Financial Literacy Overview

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This program and the information provided herein has been prepared solely for informational purposes and should not be construed as individual financial planning or advice .

Penn State

PennState
Sokolov-Miller Family
Financial and Life Skills Center

- Financial Literacy Center
- Training
- Weekly Presentations
- Certified Financial Peer Mentor
- 1-on-1 Student Consultations

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FLDP Summer Intern

SFS Business Development Team – Jim Tregillies

iPortal

Industry Research

Einstein

Defining Financial Wellness:

What Does It Mean?

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Elements of Financial Wellness

Financial Wellness: **More Than Just Income, Net Worth, or Credit Score**

	Present	Future
Security:	Control over day-to-day, month-to-month finances	Capacity to absorb financial shock
Freedom of choice:	Financial freedom to make choices to enjoy life	On track to meet financial goals

Source: Consumer Financial Protection Bureau

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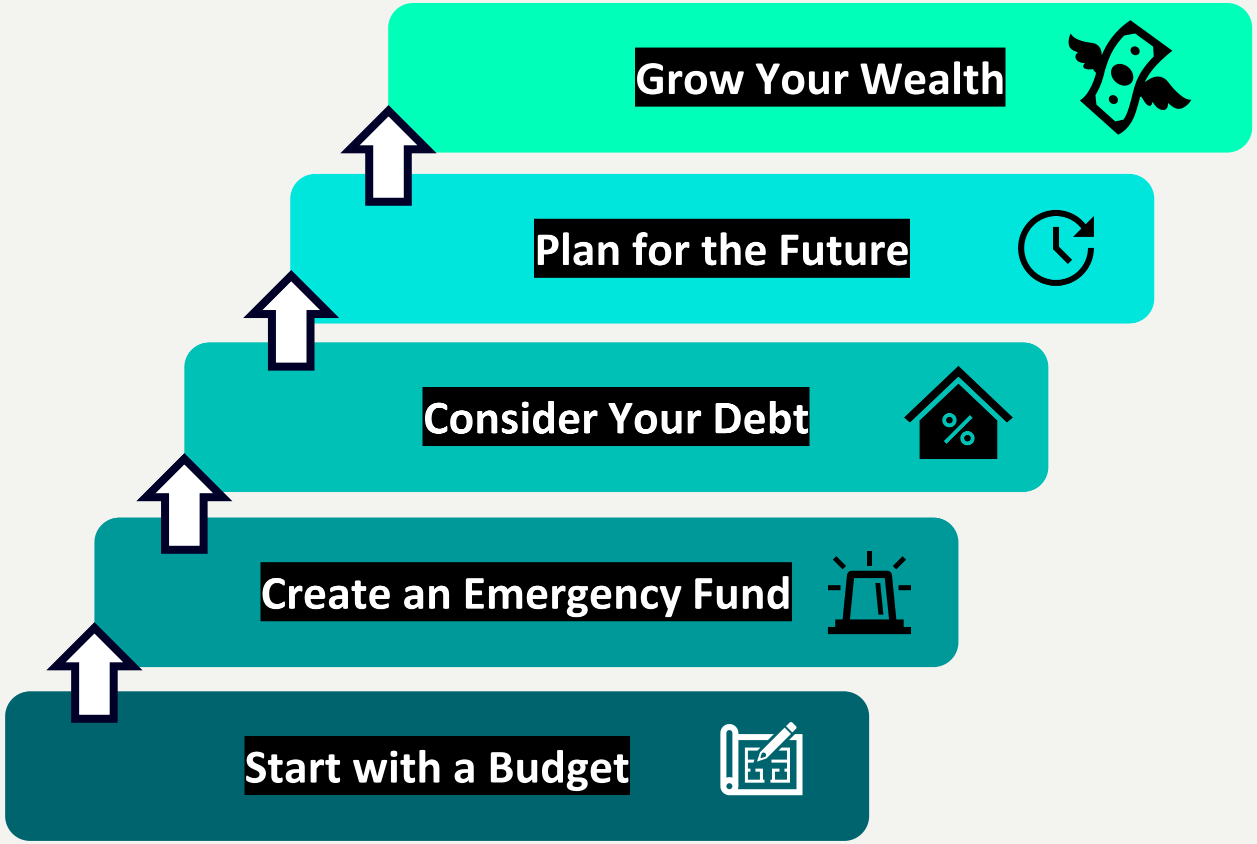
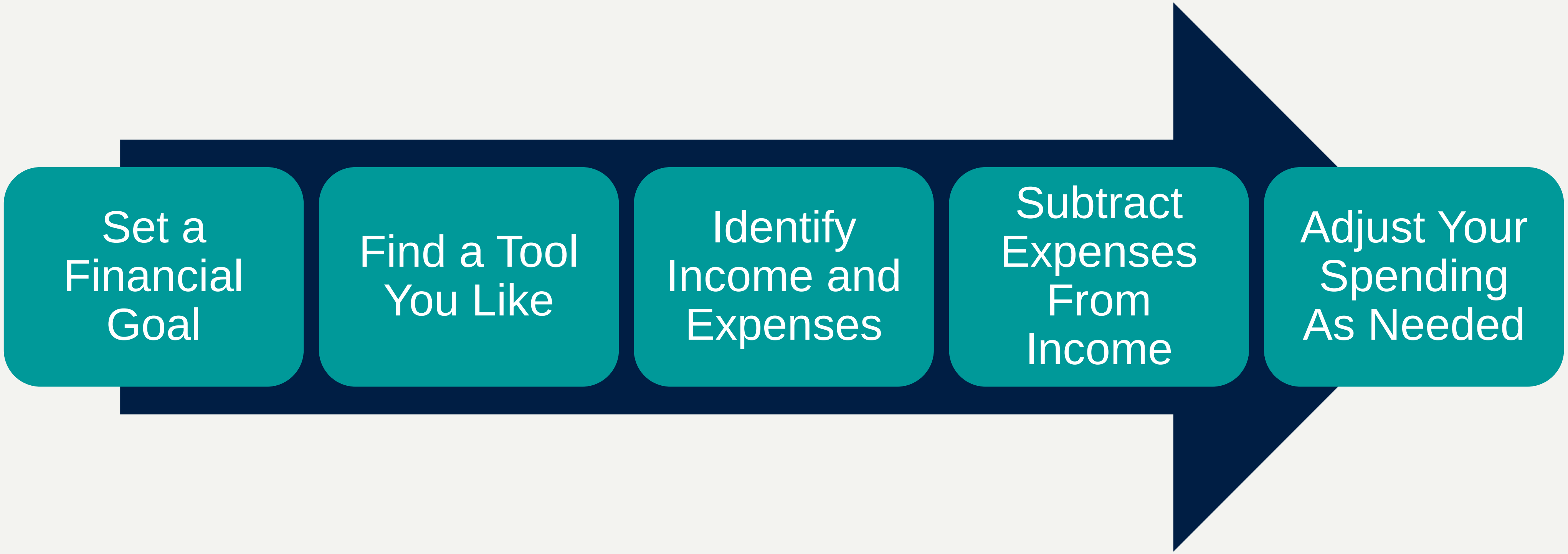
Ladder to Financial Wellness



Start with a Budget

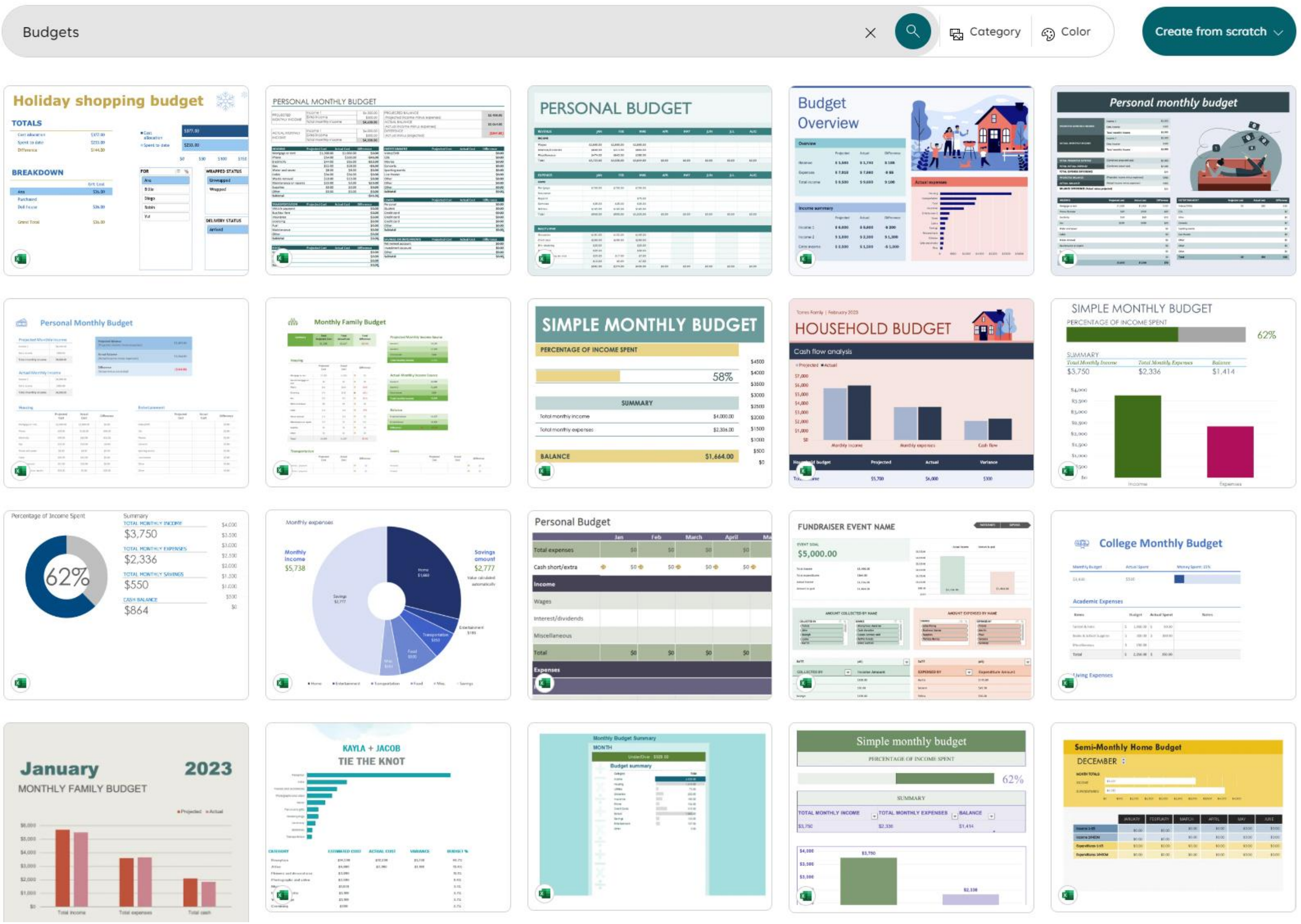
The Budgeting Process

- After Tax Income (Net Income)
- A good budget is honest, accurate, and complete
- A plan that helps you keep finances under control



Budgeting Tools

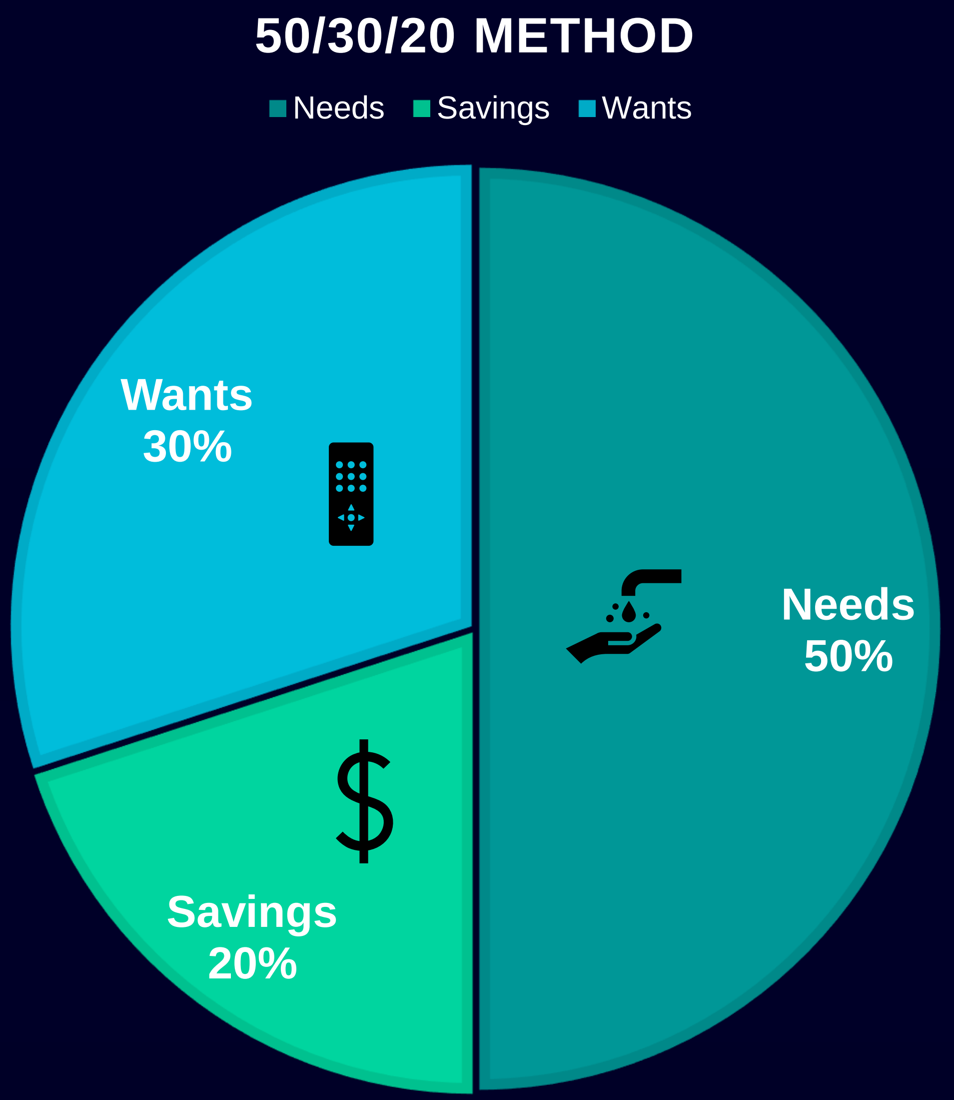
Free Excel Templates *(Microsoft)*



<u>Best 2024 Budgeting Apps</u> *(Forbes/Nerd Wallet):*

- You Need A Budget (YNAB)
- Good Budget
- EveryDollar
- Empower Personal Wealth
- Honeydue
- Quicken Simplifi
- CountAbout
- Monarch Money
- PocketGuard
- Fudget

Budgeting Example Method



Method Sources:

Forbes, Nerd Wallet, Investopedia, United Nations Federal Credit Union, Etc.

Budgeting for College

1. Complete the FAFSA application
2. Estimate your yearly total cost of attendance
3. Consider your financial sources to pay for school:
   - Grants
   - Scholarships
   - Work-study or part-time job
   - Personal funds
   - Loans

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Create an Emergency Fund

- It’s recommended to have **at least** 3 months’ worth of living expenses saved
- Keep your fund safe and accessible (liquid)
  - High-yield savings account
  - Savings account

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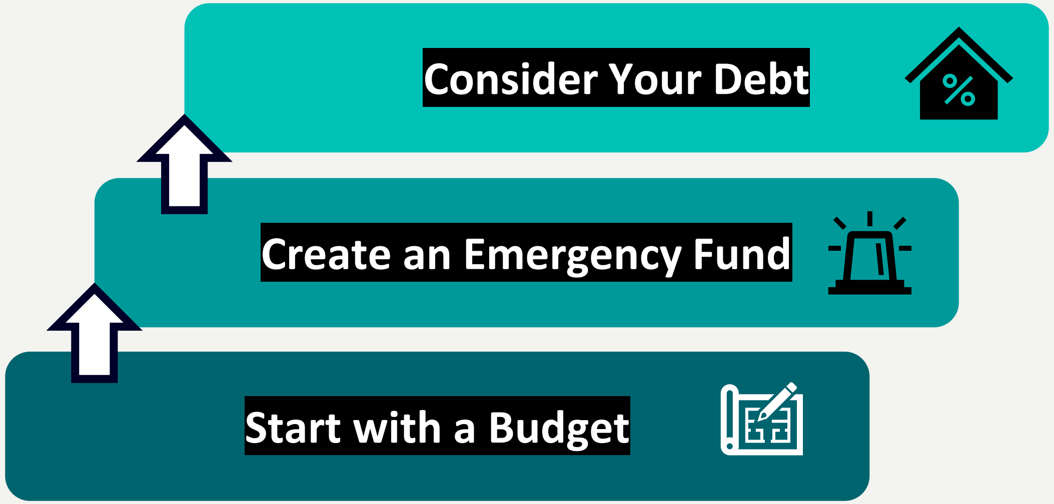
Consider Your Debt

- Credit is money loaned; debt is money owed
  - Credit card, student loan, car loan, etc.
- Use a strategy to repay debt and keep your credit reputation intact



Debt Statistics

- **The average American household now owes $7,951 in credit card debt (April 2024):**

  - **Generation X (ages 42 to 57):** $8,134
  - **Baby boomers (ages 58 to 76):** $6,245
  - **Millennials (ages 26 to 41):** $5,649
  - **Silent generation (ages 77+):** $3,316
  - **Generation Z (ages 19 to 25):** $2,854

Source: Federal Reserve Bank of New York and the U.S. Census Bureau, CBS News

Debt Repayment Strategy – Avalanche Method

- **Debt must be repaid, so have a repayment strategy ready**

Step 1
Make a list of all debts and interest rates

Step 2
Learn your options for consolidations, payment plans, or default resolution

Step 3
Adjust your budget to begin making minimum payments

Step 4
Prioritize variable or high interest debts first

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Debt Repayment Strategy – Snowball Method

- **More motivation**

Step 1
Make a list of all debts, in order of size

Step 2
Learn your options for consolidations, payment plans, or default resolution

Step 3
Adjust your budget to begin making minimum payments

Step 4
Prioritize smallest debts first, then move to bigger ones

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Your Financial Reputation

- How you manage your debt is reflected in your credit score
  - Credit score = financial GPA
- The higher the credit score, the better
  - Easier to rent or buy a house
  - Cheaper to borrow money
- Check your score regularly
  - Mobile banking app
  - Creditkarma.com

- Tip: always pay bills on time and keep balances low

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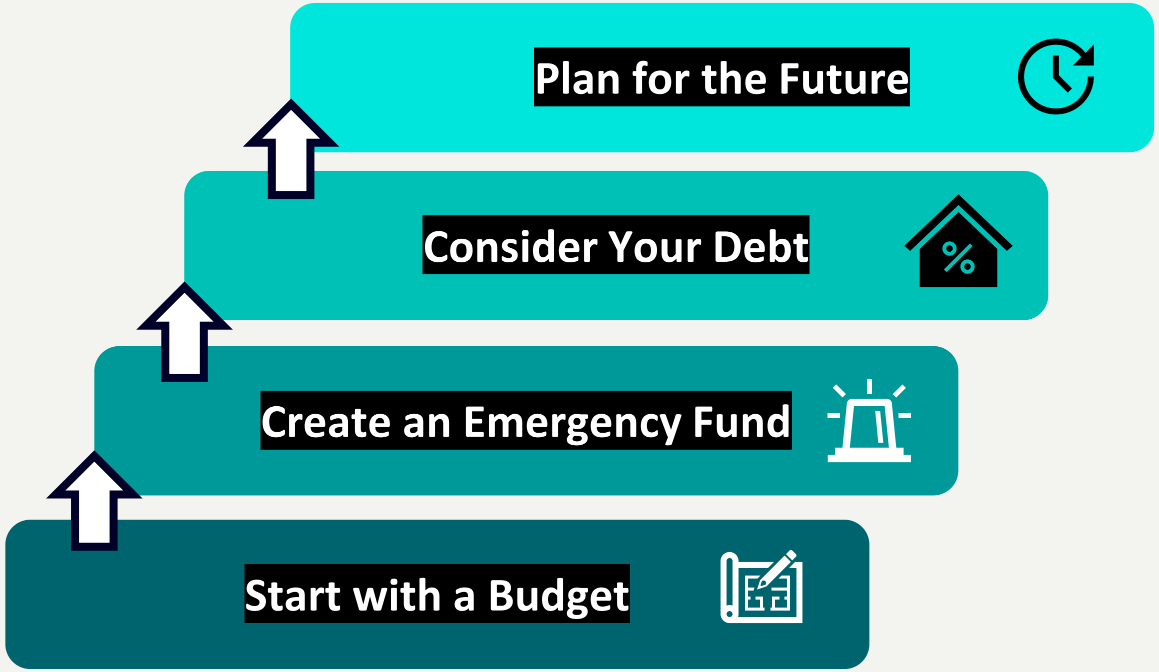
Plan for the Future

- Do something today that your future self will thank you for!



Plan for the Future

Save for Major Expenses

- Homebuying, retirement, etc.
- Start investing early and often
  - Contribute to retirement through an IRA or employer-sponsored plan like a 401(k)
  - **Give your money time to compound and grow**

Protect Your Financial Future

- Stay insured
  - Renters, auto, medical, etc.
- Protect your identity
  - Review bank statements
  - Check credit score and credit report
  - Keep documents safe

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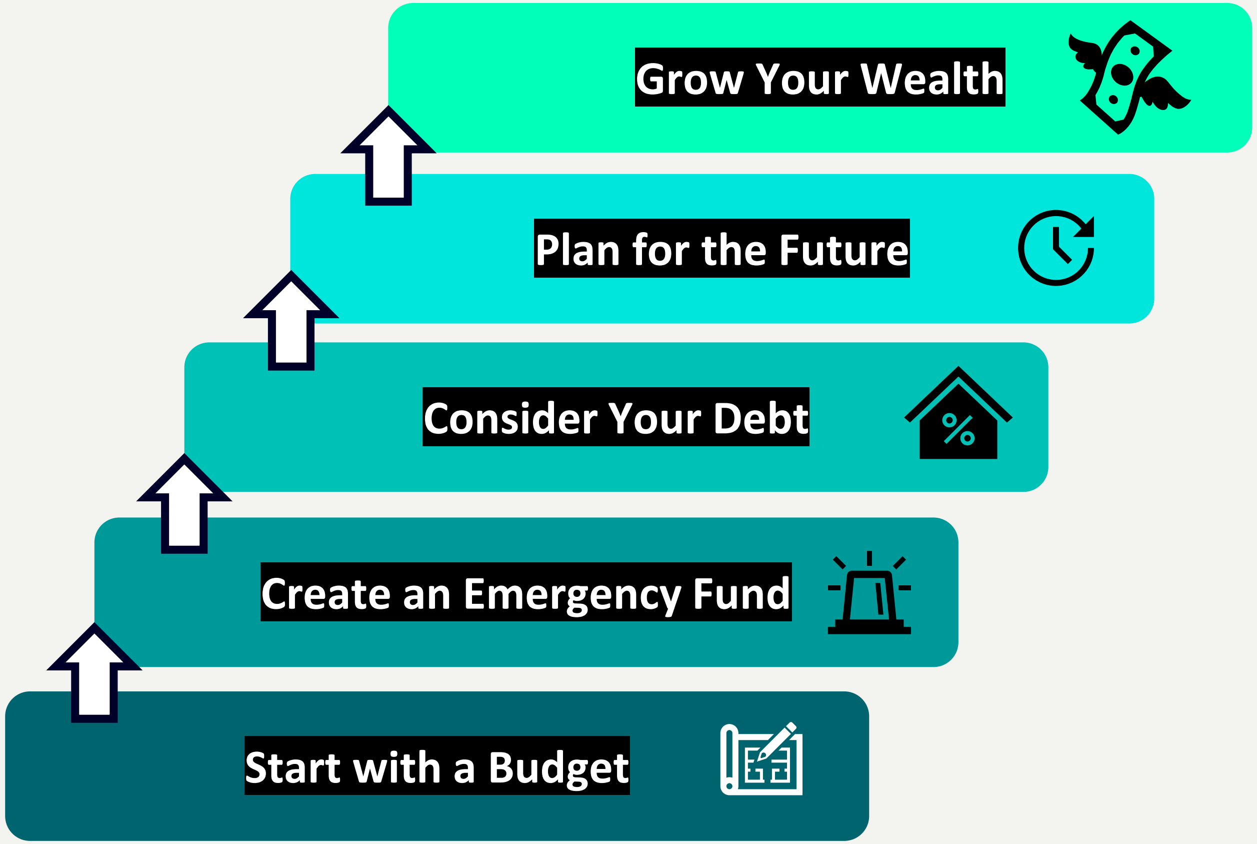
Grow Your Wealth



Click here to watch video

YouTube: Money Coach

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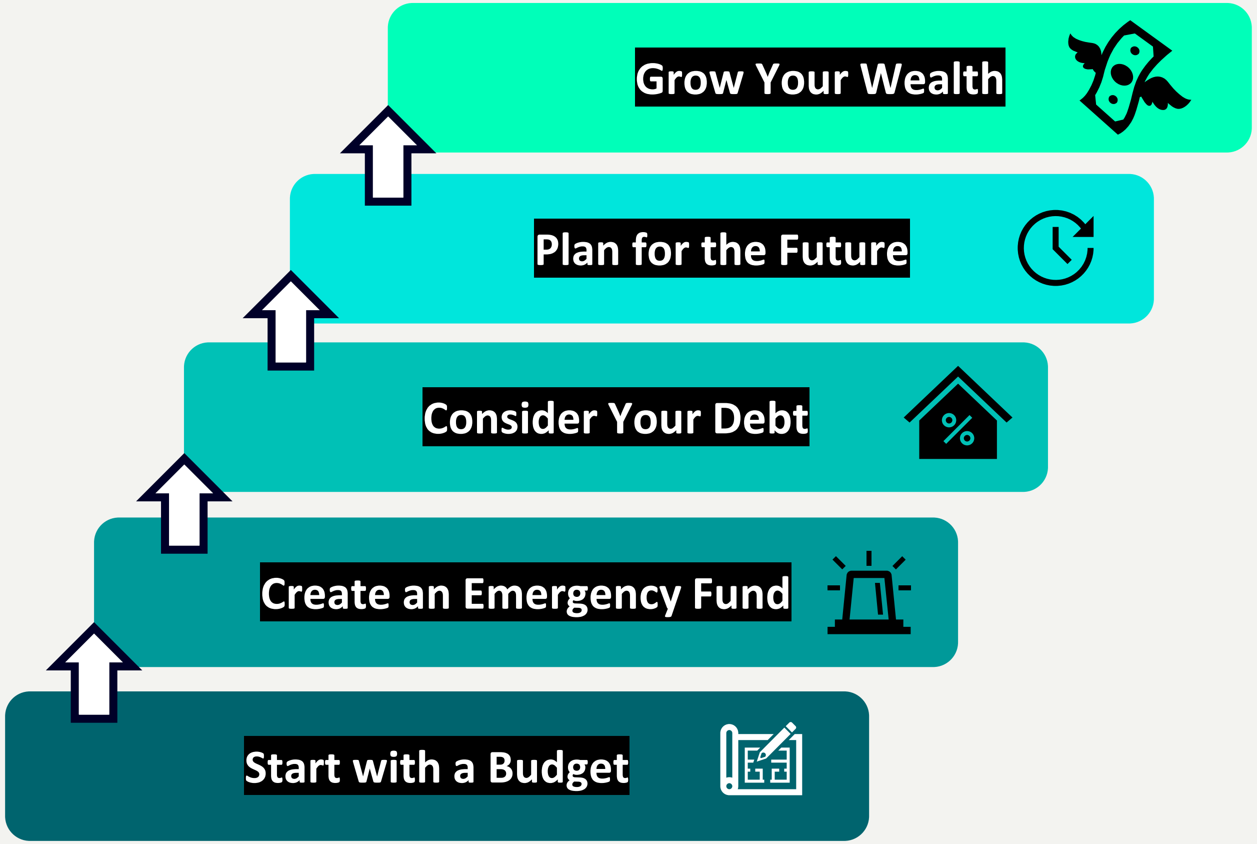
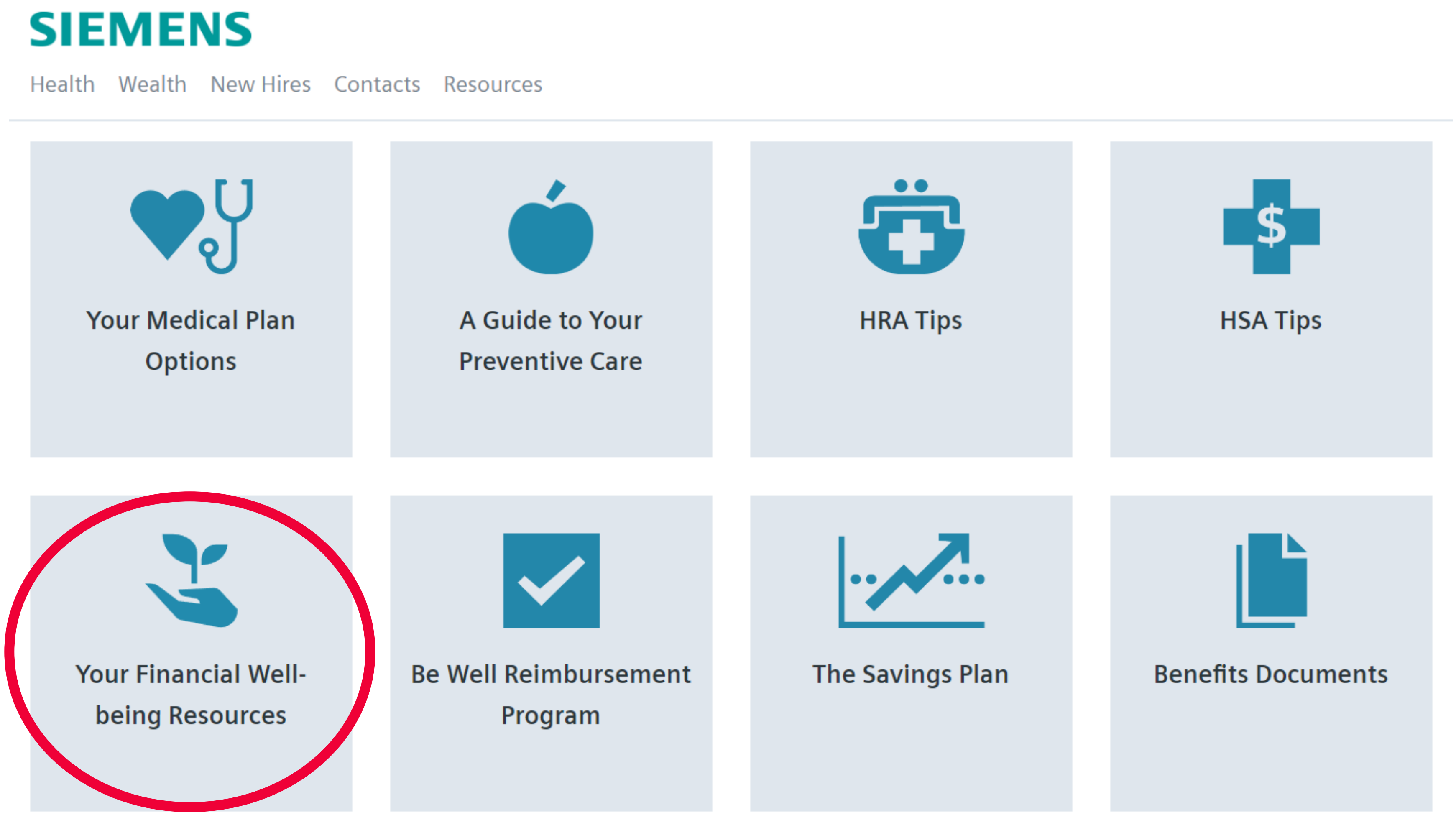
Where Are You on the Financial Ladder?



Resources at Siemens – “Your Financial Well-being”

Benefits QuickStart



https://www.benefitsquickstart.com/siemens/index.html

Resources at Siemens – “Your Financial Well-being”

Be Well Reimbursement Program

- Reimbursement for health and well-being-related expenses

After-tax Savings for Emergencies

- After-tax emergency fund

The Savings Plan

- 401(k) plan
- Between 2% and 50% of pay

https://www.benefitsquickstart.com/siemens/financial_wellbeing.html

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Resources at Siemens – "Your Financial Well-being"

Financial Education Webinars

- More financial education

Employee Assistance Program (EAP)

- Free 30-minute session
- Resources for financial education

Advisory Services Offered by Alight Financial Advisors[1]

- Online advice
- Professional Management

https://www.benefitsquickstart.com/siemens/financial_wellbeing.html

Resources at Siemens - Alight Financial Webinars

Financial Wellness Live Webinars and Videos led by Alight Financial Advisors

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What often stands between you and your financial well-being is a little knowledge! No matter where you are in your career, we invite you to explore any of the financial wellness topics indicated below. These topics range from budgeting, investing, and retirement planning and are conducted by investment advisors from Alight Financial Advisors (AFA).

Register for a 2024 **live webinar** by clicking a link below:
Intermediate Investing Concepts: Wednesday, July 24 at 2:00 PM ET
Retirement Plan Help for You: Tuesday, July 30 at 12:00 PM ET
Retirement Plan Help for You: Wednesday, August 7 at 3:00 PM ET
Approaching Retirement: Wednesday, August 21 at 3:00 PM ET
Understanding the Roth: Tuesday, September 17 at 1:00 PM ET
Make the Most of Your Savings Plan: Thursday, September 26 at 3:00 PM ET

Can't join a live session or want to watch it again? Click below to start the video:	
NEW: Tools & Resources; A guide to your Siemens resources	
NEW: Your Path to Financial Wellness	
NEW: Retirement Plan Help for You	
Make the Most of Your Savings Plan	Budgeting for Success
Beginning Your Financial Journey	Managing Your Debt
Approaching Retirement	Wealth Strategies
Are You On Track Financially	Intermediate Investing Concepts
Understanding the Roth	Tax Fundamentals
Understanding Social Security & Medicare	Investing Fundamentals
Planning for the Cost of Higher Education	Estate Planning Fundamentals
Women and Wealth	Investing Through Market Ups & Downs
Protecting Your Siemens Retirement Accounts	

By attending these webinars or watching a video, I agree that any materials utilized will be kept confidential and will not be provided to any parties outside of Alight Solutions or my current employer. I also agree that my name and email may be shared with my current employer for general and recordkeeping purposes.

alight

https://www.brainshark.com/1/player/alight?fb=0&r3f1=&custom=siemenswebandvideo

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Resources at Siemens – “Your Financial Well-being”

Health Savings Account (HSA)

Paired with the Health Savings Medical Plan, the HSA is a savings and investment account that works like a 401(k) plan. It allows you to set aside money from your before-tax salary to help pay eligible heath care expenses you incur both today and in the future.

Siemens contributes to the account, and so can you. You can always change your contribution during the year. Even if you leave the Company, the money in the HSA is yours to keep.

Flexible Spending Accounts (FSAs)

FSAs allow you to set aside before-tax dollars from your salary to pay for eligible health care and dependent day care expenses. Unlike a Health Savings Account (HSA), you can participate in an FSA regardless of your medical plan election.

Disability Programs

Short- and long-term disability benefits protect you financially if you’re sick or injured for an extended period of time. Short-term disability benefits will replace a percentage of your salary for up to 26 weeks, followed by long-term disability benefits that will continue to replace a portion of your pay if you remain eligible for leave.

Life and Accident Insurance

Life insurance can help protect a family's financial future. If the person who is insured dies, a sum of money will be provided to the beneficiary(ies). Siemens provides several life insurance options, including Basic and Supplemental Employee Life Insurance, Spouse/Domestic Partner Life Insurance and Child Life Insurance.

https://www.benefitsquickstart.com/siemens/financial_wellbeing.html

Resources at Siemens – "Your Financial Well-being"

Commuter Benefits Program

The Commuter Benefits Program allows you to contribute before- and after-tax dollars to an account to help pay for public transit, including train, subway, bus, ferry and eligible vanpool. It also pays for other qualified parking expenses you incur as part of your daily work commute.

Adoption Assistance

Siemens provides adoption assistance to support employees who choose to legally adopt a child. The benefit provides a certain level of reimbursement for eligible adoption-related expenses.

Voluntary Discount Programs

Visit Siemens Discount Marketplace at **siemens.savings.beneplace.com/home** to access discounts and special services offered by Siemens' customers, vendors and other companies.

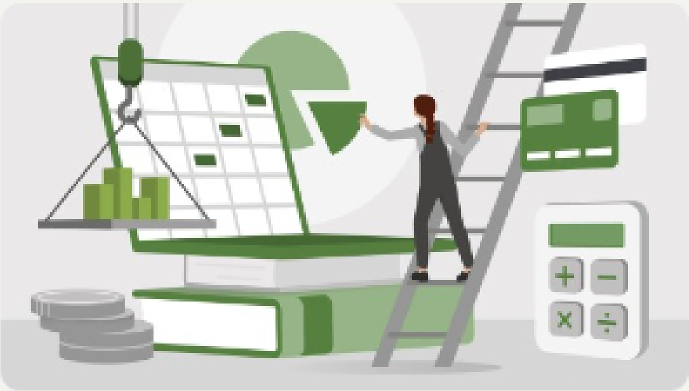
Call **800-782-3603** for Mercer Voluntary Benefits, which provides access to highly valued, competitive coverage and services like Auto/Home Insurance and Pet Insurance.

Whole Life Insurance with Long-Term Care

In addition to the life insurance benefits provided under the Siemens Corporation Group Insurance and Flexible Benefits Plan, the Company also offers Whole Life Insurance with Long-Term Care. This voluntary benefit provides a guaranteed financial benefit after death, as well as value through Long-Term Care Insurance that employees can rely on as life needs change.

https://www.benefitsquickstart.com/siemens/financial_wellbeing.html

Resources at Siemens – My Learning World



Build Your Financial Literacy

Learn common financial terms for banking, doing your taxes, investing and retiring, and running a small business.

Start

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https://mylearningworld.siemens.com/web/en/app/toc/lex_auth_0133426171748024321\99/overview

Thank you

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