



## ALLOVEME **FINANCES** CHAT RESOURCES

“All About the Benjamins: Tips to Navigating Finances”

August 2022

### **FINANCES – GLOSSARY OF TERMS**

**Finances:** The management of money (banking, investments and credit) or the supply of funds or capital.

**Spending Power -** The amount of goods and services that a person can buy - the ability to satisfy wants and needs.

**Good Debt vs. Bad Debt-** Good could be a mortgage, car school loan, Bad could be credit cards, pay day loans.

**Apps and online investments/savings:** Stash, Robinhood, HappyNest, Webull, Fetch, Acorn, and others.

#### **PAYING FOR POST-SECONDARY EDUCATION;**

Student Aid Information on federal financial aid from the U.S. Department of Education [studentaid.ed.gov/sa/home](http://studentaid.ed.gov/sa/home)

Big Future Information on attending and paying for college from The College Board [bigfuture.collegeboard.org](http://bigfuture.collegeboard.org)

College Savings Plan Network Articles and information on states' 529 savings plans and college cost calculator [www.collegesavings.org](http://www.collegesavings.org)

FAFSA FAFSA Application [fafsa.ed.gov](http://fafsa.ed.gov) College Cost College Shopping Worksheet [collegecost.ed.gov/shopping\\_sheet.pdf](http://collegecost.ed.gov/shopping_sheet.pdf)

#### **TAXES:**

Internal Revenue Service The IRS website offers a great deal of information on taxes, withholding, and other subjects, and offers all the forms required to calculate and submit tax payments. [www.irs.gov](http://www.irs.gov)

#### **RETIREMENT READINESS:**

Consumer Information on Retirement Plans Information on various retirement plan options from the Department of Labor

[www.dol.gov/general/topic/retirement/consumerinfension](http://www.dol.gov/general/topic/retirement/consumerinfension) Benefits Planner:

Retirement The Social Security Administration's guide to planning for retirement [www.ssa.gov/planners/retire](http://www.ssa.gov/planners/retire)



## Smart Saving

- Account Balance: total amount of money that is in the account at a given point in time
- Compounding of Interest: when money is earned on the total amount in the account, including the initial deposit and interest that has already been credited to the account
- Deposit: money put into an account
- Discount Factor: the amount that \$1 at some point in the future is worth today
- Future Value: how much a set amount of money will be worth in the future
- Interest: money paid to you by the bank for being able to use your money
- Interest Rate: percentage you are paid for your money
- Investing: the process of setting money aside to increase wealth over time and accumulate funds for long-term financial goals such as retirement
- Present Value: the value of money right now, today
- Rule of 72: a formula designed to help people estimate how long it will take to double their money at a certain expected interest rate
- Saving: the process of setting money aside until a future date instead of spending it today
- Withdrawal: money taken out of an account

**MoneyChimp — General Information and Calculator on Compound Interest**  
[www.moneychimp.com/calculator/compound\\_interest\\_calculator.htm](http://www.moneychimp.com/calculator/compound_interest_calculator.htm)

## Spending Wisely

- Budget: an itemized list of income and expenses for a given period of time; a plan for spending money
- Excise Tax: a federal, state, or local tax placed on non-essential consumer goods
- Expenses: outlay of money needed to pay for items, services, etc.
- Gross Pay: regular pay, overtime, and other earnings paid to an employee before taxes or any other obligations are deducted • Needs: basic survival necessities
- Net Pay: remaining income you take home after taxes and other deductions are made
- Quality: the standard of something as measured against other things of a similar kind
- Sales Tax: tax imposed by many states, counties, and cities on purchases
- Total Cost: amount spent on an item or activity that includes all associated expenditures
- Unit Cost: the price you pay for an item divided by the quantity it contains, based on a standardized measurement
- Value: the amount of use or benefit you get from an item
- Wants: items a person desires that are not essential

**The Mint — Financial planning for teens** [www.themint.org/teens/keep-a-money-diary.html](http://www.themint.org/teens/keep-a-money-diary.html)

## Many Ways to Pay

- Account Balance: total amount of money that is in the account at a given point in time
- Automated Teller Machine (ATM): a machine that allows you to perform basic banking functions without the help of a teller
- Check: handwritten or computer-generated order specifying the amount of money to be paid and the name of the person or company who should receive the funds



## CHAT RESOURCES

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- **Checking Account:** an account at a bank against which payments can be made based on available funds that are deposited by or on behalf of the account holder
- **Check Register:** a book or document in which to record the money taken out or put into a checking account. Designed for recording checks, withdrawals, and deposits, it can be updated to fit other methods of banking and spending
- **Debit Card:** a card that allows the user to withdraw money from a bank account to obtain cash or make a purchase
- **Digital Payment Service:** an app or online tool that is provided by a company independent of the bank that holds your checking account
- **Electronic Funds Transfer (EFT):** the movement of funds using computer systems, telephones, electronic terminals, or smartphones
- **Identity Theft:** stealing someone's personal, identifying information and using it to make purchases or to get other benefits
- **Minimum Balance:** the amount of money that must be kept in an account to avoid service charges, qualify for special service, or earn interest on a checking account
- **Near-Field Communications (NFC):** technology that allows two devices to "speak" to each other when they come into close range. It is the basis for services that allow one to pay with a smartphone simply by waving a device over a receiver at the register
- **Online and Mobile Banking:** allow account holders to access their account information, view transaction history, and perform a range of banking transactions on the internet or with their mobile phone
- **Overdraft Penalty:** a fee to cover the cost of processing a check drawn against insufficient funds
- **Overdraft Protection:** arrangement with the bank to cover checks drawn against insufficient funds
- **Overdrawn:** having a negative balance in a checking account
- **Personal Identification Number (PIN):** code word/number connected to a bank account or debit card; verifies the owner's identity
- **Person to Person Payments (P2P):** a type of electronic funds transfer that can be made via a mobile app or online; money is immediately sent from one person to another, often without sharing of bank account information
- **Reconcile:** comparing the register balance for a checking account to the statement balance to identify any discrepancies in account activity
- **Recurring Payment:** a transfer of money, usually to pay a bill, that is made on a regular basis. Once established, it is completely automated, with no additional input required from the account holder
- **Statement:** a summary of financial transactions that have occurred over a given period on an account held with a financial institution

### **The Balance — "Checking Accounts: Your Spending Money"**

**[www.thebalance.com/checking-accounts-your-spendingmoney-315326](http://www.thebalance.com/checking-accounts-your-spendingmoney-315326) Federal Reserve — 2016 research into consumer use of online and mobile banking options [www.federalreserve.gov/consumerscommunities/mobile\\_finance.htm](http://www.federalreserve.gov/consumerscommunities/mobile_finance.htm)**



## **Credit Cards**

- Annual Fee: the amount of money the credit card issuer charges for having the credit card account each year
- Annual Percentage Rate: the yearly interest rate paid on the credit card balance
- Average Daily Balance: the average amount owed on the credit card for each day of the billing cycle, calculated by adding up each day's ending balance and then dividing by the total number of days
- Cash Advance: a short-term loan provided by a credit card issuer in the form of cash through the use of an ATM or bank
- Charge: monies borrowed using a credit card
- Credit: the ability to make purchases with the promise that the money will be repaid later
- Credit Card: a card that allows the cardholder to repeatedly purchase products and services on credit. Most credit cards have credit limits and monthly minimum payments, but users are allowed to carry an outstanding balance from month to month
- Credit Limit: the maximum amount of money that the credit card issuer will allow you to Charge
- Daily Finance Charge: the interest rate you pay each day on the outstanding balance
- Finance Charge: the interest payment owed on the credit card balance
- Interest Rate: the percentage paid on the money one has charged
- Late Fee: a penalty charged for not making the required minimum payment by the due date
- Minimum Payment: the least amount one can pay on the card and still keep your account in good standing; typically, a percentage of the outstanding balance or some pre-set minimal amount if the balance is low
- Outstanding Balance: the amount of money that has been charged and must be repaid
- Payment Due Date: the date by which the credit card company expects to receive payment

**Center for Responsible Lending** — Provides general information about credit cards along with tools and resources for credit card use

[www.responsiblelending.org/issues/credit-prepaid-cards](http://www.responsiblelending.org/issues/credit-prepaid-cards)

**Bankrate** — Provides a number of online calculators, including a credit card payoff calculator [www.bankrate.com/calculators/credit-cards/credit-cardpayoff-calculator.aspx](http://www.bankrate.com/calculators/credit-cards/credit-cardpayoff-calculator.aspx)

**CreditCards.com** — Credit card comparison site that offers an easy-to-use minimum payment calculator [www.creditcards.com/calculators/minimum-payment](http://www.creditcards.com/calculators/minimum-payment)

## **Taxes**

- 1099: a special form that is used to report taxable, nonemployee income to the IRS, including payment for services as an independent contractor, distributions from retirement accounts or education funds, and interest earned on certain investment accounts, etc.
- Assessed Value: amount a property is worth for tax purposes as determined by city or county assessors



- Charitable Donations: money that was contributed to charities/non-profit groups and usually tax deductible
- Child Tax Credit: a special credit given to joint taxpayers with taxable income less than \$110,000 annually in the amount of \$2,000 for each child under age 17 (also available to single taxpayers who meet a different income requirement); if taxable income is above \$110,000, the child tax credit is reduced or eliminated
- Deduction: amount of money subtracted from taxable income prior to calculating final tax liability
- Dependent: someone who relies on the taxpayer for support including food, clothing, and shelter
- Estate Taxes: money levied by the government for the transfer of property and assets upon the death of an individual
- Excise Tax: a state or federal tax placed on consumer goods such as gasoline
- Income Tax: tax paid on the money one earns from working
- Internal Revenue Service (IRS): government agency that collects taxes for the U.S. government
- Itemized Deductions: a list of expenses and contributions that can be deducted from the total income
- Market Value: what you would receive if you sold the property
- Medicare: a federal government program funded through payroll taxes; pays for health care expenses for citizens over age 65, or who meet other special criteria
- Payroll Taxes: deducted from the wage earner's gross pay by the employer and used to fund federal government programs such as Social Security and Medicare
- Progressive Tax Rate: a system in which the tax rate rises as the amount of taxable income increases
- Property Tax: tax paid by people who own items such as homes, land, and vehicles to the city and/or county where the property is located
- Refund: a check or automatic deposit for the amount by which taxes were overpaid
- Sales Tax: tax imposed on purchases by many states, counties, and cities
- Social Security: a federal government program funded through payroll taxes; designed to provide retirement and disability income for those meeting the specified criteria
- Tax Credit: an amount of money subtracted directly from the amount of taxes owed to the government
- Tax Return: report that is submitted to the government that outlines tax liabilities and payments, along with relevant income and financial information used to compute the tax
- Taxable Income: the amount of income subject to income tax
- Taxes: fees charged by the government on products, activities, or income
- U.S. Treasury: department within the U.S. government
- W-2: a form that the employer sends to the employee and the federal government that reports the employee's annual wages and the amount of taxes withheld during the year
- W-4: a form that the employee fills out to let the employer know his or her tax situation, allowing the employer to figure out the correct amount of tax to withhold from the employee's paycheck



### Entering the Workforce

- 401(k): a retirement plan that allows an employee to invest a percentage of their wages into a tax-deferred account chosen by the employer.
- Base Pay: the basic rate of pay for a particular job not including overtime, bonuses, or commissions
- Bonus: a sum of money (not guaranteed by the employer) given to an employee in addition to the employee's usual wages
- Commission: money, in addition to regular wages, that is paid for work done or products sold
- Compensation Package: all of the wages (salary, bonus, commission) and benefits provided by an employer
- Exempt: classification of an employee who is paid a salary rather than hourly wages and is not eligible for overtime pay
- FICA: stands for Federal Insurance Contributions Act, a federal payroll tax paid by employers and employees to fund government programs that provide benefits to retirees
- Freelance: to perform work for a company and receive compensation as an independent contractor, instead of as an employee
- Gross Pay: regular pay, overtime pay, and other taxable earnings paid to an employee during a pay period before any obligations, such as taxes, are deducted
- Hourly Wage: the amount an employee is paid by an employer for completing an hour of work
- Income Taxes: percentage of your income, including wages, salaries, commissions, and bonuses, paid to the government each year
- Insurance: promised payment for specific, potential, and/or future losses in exchange for a periodic payment
- Labor Union: an organized association of workers, often in a trade or profession, formed to protect and further their rights and interests
- Net Pay: remaining amount of pay after taxes, retirement contributions, and other deductions are made
- Non-exempt: classification of an employee who is paid on an hourly basis and is entitled to overtime pay generally at a rate of 1½ times the hourly wage
- Paid Time Off (PTO): time not worked by an employee for which regular pay, or a fixed prorated amount of pay, is accrued and paid to the employee; may include sick leave but typically separate from corporate holidays
- Profit Sharing: a program in which the employer shares some of its profits with employees through stocks, bonds, or cash
- Retirement Matching: when an employer contributes to an employee's retirement account an amount that equals a percentage of how much the employee contributes
- Salary: wages an employee receives from the employer on a regular basis, usually weekly, bi-weekly, or monthly
- Sick Leave: paid or unpaid time off from work for an employee temporarily unable to perform duties due to illness or disability; caring for a loved one may also qualify
- Variable Pay: compensation that must be earned (such as commission) each time in order to be paid to the employee
- Vested: some employer benefit programs require that employees stay with the company for a certain amount of time before receiving the full amount of the





benefit, such as a contribution to their retirement fund, stock options, or profit sharing

- Wages: money paid or received for work or services completed, usually by the hour, day, or week
- Withholding Taxes: part of an employee's wages or salary that is withheld by the employer and sent to the government as partial payment of the employee's income taxes

### **Paying for Post-secondary Education**

- 529 Account (ESA): a college savings plan where the funds can be withdrawn tax-free when they are used for educational purposes
- ACT: a standardized achievement examination for college admissions
- Deferred Payment: loan arrangement in which the borrower is allowed to start making payments at some specified time in the future
- Education IRA: an education savings plan that offers tax advantages
- Estimated Family Contribution (EFC): the amount of money that a student's family is expected to contribute to college costs for one year
- FAFSA: Free Application for Federal Student Aid, a form that must be completed in order to qualify for any type of governmental financial aid for higher education
- Financial Aid: grant or scholarship, loan, or paid employment offered to help a student meet his/her college expenses
- Grace Period: time in which a debt may be paid without accruing further interest or penalty
- Grant: monetary award given by the federal, state, or local government to an eligible student for educational expenses and without the expectation of repayment
- Interest Rate: the percentage you pay on the money you have borrowed, or the percentage you earn on an investment
- Parent Loan for Undergraduate Students (PLUS): federal loans for parents of undergraduate students to help pay for college or trade school
- Pell Grant: money for post-secondary education that does not have to be repaid and is awarded to eligible students based on financial need
- Promise Program: government program designed to make college accessible for all responsible students, these are typically grants offered by states once all other financial aid options are exhausted
- Reserve Officers' Training Corps (ROTC): a college-based program for training commissioned officers of the U.S. armed forces by providing competitive, merit-based scholarships for tuition in return for an obligation of active military service after graduation
- SAT: a standardized achievement examination for college admissions
- Scholarship: an award of financial aid for a student to further their education, often based on merit such as academic achievement or athletic skill
- Stafford Loan: common name for federal student loans, especially subsidized student loans
- Student Loan: loan offered to students which is used to pay education-related expenses including college tuition, room and board, or textbooks
- Subsidized Loan: a loan on which the government pays the interest while the student is enrolled in a qualified college/university, essentially erasing the interest that would have been added to the loan during the time of study.
- Supplemental Educational Opportunity Grant (SEOG): need-based grants awarded to



low-income undergraduate students to finance the costs of postsecondary education

- Total Cost of Attendance: the price to attend college for a year including tuition, room and board, books, and fees
- Tuition Pre-payment: state program in which families can purchase tuition credits at their present price and use the credits in the future, when tuition costs will have most likely increased
- Unsubsidized Loan: a college loan usually taken by students who do not meet financial need standards and still need to fund their post-secondary education. These loans accrue interest while the student is in school and can result in significantly higher debt because of the interest added to the loan over time. The PLUS loan is an example of an unsubsidized loan.
- Work-study: program that provides students with parttime jobs while in school in order to subsidize the cost of education

### **Retirement Readiness**

- 401(k): a retirement plan that allows an employee to invest a percentage of their wages into a tax-deferred account chosen by the employer
- 403(b): a retirement plan available to employees of certain non-profit organizations that allows them to invest a percentage of their wages in a tax-deferred account
- Compound Interest: when money is earned on the total amount in the account, including the initial deposit and interest that has already been credited to the account
- Consumer Price Index (CPI): a measurement of inflation, based on the change in cost of a particular group of consumer goods, compared today with their cost in previous years
- Cost of Living Adjustment (COLA): a raise in salary or retirement payout that is based on inflation and used to ensure recipients can maintain spending power
- Individual Retirement Account (IRA): a retirement investment account that allows a person to save a specified amount of income each year in a tax-deferred account
- Inflation: the annual percentage increase in the prices of goods and services; it is measured based on a group of essentials included in the Consumer Price Index
- Pension: a type of retirement fund that is typically managed by an employer or labor group and provides a steady monthly income to the worker while in retirement
- Retirement: the point in time when a person chooses to leave the workforce permanently, usually at age 65 or older
- Risk: likelihood of suffering losses or earning less than expected on financial investments
- Roth IRA: a retirement investment account that allows a person to save a specified amount of income each year. In a Roth IRA, the person pays the taxes on the contribution, but qualified distributions are made taxfree.
- Tax-deferred: an investment in which taxes are not paid immediately when interest is earned; instead, they are paid as funds are distributed or withdrawn





## MORE MONEY INFO!

### VALUES MATTER

KNOW THE ANSWERS TO THE 4 SOUL QUESTIONS TO CONNECT YOUR VALUES TO YOUR FINANCES

- ♥ WHO AM I?
- ♥ WHAT DO I WANT?
- ♥ WHAT AM I GRATEFUL FOR?
- ♥ WHAT IS MY PURPOSE?

### BE INFORMED

[KBLA | KBLA TALK 1580 \(kbla1580.com\)](#)

BLACK LOS ANGELES TALK RADIO

Making Millionaires One Family at a Time, One Day at a Time, One Dollar at a Time, One Dime at a Time **Weekdays at 12 Noon** L.A. Area

ASK LYNN, from KBLA <https://www.newwealthuniversity.net/products/ask-lynn>

### INFLATION SURVIVAL TIPS

Structure Your Budget

NEED VS. WANT – Decide what YOU need and Reduce Expenses by eliminating what you don't NEED

Plan your meals and shop accordingly to limit wasting food

Shop EARLY in the morning (find fresh foods at reduced prices)

Stick to your shopping list

Walk when you can (reduce gas expense)

Don't waste energy (unplugged unused outlets)

Develop a Side Hustle -turn something you like to do or know how to do into extra income

Limit using credit for purchases, when you do pay off the balance each month

### ARTICLES

<https://www.msn.com/en-us/money/personalfinance/financial-adviser-or-wealth-manager-what-you-need-depends-on-how-much-you-have/ar-AA1131aB?li=BBnbfcL>

[40 Money Habits Every Black Woman Over 40 Needs \(sistersletter.com\)](#)

[Cassandra Cummings Talks Stocks & Stilettos Society, Empowering Black Women To Invest More - Bing video](#)

[Black Women's Empowerment Social promotes homeownership | KMSP FOX 9 - Bing video](#)

[Stackwell Capital Is On A Mission To Improve Financial Literacy For Black Americans \(msn.com\)](#)



## BOOKS

The Black Girl's Guide to Financial Freedom: Build Wealth, Retire Early, and Live the Life of Your Dreams. Paris Woods

Money and the Law of Attraction – Esther and Jerry Hicks

Get Good with Money – Tiffany Aliche

## MORE SITES & LINKS

Money Management (budgeting and bill pay services)

[www.mint.com](http://www.mint.com)

Annual Credit Report (source provided by Federal Trade Commission)

<https://www.annualcreditreport.com/index.action>

FINANCES DEMYSTIFIED - Dominique Broadway, African American female award winning Personal Finance Expert and Money Therapist

<http://dominiquebroadway.com/>

Black Financial Literacy is an online financial empowerment resource founded by finance scholar and social commentator Dr. Boyce Watkins

<https://store.theblackwealthbootcamp.com/>

National Black Church Financial Literacy Initiative © 2017

<http://www.naltblackchurch.com/finance/index.html>

## NOTES & QUOTES FROM THE FINANCES CHAT –

### LIVE FOR TODAY

- Do a lot with a little
- I am trying to teach my son how to manage money
- Good credit is better than having money
- I still use the envelope system to this day
- Use credit wisely
- I had my first savings account when I was very young
- My family had a cycle of bankruptcy as a way out of debt
- My old school parents didn't teach me about money
- I was good until I retired, pension doesn't change
- I have always been a saver
- Affordable housing is becoming unaffordable
- I didn't have a bank account until I got to college



# CHAT RESOURCES

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- I wasn't taught anything about money or credit
- Be aware of "shrinkflation" – you get less food and pay more money
  - Be aware of where your money goes
- I learned from my mother and we are teaching my daughter
- Good credit is a mortgage, school loan, car loan
- Bad credit is credit cards, payday loans
  - Credit cards can be good credit, when establishing credit and how you use them –get the rewards your credit cards offer and pay your bill balance and as soon as you get it
  - Keep an eye on your interest rates and request them to be lowered when you can
- BUDGET can be seen as a bad word, it can be seen as "restriction"
- Instead of your money telling you where to go, you tell it where to go
- Always have an income
- I shop too much
- Spend less than what you make
- Always have a savings
- I saved so I could retire early
- Finances relate to values – no one persons values are wrong
  - My friend wanted a new car every two years, I wanted to travel. She got her new cars and I drove my "hooptie"
  - Need vs Want is Perspective
  - The pandemic taught me about want versus need and what I value and what's important to me
  - I value getting my nails done but now instead of twice a month, its once a month due to inflation
  - CMC's hair is always done and in a new style – she values that and budgets for it
  - I always wanted to travel and I did. I saved for it because it was something I wanted to do in my life
  - Some people need a housekeeper
  - I cook rather than eat out because it is less expensive but I will enjoy a good meal out when I want to and because I can
- PROSPERITY FUND – have a fund for unexpected money – my friend and I were going to lunch and she had to cancel. The money I would have spent went into my prosperity fund
- 3 important things to teach Communication Good Health & FINANCES
- I try to impart wisdom to my daughter.
- I never had new shoes growing up and when I got my very own new shoes I wore them all the time. As I got older I bought A LOT of shoes, every color and for every outfit
- I saved during the pandemic, bought supplies and flew to L.A. more often because it was cheap

## NOTES & QUOTES FROM THE FINANCES CHAT – PLAN FOR TOMORROW

- BUDGET, SAVE, PLAN
- ROTH IRA, pay tax now, lower tax later
- There's no penalty to withdraw from a ROTH IRA when you are buying a home
- I plan to retire in 2025 so I am paying off my credit cards now



## CHAT RESOURCES

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- ALLY online account is good, provides buckets of money, goals and timelines
- FSA, HSA are useful if your employer offers them, know how to use them to benefit the most for medical, dental and vision, tax level adjusted
- Utilize your credit card rewards but pay them off every month
- No impulse buying
- Check out STASH, PEACOCK, ACORN investing
- Know your credit score
- Your credit score and your home buying credit score are different
- Get your FREE annual credit reports every year
  - Clear up discrepancies yourself
  - Never pay someone to clean your credit, it's a rip off, do it yourself, credit agencies provide instructions
  - Credit Karma does not charge for disputing medical
  - Best way to build credit, get one credit card and establish a history, a prepaid credit card is also good
- Used credit cards to your benefit
- Utilize credit unions, they are better than the banks
- Look at your statements and rates
- Get a 401K or 457B through your employer and they will match what you deposit, do as much as you can and move the account when you move jobs
- Tithing or some part of giving is important to me, supporting what I believe in
- Supporting black businesses and business people is important to me
- Find money owed to you on government sites

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