
Money Basics in Your Twenties and Thirties

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Five things

- Earning
- Spending
- Bill Pay
- Credit
- Saving & Investing

Earning

- What's your path?
- How can you find it ?
- How do you move forward?
- Do you need to ask for a raise?

Spending

- Budgeting 101: How to Budget Money
 - Divide your income among needs, wants, savings and debt repayment

Spending

- Budget using 50/30/20 plan
 - Understand the budgeting process

Spending

- Budget using 50/30/20 plan
 - Allow up to 50% of income for needs

Spending

- Budget using 50/30/20 plan
 - Leave 30% of income for wants

Spending

- Budget using 50/30/20 plan
 - Commit 20% of income to savings and debt repayment

Prioritizing your Goals

- Paying Down Debts
 - Reduce loans with the highest interest rates first.
 - Length of debt should be tied to asset
- Protecting your family
- Emergency Savings (3-6 months of expenses in cash)
- Short Term Goals
 - E.g. Buying a Home
- Medium Term Goals
 - E.g. Education for Children
- Long Term Goals
 - E.g. Retirement

Bill Payment



Credit

- Why is having access to credit so important?



Free credit scores
are just the beginning

credit karma

Screen images simulated

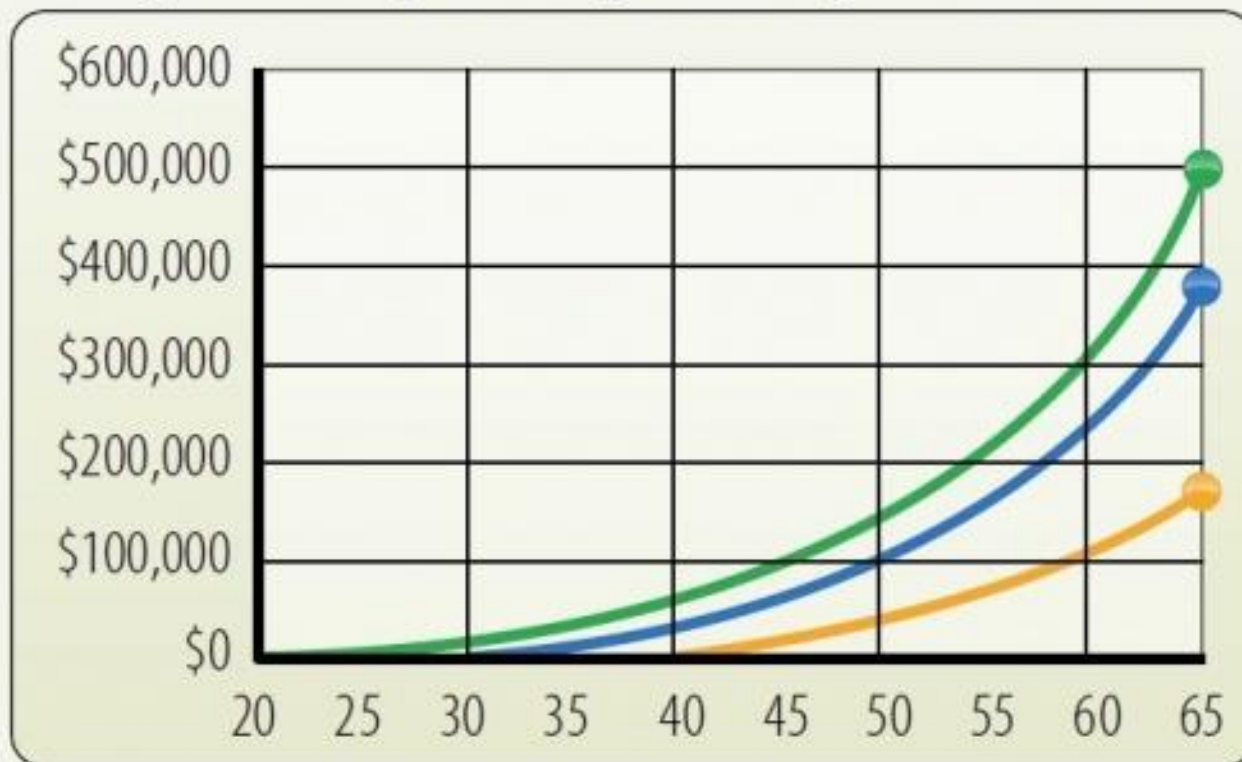


Saving

- Time is very powerful.
- Pay yourself first. Wants come later.

Power of Compounding

Example of Compounding of Savings at 8 Percent



- Aaron begins saving at age 20, saves \$2,000 for 10 years. (sets aside \$20,000)
- Bob begins saving at age 30, saves \$2,000 for 35 years. (sets aside \$70,000)
- Carl begins saving at age 40, saves \$2,000 for 25 years. (sets aside \$50,000)

This is a hypothetical example and is not representative of any specific situation. Your results will vary. The hypothetical rates of return used do not reflect the deduction of fees and charges inherent to investing.

Chart Source: ucg.org

Invest

- How much time do you have to leave the money invested?
- What level of risk do you want to take with your money?
- Allocation- Stocks, Bonds & Cash/
Cash equivalents

Asset allocation does not ensure a profit or protect against a loss.

Protections

- Insurance
 - Types of insurance
 - Disability
 - Life
 - Auto and Home
 - Health

Implementation

- Systematic Savings and Bill Paying
- Enroll in retirement savings plan as soon as possible.
- Increase what you are saving by at least 1% per year - if not more. For example- the % amount of your salary increase!

References and Next Steps

- <https://www.mint.com/>
- https://www.nerdwallet.com/article/finance/nerdwallet-budget-calculator?trk=nw_gn_5.0
- https://www.nerdwallet.com/article/finance/how-to-choose-the-right-budget-system?trk=nw_gn_5.0

Any Questions!



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Questions and Information!

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