

Welcome to...

Personal Finances

Parent Workshop

Please:

1. Sign in and get a snack.
2. Sit towards the front.
3. Answer the following prompt:
 - a. What is the point of making a budget?

Parent Workshop: HS Application and Regents



Aspire. Create. Connect.

Introduction



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Program Manager
Creative Connections



Creative Connections

42 Coaches | 3 Dozen Programs | **Over 9,000 Students Served**

Vision

We believe education is the key to success. We empower, motivate, inspire and support our students to achieve their college and career dreams. We want every student to have the opportunity of a quality and affordable college education.

This is how we ensure the success of our students and the success of the United States in the 21st Century.



Creative Connections

Eight Signature Programs

High School	- College Connections 2 - College Connections 1 - Career Connections
Middle School	- High School Connections - Teen Entrepreneur Connections - Middle School Future Connections
Elementary School	- Elementary Future Connections
All	- Art Connections

What's the Point?



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Why Budget?



Budget Definition

An estimate of costs, revenues, and resources over a specified period, reflecting a reading of future financial conditions and goals.

- www.businessdictionary.com/definition/budget.html

A plan for how to use your money to fund your life.

Essential Questions

- What are my goals?
- How do finances impact those goals?
- What is my current financial situation?
- What should be included in a financial Plan?

Agenda

- Welcome and Introduction
- Essential Questions
- Know your End Game (Goals)
- Financially, Where am I Today?
- What Budgeting Strategy/ies work best for me?
- Budgeting Resources
- Q&A

Life Goals



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What Are you Budgeting For?



What Are you Budgeting For?

Where do you live?
 Who are you with?
 What do you do?
 How do you have fun? (Travel, Drive nice cars,
 buy gifts for grandchildren)

What Are you Budgeting For?




What Will It Cost?

1. What do you have to complete?
2. What does it cost to maintain?
 - a. Leave margin for error. 10%
 - b. Leave room for what-ifs. 10%

ex. I have to Complete:	
Student loans	-\$24k
Kids College	-\$40k
Sell House	+450k

ex. Yearly Maintenance:	
Living Expenses	-\$24k
Travel	-\$12k
Leisure	+12k

Where Does it Go?



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Getting in Touch With Reality

1. Go to the link below
2. Only fill in the numbers you pretty much know for sure.

www.free-financial-advice.net/budget.html

Reflections

- What items did you know for sure?
- How much was left over after that was paid?
- What happens to all that other money?

Getting in Touch With Reality

Spend one month tracking every cent that you spend.

Debit Card tracking	NO CASH. Use a debit card for everything that month
Cash and Journal	Keep a journal and write down <u>everything</u> that you spend money on.
Cell Phone App	There are several, all require link to bank account, some free most paid.

Manage the Flow



Budgeting 101



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Vocabulary

Expenses	Money going out
Revenue	Money coming in
Fixed Expenses	Expenses that are necessary and do not change from month to month regardless of use. <i>Ex. rent</i>
Variable Expense	Expenses that can change from month to month particularly due to usage. <i>Ex. Utilities</i>
Necessities	Things you need to perform basic functions of living.
Discretionary	Spend on whatever you want
Leisure Goods	Items that you do not need to survive
Luxury/ Superior Goods	Goods that are purchased as income rises

Types of Budgets

Subtraction	Start with your total Revenue and subtract each item until you hit zero. Last item is "Discretionary income"
Cash/ Envelope	Create envelopes (categories) of expenses and only spend on that category from the respective envelope.
Proportional Budgeting	The buckets, 1) Needs, 2) Savings and 3) Wants. Expense into each bucket in order. Needs first, wants last.

Budget Formation

Necessities	Housing, food, transportation, Health Care
Savings	Emergency Fund, large item fund, 529 Plan
Investments	401k, IRA, CD, Property,
Comforts	Internet, Primping, New Clothes
Indulgences	Netflix, Cable, Eating out, movies,
Luxuries	Spa, Furniture, Appliances, Jewelry, car

Charity	Tax Deductible
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Budgeting Tips

- Do...**
- Have a goal
 - Spend less than you make
 - Pay yourself first
 - **Have an emergency fund (Not a credit card!)**
 - Create a plan
 - Negotiate with creditors
 - Build manageable systems
 - Automate!
 - Diversify your income

- Don't...**
- Operate on a deficit
 - Ignore bill collectors
 - Get stuck in your budget
 - Ignore your habits


Software and Apps

YOUR BANK!

Mint - Free
<https://www.mint.com/>

Mvelopes - Free to Try
<https://www.mvelopes.com/>

You Need A Budget (YNAB) - Free to Try
<https://www.youneedabudget.com/features/>



Resources

Free Financial Advice Budgeting Spreadsheet: <http://www.free-financial-advice.net/downloads/household-budget-spreadsheet.xls>


Nerd Wallet
<https://www.nerdwallet.com/blog/finance/budgeting-saving-tools/>

Wealth Inequality in America
<https://www.youtube.com/watch?v=QPKKQnjnsM>

Books

The Four Hour Work Week
<https://www.amazon.com/4-Hour-Workweek-Escape-Live-Anywhere/dp/0307465357>

The \$100 Startup
https://www.amazon.com/100-Startup-Reinvent-Living-Create/dp/0307351529/ref=fpd_sim_14_37_encoding=UTF8&pd_rd_i=0307351529&pd_rd_r=YZF5JPCJNXF8CZF183DE&pd_g_w=4dXJ&pd_rd_wg=m0srJ&psc=1&refRID=YZF5JPCJNXF8CZF183DE



Thank You!

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