

# FINANCIAL LITERACY FOR WOMEN CHILDCARE BUSINESS OWNERS AND EMPLOYEES – Presentation by Citigroup and CIBC Bank

Sources: American Bankers Association (ABA)



# Key Words

## **INCOME**

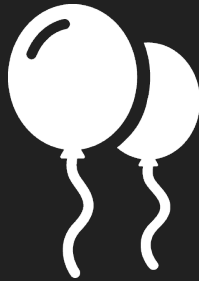
Amount of Money Earned from Wages or Other Sources

## **BUDGET**

A Plan to Cover Expenses with Available Income

# Opportunity Cost

Party vs.



Shop vs.

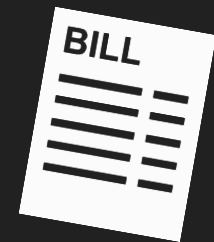


Work vs.

Study



Keep Track of Expenses and Bills





# U.S. Average Income

## PAY STUB

Annual Gross Income	\$	35,950
Annual Taxes	\$	5,498
Annual Healthcare	\$	698
Annual Net Income	\$	29,556

**Monthly Take-Home Pay \$ 2,463**

# Monthly Budget Worksheet

## INCOME

Take Home Pay \$ \_\_\_\_\_  
Allowance \$ \_\_\_\_\_  
Gifts \$ \_\_\_\_\_  
Part-time Jobs and Chores \$ \_\_\_\_\_  
Other Sources \$ \_\_\_\_\_  
**TOTAL \$ \_\_\_\_\_**

## TRANSPORTATION (15% of income)

Car Payment \$ \_\_\_\_\_  
Insurance \$ \_\_\_\_\_  
Gasoline \$ \_\_\_\_\_  
Maintenance and Repairs \$ \_\_\_\_\_  
Public Transportation \$ \_\_\_\_\_  
**TOTAL \$ \_\_\_\_\_**

## ENTERTAINMENT (5-10% of income)

Games/Concerts \$ \_\_\_\_\_  
Dates/Trips \$ \_\_\_\_\_  
Movies/Music/Downloads \$ \_\_\_\_\_  
Movies in the theater \$ \_\_\_\_\_  
Hobbies \$ \_\_\_\_\_  
**TOTAL \$ \_\_\_\_\_**

## MISCELLANEOUS

Credit Card \$ \_\_\_\_\_  
Savings/Investments (10% of income) \$ \_\_\_\_\_  
Education (tuition, books, fees) \$ \_\_\_\_\_  
Gifts and Charity \$ \_\_\_\_\_  
Pets \$ \_\_\_\_\_  
**TOTAL \$ \_\_\_\_\_**

## HOUSEHOLD

Rent/Mortgage (25-30% of income) \$ \_\_\_\_\_  
Utilities (electric, gas, trash, water) \$ \_\_\_\_\_  
Cable/Satellite TV \$ \_\_\_\_\_  
Internet \$ \_\_\_\_\_  
Cell Phone \$ \_\_\_\_\_  
Other Household Expenses \$ \_\_\_\_\_  
**TOTAL \$ \_\_\_\_\_**

## FOOD (15% of income)

Groceries \$ \_\_\_\_\_  
Eating Out \$ \_\_\_\_\_  
**TOTAL \$ \_\_\_\_\_**

## LOOKING GOOD (5% of income)

Clothes and Shoes \$ \_\_\_\_\_  
Toiletries \$ \_\_\_\_\_  
Hair Cut \$ \_\_\_\_\_  
Other Looking Good Expenses \$ \_\_\_\_\_  
**TOTAL \$ \_\_\_\_\_**

## GRAND TOTAL

**TOTAL ALL INCOME** \$ \_\_\_\_\_  
Subtract -  
**TOTAL ALL EXPENSES** \$ \_\_\_\_\_  
**BOTTOM LINE \$ \_\_\_\_\_**

# Housing Options

○ 25 – 30% of Income

## Monthly expenses:

- **Live at Home:** \$150
- **2 Bedroom Apartment/Roommate:** \$750
- **Studio Apartment/  
Living Alone:** \$1,200
- Mortgage Payments/Own Home: \$2000



# Household Expenses

5% of Income

Utilities (Essential):

At Home	\$ 0
With Roommate	\$ 75
On Your Own	\$100

Cell Phone (Optional):



Talk and Text: \$40  
Talk and Text 3GB Data: \$65

Cable (Optional)



At Home	\$ 0
With Roommate	\$ 40
On Your Own	\$ 80

# Transportation Options

15% of Income



Public Transportation  
Monthly: \$150



USED CAR  
Monthly \$175  
Insurance \$ 50  
Gas \$100  
Maintenance \$ 50



NEW CAR  
Monthly \$270  
Insurance \$ 70  
Gas \$100  
Maintenance \$ 25



# Food Options

15% of Income

Groceries: \$200



Eating Out: \$525



Groceries and Eating Out: \$350



# Entertainment Options

5 – 10% of Income

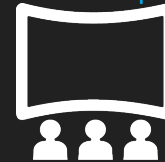
Sports Game: \$60



Concert: \$60



Movies: \$15



Date Night: \$100



Travel: \$100



Hobbies: \$100



# Appearance/Hygiene Options

5% of Income

Shirt: \$25



Pants: \$50



Shoes: \$75



Toiletries: \$20



Haircut: \$30





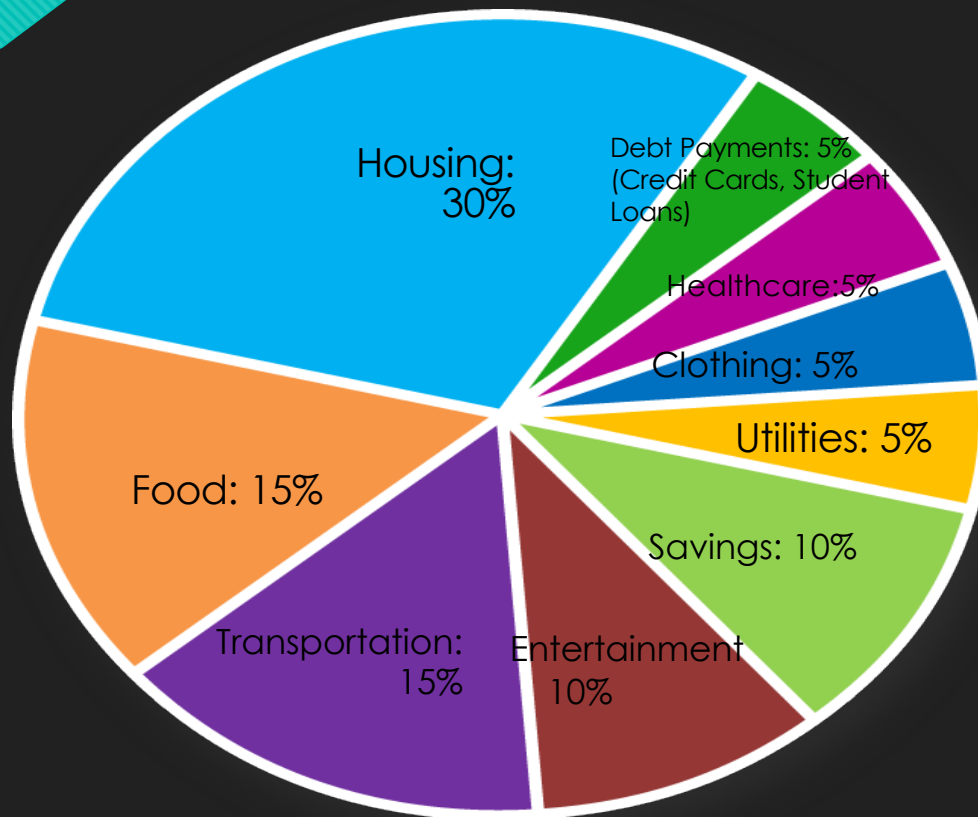
# Savings

10% of Income

Banking - Pay Yourself First: \$240   Savings Acct: \$80   Retirement Acct: \$80   Investments: \$ \$80



# Recommended Budget





# Develop a Savings Habit

## Tips:

1. Direct deposit: When you have a job, ask your employer to deposit some of your pay (maybe 80 percent) into your checking account and the rest (20 percent) into a savings account. • The same can be done with tax refunds. They can be split between two accounts.
2. Direct transfers: You can set up a certain amount of money to be moved from your checking account to your savings account at set times, for example once a week or once a month.
3. Make Small Frequent Deposits
4. Apps that round up your purchase • There are apps that will round up your purchases and put the rest into savings. For example, if you spend \$12.35 eating lunch somewhere, the app would add 65 cents to your savings account (rounding it up to \$13.00)



# Building a Strong Financial Reputation and Improving Your Credit Score

- Who checks your credit and credit score: Banks, Credit Card Issuers, Cell Phone and Utility Companies, Landlords, Mortgage Companies, Insurance Companies, Potential Employers
- Tips for Improving Your Credit Score and Financial Reputation:
  - 1. Start building credit early and as soon as possible
  - 2. Pay bills on time
  - 3. Keep Track of Expenses
  - 4. Avoid using all of the credit given, especially when using credit cards, and not more than 1/3 of the credit available on a credit card
  - 5. Keep financial information private
  - 6. Check Credit Report regularly at [www.AnnualCreditReport.Com](http://www.AnnualCreditReport.Com)

# Preventing Identity Theft

- Identity Theft is Using Another Person's Identity for Economic Gain. It is a federal crime.
- Some Keys to Preventing Identity Theft:
  - Don't Share personal or account information on social media or e-mails
  - Shred documents other could steal
  - Check Credit Reports regularly
  - Report any suspicious financial transaction immediately to police, credit card issuers, or the Federal Trade Commission
  - Never respond to requests for personal information