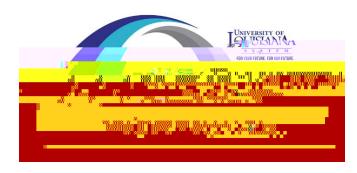
MONEY MATTERS 2023: UL SYSTEM FINANCIAL WELLNESS SERIES

SESSION #2:

FINANCIAL PLANNING FOR GRADUATE STUDENTS

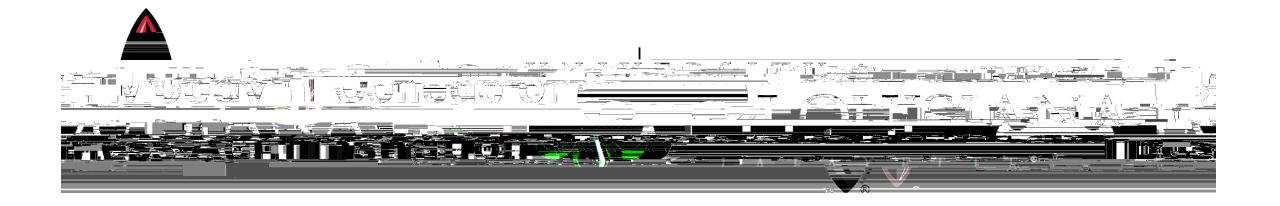


JUNE 7, 2023



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http://business.louisiana.edu/financeispersonal



OWNING YOUR







ONCEEVERY SEM ESTER:

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ONCEEVERY SEM ESTER: TRACK EVERY PENNY THATYOU SPEND & TRACK EVERY PENNY THATYOU EARN





ONCEEVERY SEM ESTER: TRACK EVERY PENNY THATYOU SPEND & TRACK EVERY PENNY THATYOU EARN IN THE NEXT 3 M ONTHS
IDENTIFY WAYS TO DECREASE
YOUR DISCRETIONARY
SPENDING BY 25%

IN THE NEXT 6 MONTHS



IN THE NEXT 12 MONTHS OPEN AN IRA OR A ROTH IRA (INDIVIDUAL RETIREMENT ACCOUNT)

You can contribute \$6,500 per year and invest in a wide variety of options. You get to avoid capital gains taxes and possibly defer income taxes. You get to benefit from compound investment returns over the long-term... and that's one of the key hacks to building wealth.

Open a Roth IRA if your income is very low today – the tax benefits are huge.



ONCEEVERY SEM ESTER: TRACK EVERY PENNY THATYOU SPBND & TRACK EVERY PENNY THATYOU EARN IN THE NEXT 3 M ONTHS
IDENTIFY WAYS TO DECREASE
YOUR DISCRETIONARY
SPENDING BY 25%

INTHE NEXT 6 MONTHS
MAKEA PLANTOMANAGE
AND PAYOFF YOUR DEBT

IN THE NEXT 6-12 MONTHS
OPEN A SAVINGS ACCOUNT,
ONE FOR EACH OF YOUR GOALS

IN THE NEXT 12 M ONTHS, OPEN AN IRA OR ROTH IRA

WITHIN 2 YEARS OF GRADUATION:

WITH 3-6 MONTHS OF NON-DISCRETIONARY EXPENSES IN IT

THIS IS REALLY DIFFICULT FOR ANYONE TO DO. BUT MAKE IT A PRIORITY.

Commit to paying yourself first with every paycheck. Commit to building your financial safety cushion...once you have this, then all other goals get easier and you will sleep better every night.



10 Financial Challengesfor nis Year



CHALLENGE #1

Set 5 financial goals for the next year, the next 3 years and the next 5 years.

You pick your time horizons. Make this work for you. Financial goals are not necessarily just about money. They can be about your work or school. They can be about habits and behaviors.

The key is that if you can improve your habits and behaviors, if you can improve your satisfaction at work and at school, you will feel more empowered to take control over your financial situation, too.



CHALLENGE #2

Stop spending money after a certain time at night.

I'm an early bird, so I don't spend any money after 8pm. Occasionally, I have to make an exception if I'm at dinner with friends, but having this mentality prevents me from making frivolous purchases that do not bring me much joy.

Maybe a daily deadline won't work for you; what about picking 1 day a week where you won't buy anything? Pick a goal that challenges you a bit, that brings you some benefit, but doesn't force you to sacrifice your lifestyle too much.



CHALLENGE #4

As soon as you get each paycheck, or on the 1st day of each month, explicitly save \$25.

Maybe that means moving \$25 from your checking or debit account to a savings account. And then do not touch that money. The goal is to get in the habit of paying yourself first (or paying your future self first). And a side benefit is that you will have separate financial accounts, each with separate financial goals.



CHALLENGE#5

Make saving a game.

After saving \$25 on the first day of the month, set a goal to save even more during the rest of the month. Maybe you set the goal of saving another \$50. If you manage to save \$150 instead of \$50, celebrate your success by taking the additional \$100 and using some of it to treat yourself. Maybe it's a spa day or a nice dinner – and then take what's leftover from this treat and put it towards savings.

CHALLENGE#5 - Alternative

Make saving a game.

Anytime you treat yourself to a purchase over a certain amount, set aside ½ of the amount amount of the purchase to give to charity. For me, it's \$200.

If I buy anything over \$200 – except food or rent – I immediately set aside ½ of the amount to give to charity. I do not donate the money immediately, but I may pool it over several months to be able to give a bigger donation.

CHALLENGE #6

Check your credit score. And study your credit report.

You can get a credit report for free from TransUnion, Equifax or Experian. Make sure what's on the credit report belongs to you. Challenge anything that is wrong. And make a plan to improve your credit score – by cleaning up your credit report or establishing a payment history that will work to your advantage over time.

CHALLENGE #7

Analyze your insurance expenses at least once a year. Contact 3 different insurance companies and compare pricing.

It's easy to stick with the same company for years. But you may be missing out on the best pricing. It's easy to switch companies, so don't be afraid of it. Or maybe you can use the price comparisons to get a better deal at your current company. As the commercials say, just a few minutes of work can save you hundreds.

CHALLENGE #8 - Alternative

Are you expecting a tax refund this year? If so, get rid of it.

Note, the one exception I may make depends on your behavior: if you get that \$2400 refund, are you going to use this to invest or pay off debt? If so, then getting a refund may make sense. But if you view a



CHALLENGE #9

Cancel (at least) one subscription this year.

Look through your recurring subscriptions that automatically charge your credit card or deduct money from your bank account and think about (a) whether you really need that subscription, and (b) whether you would be better off just paying a-la-carte instead of with the subscription.

For me, I had a \$32 monthly car wash subscription; I could wash my car all I wanted every month for \$32. Well, in reality, I only need my car washed once or twice a month – especially as I'm driving less these days. So I got rid of the subscription. I still wash my car at the same place, but now I spend \$10-\$20 a month instead of the fixed \$32 a month. It may not be a huge savings, but it's more about the habit and the ownership of my spending.

CHALLENGE #10

For 1 month each year, do not dine out. Nothing.

Maybe 1 whole month is too ambitious. Maybe you start with a week. Or weekend. Or maybe you stop dining out on Fridays only.

Or maybe you eliminate or reduce just one habit...coffee, fast food, alcohol. Identify a habit that you know is not aligned with your personal or financial goals.. and then take some baby steps to improve it.

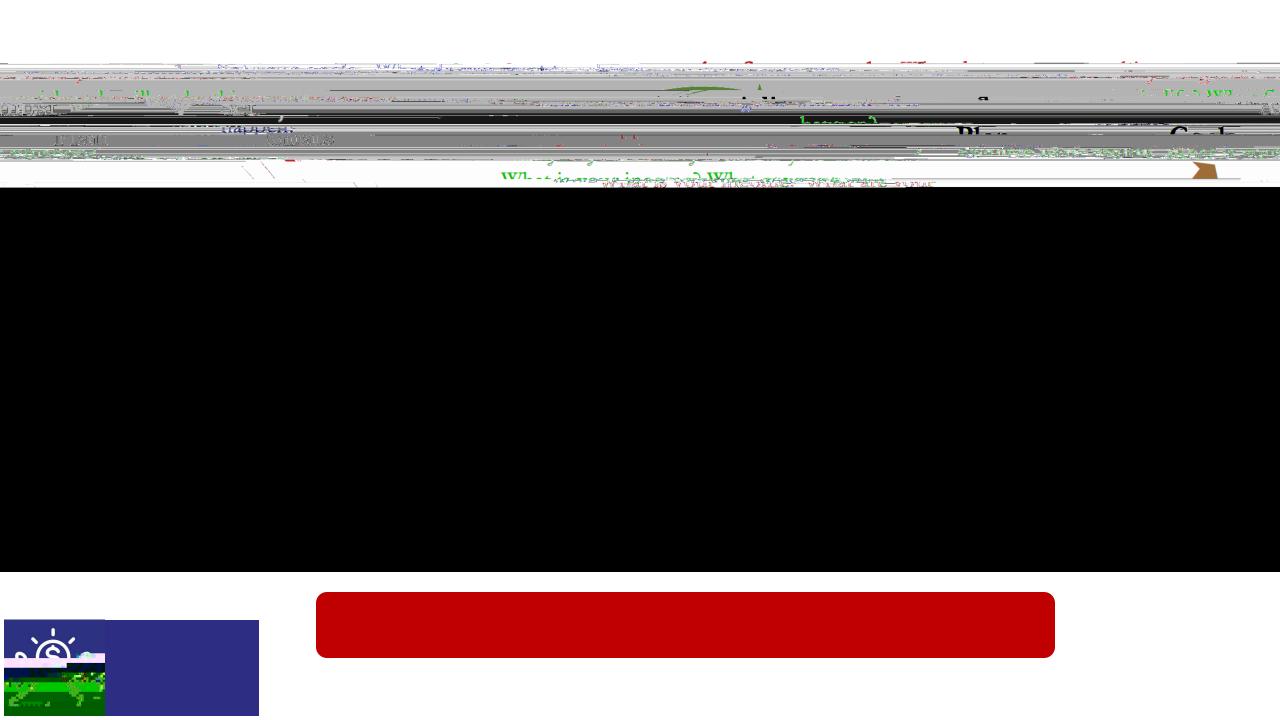
Final Question of the Day

Why are you in graduate school?

are giving up several years, thousands of dollars and enormous effort & energy.

What return are you getting from this investment?





The best investment you can every make is finishing your degree.

Get across that finish line and then move on to bigger and better

financially.



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