

Employee Financial Wellness Benefits Program

Bank At Work Webinar Series: Powering Up Your Financial Outlook With Smart Money Management



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Employee Financial Wellness Benefits Program





Smart Money Management

- Your Vision
- Taking Assessment of Where You Are Today
- Take Control of Living Expenditures... Your Budget!
- Buying Power!
- Do your plan and goals align?
- Re-evaluate at regular intervals



TIME HORIZON

Your time horizon is the number of years you have before you need to begin withdrawing money from **your retirement account**.

What is your time horizon?



15+ YEARS TO RETIREMENT

Plenty of time to focus on long-term results; not worried about stock market volatility.



6-14 YEARS TO RETIREMENT

Time to remain invested through normal stock market cycle; move to a more conservative strategy.



0-5 YEARS TO RETIREMENT

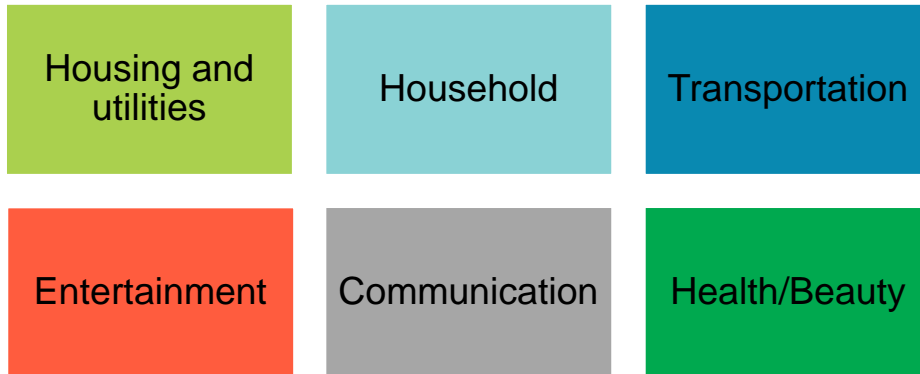
Need the funds soon; can't afford a big loss in value.





CREATING A BUDGET

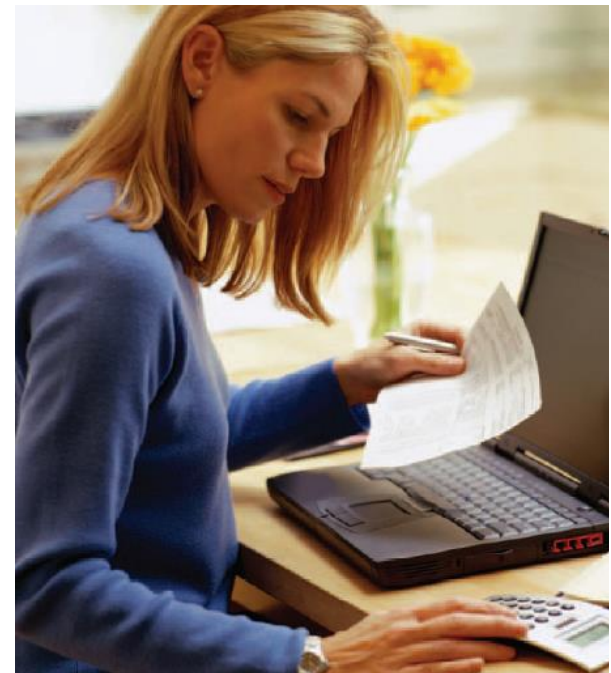
Step 1 – List your expenses



Step 2 – Add it up

Step 3 – Determine where to cut back

Step 4 – Write it down



Profit Leak???



List Which Services You're Paying For

Make a list of every streaming service you subscribe to.

This might be as simple as scrolling through the apps on your TV, but be sure to double-check your credit card bills, too.

To make it easier to keep track of all your streaming subscriptions, consider moving them to one credit card. Another option is to subscribe to your streaming services through your Amazon, Apple TV+, or Roku account, so the billing is all in one place. Then, each month, review every service you're paying for and determine whether you're still using it enough to justify the cost. This can also help you catch any price hikes.



INVEST IN YOUR FUTURE

SAVING

Putting money away for later.

INVESTING

Putting money away with the goal of maximizing your return.



CASH EQUIVALENTS

Designed to maintain a value that doesn't fluctuate to your advantage or disadvantage; money market account, CD, etc. Less risk than bonds.



STOCKS

Represent shares of ownership in a company.



BONDS

Loans to a government or corporate entity that pay a fixed amount of interest to the investor.



MUTUAL FUNDS

Allows a group of investors to pool their money to invest in stocks and bonds and managed by a professional money manager with a predetermined objective. Benefits include automatic diversification and asset allocation.



Market volatility can positively or negatively affect your returns



SAVING TOWARDS YOUR GOALS



- 1) Automate your Savings
- 2) Use the right credit cards
- 3) Earn while you shop
- 4) Perform regular audits of your monthly spend
 - Essential and Non-Essential
- 5) Use an HSA to manage medical expenses



 **Associated Bank**
Your money works here.®

Managing Debt



Understanding Your Debt

You need to know:

- **Who you owe**
- **How much you owe them**
- **How much the payments are**
- **When the payments are due**
- **Other important facts about your debts**



People Get into Debt for Many Reasons

- Purchase assets
- Pay bills (or as a result of not paying them)
- Cover unexpected expenses or emergencies
- Buy something they want or need





How Debt Can Affect Your Financial Situation

- **Need to use future income to pay your debts**
 - Called “obligating future income”
- **Generally pay interest and sometimes fees on your debt until paid**
- **May impact how soon you can achieve your goals**



Installment Loans

- **Principal**
 - Amount you borrow
- **Term**
 - How long you have to repay the principal and pay the interest
- **Generally pay same amount every payment unless there is a variable or adjustable interest rate**



Revolving Credit

- **Credit limit – the most you can borrow**
- **Payment – based on credit you have used**
- **Minimum payment – often 1% to 5% of the outstanding balance**

Pay more → Pay off sooner → Pay less interest!



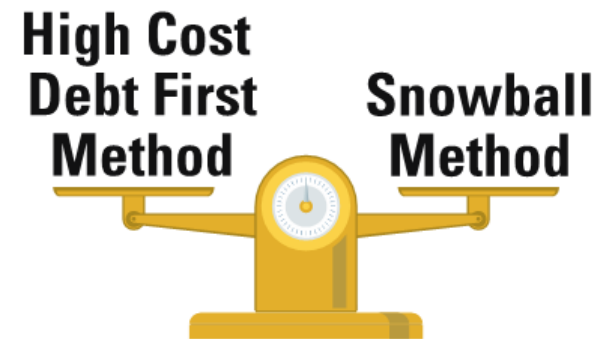
Two Strategies for Reducing Debt

1. High Cost Debt First method

- First pay off debt with **highest cost** to you

2. Snowball method

- First pay off debt with **lowest balance**



You Decide



High Cost Debt First Method

Advantage—save money

Disadvantage—progress may feel slower

- List debts: **Highest cost to you to the lowest**
- Pay amount due on each debt
- Make extra payment to first debt on list
- After you pay off first debt, make extra payment on **next debt** on the list
- Continue as needed



Snowball Method

Advantage—make progress faster

Disadvantage—may pay more money

- List debts: **Lowest balance to the highest**
- Pay amount due on each debt
- Make extra payment to first debt on list
- After you pay off first debt, make extra payment on **next debt** on the list
- Continue as needed



Several Things Can Happen if You Don't Pay Your Debts

- Late fees or more money in interest
- Contact by debt collector
- Losing services or paying costs to reestablish them
- Losing collateral



What Else Can Happen?

- Negative entries on your credit reports
- Drop in credit scores
- Lawsuits from creditors
- Wage garnishment
- Account garnishment
- Treasury offset



Before Making a Plan to Pay a Debt

Be sure you know:

1. You owe the debt
2. The statute of limitations has not expired
3. You are dealing with a legitimate debt collector

**If you know those three items,
pay the debt in full if possible**



If Payment in Full is Not Possible

- **Set up a payment plan**
 - Make sure it's a plan you can afford
- **Negotiate a lower balance**
 - Ask for “paid in full” and not “settled”



Debt Collectors Must Follow Rules

- **No abusive, unfair, or deceptive practices**
 - No inconvenient times or places
 - No calls at work if told not to call
 - No threats of violence
 - No obscene or profane language
- **Report problems with debt collectors**





Why Do Medical Bills Often Turn Into Medical Debt?

- **Often unplanned**
- **Total costs not known upfront**
- **Expenses quickly add up**
- **Can be confusing**
 - Many individuals providing care
 - Lack of understandable detail
 - Insurance information often unknown



Possible Actions

- **Make sure it's a bill and you owe it**
- **If you do not owe it, dispute the bill**
- **If you do owe it, but cannot pay in full:**
 - Try to negotiate a lower payment amount
 - Try to set up a payment plan
 - Try to settle the debt
 - Work with nonprofit credit counseling organizations
 - Consider bankruptcy, perhaps as a last resort



THANK YOU!

QUESTIONS!