

# Finding Balance – Financially

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**Financial literacy.**  
Shifting your money mindset.



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# Welcome!

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1. This is an informational and insurance sales presentation.
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## Today's Agenda.

**1** Assessing your money mindset

**2** The 5 core competencies of financial literacy:

- Income
- Budgeting
- Saving
- Borrowing
- Protecting

**3** Creating your own personal financial strategy

## Workbook...



## Money mindset: Then and now.



- Men often at the head of the household
- Notion that investing is “just for men”
- Less women in the workforce



- More women in the workforce
- Increasing number of women as primary breadwinners
- Women are household “CFOs”

## Feeling unprepared?

*You're not alone...*



**More than half** of adults do not have a budget.<sup>1</sup>



**Nearly 24%** of adults do not pay all their bills on time.<sup>1</sup>



**Nearly 1 in 4 adults** do not save any portion of their household's annual income for retirement.<sup>1</sup>

<sup>1</sup>Source: NFCC Financial Literacy Survey, 2017

## Let's get started.

### Core competencies:

- 1 Income
- 2 Budgeting
- 3 Saving
- 4 Borrowing
- 5 Protecting

## Income:

### Understanding your paycheck.

1. Taxable earnings and net pay
2. Withholdings and deductions:
  - Taxes
  - Benefits



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## Gross pay and net pay.

### Gross pay

Total amount of earned income prior to withholdings for taxes and benefits

### Net pay

- Bottom line
- Take-home pay
- What most people pay attention to

## Withholdings—taxes.

### 1. Federal taxes

Rate	Single Filers	Married Joint Filers	Head of Household Filers	
10%	\$0	\$0	\$0	
12%	\$9,875	\$19,750	\$14,100	
22%	\$40,125	\$80,250	\$53,700	
24%	\$85,525	\$171,050	\$85,500	
32%	\$163,300	\$326,600	\$163,300	
35%	\$207,350	\$414,700	\$207,350	
37%	\$518,400	\$622,050	\$518,400	

<sup>1</sup> <https://taxfoundation.org/2020-tax-brackets>

## Withholdings—taxes.

### State taxes

– Rate varies state to state



## Pop quiz: Know your withholdings.

What withholdings do these percentages represent?

**6.2%** Social Security

Medicare **1.45%**

<sup>1</sup> [https://www.ssa.gov/policy/docs/quickfacts/prog\\_highlights/RatesLimits2017.html](https://www.ssa.gov/policy/docs/quickfacts/prog_highlights/RatesLimits2017.html)

# Withholdings—benefits.

## 1. Insurance

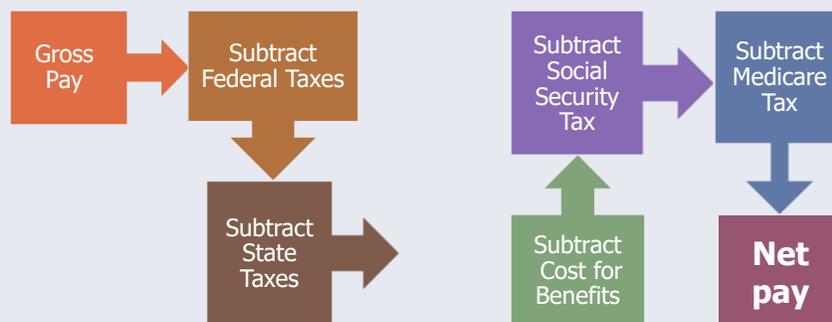
- Medical
- Dental
- Life

## 2. 401(k)

- Do you know your employer's match policy?
- If you're not maximizing your match, you're leaving money on the table



# What's your net pay?



# Core competencies.



Income



**Budgeting**



Saving



Borrowing



Protecting

# First things first.

Assess your current expenses.



• Rent/mortgage

• Groceries

• Travel and transport

- Mass transit fees
- Car payments, gas, tolls, parking, etc.

• Utilities

- Cable, internet, phone
- Gas, water, power

• Luxuries

- Shopping, dinner out, travel, events, etc.

## Does your income cover your expenses?



It is extremely important to live within your means.  
Be realistic about what you can afford, and what you can live without.

## Cutting back can be simple, and painless!

### Consider this:

1. Daily latte: **\$5**
2. Weekly expense: **\$35**
3. Monthly expense: **\$150**
4. Yearly expense: **\$1,825**
5. Cost of espresso machine: **\$109.99<sup>1</sup>**



<sup>1</sup> Bed Bath & Beyond, 5/15/17

## Putting together a budget.

### 1. Ask yourself

- What are my savings goals?
- What are my necessary expenses?
- What is a realistic spending target?

### 2. Hold yourself accountable

- Track your income and expenses monthly
- Find a tool or system that works for you



## Put pen to paper.

Fill out the budgeting worksheet in your workbook.



## Core competencies.



Income



Budgeting



**Saving**



Borrowing



Protecting

## What do you need to save for?

- 1 Emergency fund
- 2 Large purchases (i.e., house, car)
- 3 Future family (i.e., children, college planning)



## Start early.

Example: 30-year-old saves \$2,000 a year until age 60.  
What's the cost of waiting?



\*This hypothetical example assumes an annual 8% rate of return and does not take into account income taxes or investment fees and expenses. This example is for illustrative purposes only and does not represent the performance of any specific investment. An investor's actual return is not likely to be the same year to year, and there is no guarantee that a specific rate of return can be achieved.  
Source: FINRA Savings Calculator, <http://apps.finra.org/Calcs/1/Savings>

## Core competencies.



Income



Budgeting



Saving



**Borrowing**



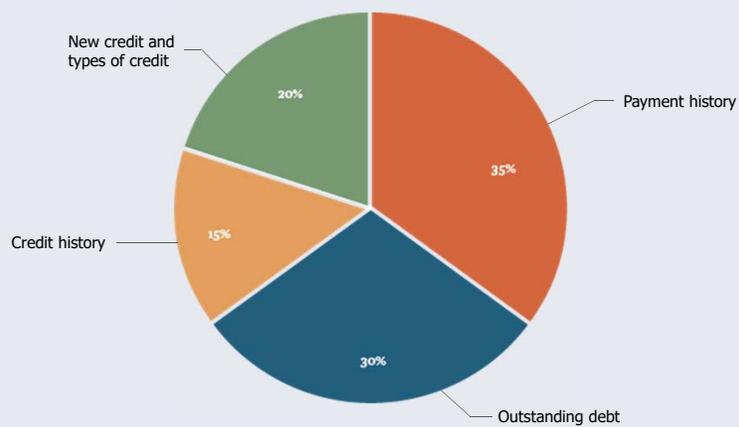
Protecting

## Common types of debt.

1. Credit Card
2. Mortgage
3. Student Loans
4. Car Loans
5. Predatory Debt
  - Payday loans
  - Lines of credit

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## Credit score components.



Source: Women's Institute for Financial Education, "4 Credit Score Secrets," 2015.

## Core competencies.



Income



Budgeting



Saving



Borrowing



**Protecting**

Don't forget about protecting  
your most important asset...

*You!*



## Protecting your human capital.

### 1. Things to consider:

- Life insurance products
- Managing costs for extended periods of care
- Disability insurance\*



\* Products available through one or more carriers not affiliated with New York Life Insurance Company, dependent on carrier authorization and product availability in your state or locality.

## Did you shift your money mindset?

### 1. Key takeaways:

- What are you going to do differently?
- What are you going to start doing?

**Knowledge  
is power.**

**Action is power!**

## Workbook feedback form.

Workshop Feedback Form  
Create financial independence

Yes, I am interested in scheduling a complimentary appointment.  
 No, I am not interested in scheduling an appointment at this time.

Please print

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Please call me to confirm an appointment at:

Day phone  Evening phone  
 Cell phone  Email

1. What aspects of the seminar did you enjoy? (Check all that apply)

Quality of the information  
 Presentation of the material  
 Knowledge of the presentation  
 Other feedback \_\_\_\_\_

2. Which of the following most interests you? (Check all that apply)

Risk management  
 Retirement planning  
 Estate planning  
 Other \_\_\_\_\_

3. Please invite the following friends, associates, or relatives to your next seminar.

Name _____	Phone _____
Name _____	Phone _____
Name _____	Phone _____

Thank you for coming! AtlantaLocalSource.com/MSL/Atlanta/Engage-us.html





**Thank  
you!**