



Financial Fundamentals for Young Adults: First Steps Towards Financial Wellness

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Mary Dyer, Financial Education Officer

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- Making the case
- Maine Learning Standards
- Setting the stage
- Financial habits to establish early:
 - The art of patience
 - Taking charge
 - Controlling spending leaks
 - Creating an emergency fund
 - Discovering “found” money



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What Do HS Students Say?

A 2013 survey published by Discover Pathway to Financial Success concluded that:

- HS seniors rank personal finance and money management as the most critical skills for personal future success – tied with math, ahead of science and technology;
- Almost 50% wished they learned personal finance in school to prepare them for life after college; and,
- 83% say they would be very interested in learning more about how to manage their personal finances.

Maine Learning Results

Personal finance is included in the MLR's in Social Studies as part of the Economics strand:

“Students draw on concepts and processes from economics to understand issues of personal finance and issues of production, distribution, and consumption in the community, Maine, the United States, and world.”

Personal finance is defined in the MLR's glossary as:

“The aspects of individuals or family life that involve earning and spending money; often includes making budget choices, savings and investing, the use of credit, and managing risk and insurance.”

MLR's Key Concepts:

- Earning money
- Spending money
- Creating a budget
- Saving and investing money
- Using credit
- Managing risk and insurance

Setting the Stage

- Ask student to:
 - Imagine themselves at 30.
 - Think about what will matter to them (with lots of details).
 - Consider the steps needed to get there.
 - Think about what could derail them.

Resources:

Loaded: Money, Psychology, and How to Get Ahead without Leaving Your Values Behind, Sarah Newcomb

THINK ABOUT YOUR **FUTURE SELF:**

Imagine your life ten years from now. If everything goes as planned, what will your life look like? Using the prompts below, take some time to write down your vision. Doing so might help you get there! In the future...

Where do you live? _____

Do you rent an apartment or own a home? _____

What state or city do you live in? _____

Do you live alone or with a roommate or family member? _____

Do you have a partner or spouse? _____

Do you have children? _____

What kind of job do you have? _____

Do you work in an office or at home? _____

Are you employed full-time or part-time? _____

Are you self-employed? _____

What is your schedule like? _____

Do you take vacation time? _____

What is your annual salary? _____

Are you saving for retirement? _____

What do you do in your free time? _____

What are your hobbies? _____

Do you like to travel? _____

How much time do you spend with family and friends? _____

How much do you volunteer your time or donate money? _____

How are you involved in your community? _____

The Art of Patience

- Learn the art of delayed gratification.
- Avoid impulse purchases, no matter how large or small.
- Before purchasing something, wait a day or two.
- Avoid using credit cards to purchase items that you can't afford.

Resources:

Next Gen Personal Finance – Case Studies

Bankrate.com – Credit Card Calculator

Ted Talk – Marshmallow Test



- Get involved – help complete the FAFSA, scholarship applications and student loan forms.
- Read and respond to ALL notices and emails from colleges and/or billing companies.
- Get a checking or savings account and monitor transactions.
- Follow up on billing and financial-related calls/inquiries and keep a record of instructions.

Resources:

annualcreditreport.com

Young Invincibles – Adulting

<http://info.bccu.org/adulting/>

Control Spending Leaks

- Track every penny that for an entire month.
- Categorize and add up all expenses.
- Small purchases add up over time and become big budget drains.

Resources:

Break the Starbucks Habit -
www.hughcalc.org/coffee.cgi

Smart About Money – spending leaks
thesimpledollar.com



Start an Emergency Fund

- Establish a regular habit of saving, even if it's just a small amount.
- Plan for the unexpected and begin saving in an emergency fund.
- Start with a savings goal of \$500 and build from there.

Resources:

Next Gen Personal Finance – Saving

CFPB – Money as You Grow, Your Money, Your Goals

Nerdwallet – Starting an Emergency Fund

Works for ME ✓

Discover “Found” Money

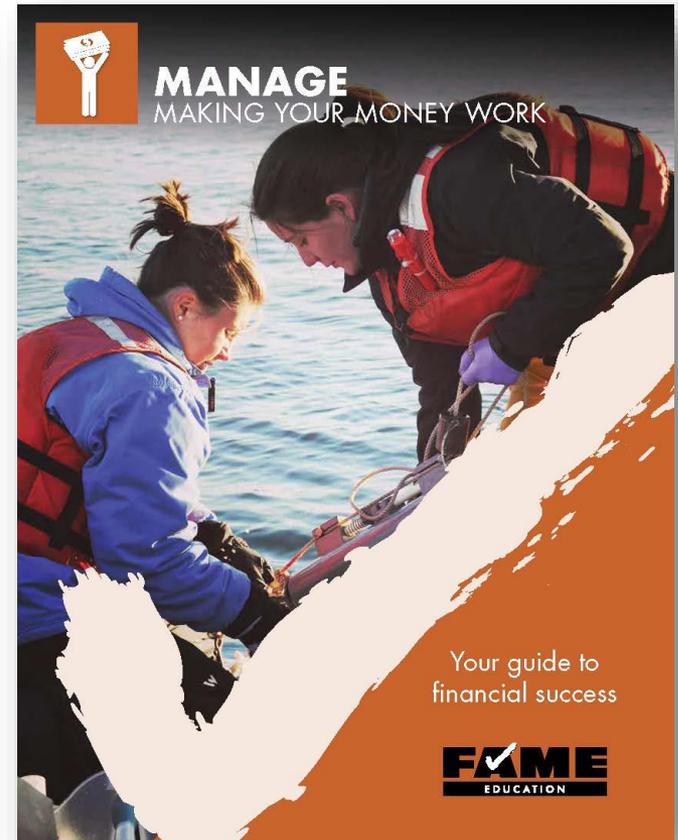
- Get the best deal.
 - Complete an annual “check-up” of fixed expenses like cell phones, cable, insurance, and banking
- Sell unwanted items.
- Create a “side hustle.”
- Take advantage of freebies and discounts.
- Check for unclaimed property.

Resources:

maine.gov/upsearch

sidehustlenation.com

- National Jump\$tart Standards
- Maine Jump\$tart Clearinghouse
- FAMEMaine.com
 - Claim Your Future®
- Everfi Financial Literacy
- CFPB – Youth Financial Education
- NEFE Financial Education





- **Fostering Financial Education in Maine Schools Conference** – May 11th, Augusta Civic Center
- **Summer FinCamp**
 - August 8 – Portland (USM)
 - August 9 – Bangor (Sheraton Hotel)
 - August 10 – Bethel (Gould Academy)
- **National Jumpstart Educator Conference** – November 3-5, Cleveland Ohio



Questions?

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