Midwest International Band and Orchestra Clinic
SHOP Talk
"Don't Eat Cat Food When You're 65: A Discussion about Personal Finance for New Teachers!"

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Friday, December 17, 2021
1:30-2:00pm
W186

I. Introductions/Definitions

Millennials: As of today, anyone between the ages of 21 and 39!

Financial facts about millennials:

-The average American millennial is financially behind, thanks to staggering student debt, cost of living, and the financial crisis (Business Insider)

-A survey by Insider and Morning Consult found that while 70% of millennials have a savings account, 58% have a balance under $5,000.

Most important piece of advice from here on:
A. Be comfortable talking about money. The more uncomfortable you are, chances are the more you'll bury these important issues away from your important daily attention!

B. Talk to a financial professional. That can be a personal finance officer, a retirement specialist, a personal accountant, etc. DO NOT DO THIS BY YOURSELF UNLESS YOU PLAN TO ONLY INVOLVE YOURSELF FOR THE NEXT 50 YEARS!

II. Set short- and long-terms goals for yourself financially

Possibilities to consider:

- **Short-term goals to reach in the next year or so:** Build an emergency fund that can cover at least three months of living expenses. Keep new credit card charges limited to what you can pay off, in full, each month. Hint: Create and follow a budget. Pay off existing credit card balances.
- **Longer-term goals:** Start saving at least 10% of gross salary every year for your retirement. Save for a home down payment. Save for a child's (or grandchild's) education in a tax-advantaged 529 Plan.

III. Create a budget

50/30/20: With this approach, the goal is to spend 50% of your after-tax income on essential costs (e.g., rent/mortgage, food, car payments) and 30% on other needed expenses (say, phone and streaming plans) or "nice to haves" such as dining out. The final 20% is for savings: building your emergency reserves, socking away money for retirement and saving up enough funds for a down payment on a house or your next car.

IV. Build an emergency fund

Most financial planners have you saving up between 3-6 months worth of monthly salaries. The idea? Can you survive a catastrophic event that prohibits you from working for 3 to 6 months? An emergency fund will help you through such a predicament!

V. Pay off costly credit card debt
Dave Ramsey: Snowball!

VI. Save for retirement
401(k)
Roth IRA vs. Traditional IRA

VII. Invest for retirement with a long-term focus
Social Security, Employer's retirement, and?????

VIII. Be Smart About Borrowing (Yikes)

Sources

https://www.cnbc.com/guide/personal-finance-101-the-complete-guide-to-managing-your-money/#create-a-budget

Why Didn't They Teach Me This In School? By Cary Siegal

The Total Money Makeover by Dave Ramsey

Broke Millennial by Erin Lowry