important app to have!

Discussion points

- What good financial habits did you learn as a child or young adult?
- We may have to change some spending habits to nurture greater generosity.
- Prioritize spending in your daily life. What does this mean? Do the math...
- How do we pass along “good habits” to our kids?
- Role Models? <https://www.gogirlfinance.com/six-celebrities-who-are-good-financial-role-models>
- Most important role model is...you!
- This takes practice, time, and encouragement.

Resources for money management and education

- Quicken > www.quicken.com
- Mint > <https://mint.intuit.com>
- Money Smart > <https://www.fdic.gov/resources/consumers/money-smart/money-smart-news/index.html>
- Banzai > <https://cnbankpa.banzai.org/course/4229782/home#/>
- News Article > <https://www.allbusiness.com/how-to-be-a-financial-role-model-for-your-children-93967-1.html>
- Bankrate > <https://www.bankrate.com>
- WSJ – Your Money Briefing > <https://podcasts.apple.com/us/podcast/wsj-your-money-briefing/id152024419>

Contact Information

- Chris Nardo
- Email: cnardo89@outlook.com
- Phone: 215.933.9070
- *“Do not save what is left after spending but spend what is left after saving.”* – Warren Buffet