

## Pictures of Pamphlet Recipients and Library Packaging

I distributed my Personal Finance to Sammamish, Newport, and Bellevue High schools, and my co-workers at Tully's. I also made bundles to be sent to four King County Libraries

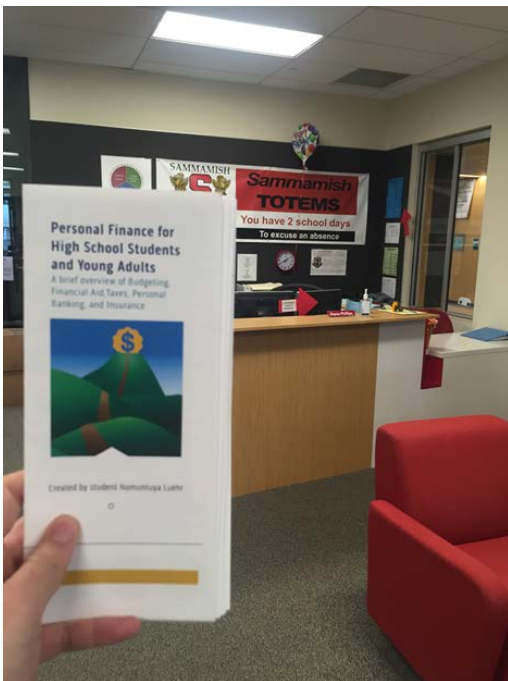
### Bellevue High School



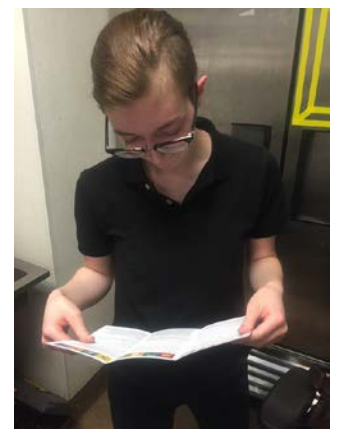
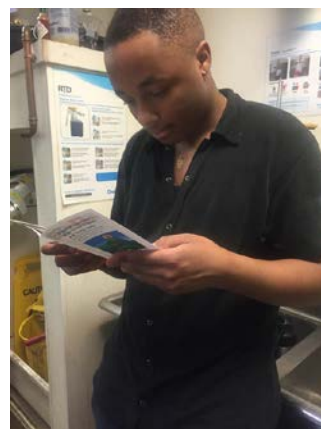
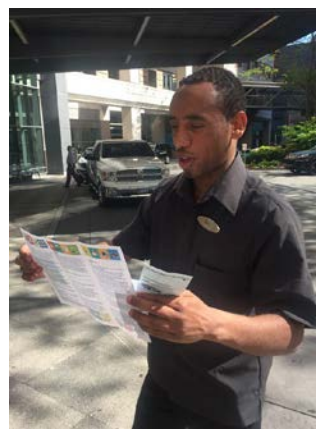
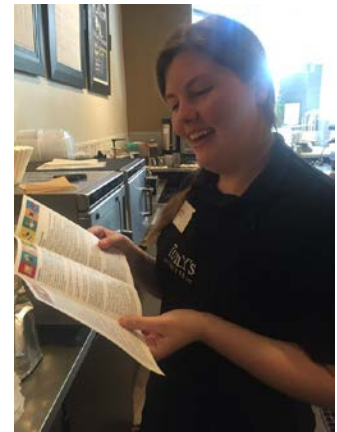
### Newport High School



### Sammamish High School



### Co-workers



## Script for 2<sup>nd</sup> Seminar

### Slide 2 and 3:

- Creating a budget specific to your income and sticking to it ensures that your earned income is spread in a financially secure manner
- One way to break down your spending habits and to budget, is to separate them into discretionary and fixed spending, and savings. Fixed are monthly bills that are necessary, like utilities, while discretionary is the fun and leisurely spending, like going to the theater.
- To start, identify what your income is and track your spending habits in a typical month
- If you find that you spend too much on fun stuff, start trying to convert some of that money into the savings side

### Slide 4 (Insurance)

- These are the four basic insurances: Auto, health and Dental, Life, and House
- Auto is for your car, health and dental concern medical and surgical expenses and ones related to oral health
- Life insurance is essentially building up money so that if you were to pass away, your family receives it and can be more financially secure. For example, you take out a policy when you're 25 that last 30 years after you have your first child. You pay a monthly fee every year and if you were to pass away during that 30 year period, your wife and kid would receive that 1 million
- And house insurance deals with security regarding fires, thefts, and natural disasters

### Slide 5 (Terminology)

- Insurance policy details the terms and conditions of your insurance
- Insurance deductible is the amount of money needed to be spent by the customer before the insurance pays for it. For example, if you are in an accident and the expenses are \$600, If your deductible is \$500, then the insurance would cover \$100
- The higher that deductible is, the lower your monthly payments are. The amount of money you pay to keep your insurance policy is called a premium
- Insurance claim is a formal request to an insurance company for payment based on the terms of a customer's insurance policy. After it's filed, the insurer checks the validity of the claim in regards to your policy and if it passes, pays it on behalf of the customer.

### Slide 6 (auto)

- All auto insurances must have liability coverage, which is made up of bodily injury liability and property damage liability
- bodily coverage is for medical expenses associated with the crash
- property damage liability covers damage to cars or other property that was damaged
- auto insurance deductible
- The average cost in WA for insurance: \$125 or 1,499 a year
- In regards to budgeting, if the average car insurance was higher, then you may want to consider whether having a car in your city is financially viable
- So, in movies, you see people get into a car accident and sometimes they don't want to tell their insurance company about it. Why do you think that is?
- This is because if your claim, the dollar amount of damage you have to pay for, is lower than your deductible and you file it, you will still have to pay for the full amount of damages and your insurance premium could increase

### Slide 7 (Health Insurance)

- Health insurance covers medical and surgical expenses
- if you have a job and work over a certain number of hours, usually 40, then your job can offer health insurance at a lower price than actually taking out a policy on your own
- At the moment, we are all likely on our parents but what about when you go to college?
- Currently, you can usually stay on your parent's insurance if you are 26 years old or younger
- Another way to keep your parents insurance is COBRA! If your parent's employer covers more than 20 people, then under COBRA, you can stay on your parent's insurance for an additional 36 months
- To do so, notify your parent's insurance carrier within 60 days of turning 26.
- COBRA does have qualifications:

-job loss or reduction in hours of work

-Cases where you are at jeopardy of losing coverage

- Health Savings Account is something that older people tend to do. We are all vulnerable to large costs, like getting a surgery. So health savings account lets you collect money without paying federal taxes; so if you do run into a big medical expense, then you are prepared

### Cost of Living (Slide 9)

- a part of living independently is being able to use your income to have the best quality of life as possible
- In your twenties especially, you may not have the capital to live wherever you want and still be able to have enough money for your enjoyment. So, it can be helpful to see how much on average, it takes to live somewhat comfortably in different cities
- If you look at the chart, there are drastic changes between the Midwest and the east coast.

### Slide 10 (Housing)

- So this brings us to housing
- For young adults, it is usually more viable to rent than buy a condo or a house
- The benefit of renting is that you don't have to have a lot of money to start renting. Usually leases ask you to pay for the initial for example 3 months up front.
- Renters have less responsibility and are not responsible for repairs.
- Also, the biggest benefit is flexibility. After your lease, typically 12 month is up, you immediately move
- There are benefits of owning a residence.
  - sometimes your monthly mortgage payments can be lower than an apartment
  - buying a house is an investment. House values typically go up and you can sell it for more than you bought it
  - the down side is, besides mortgage, you have house insurance, property taxes, and repairs to tend to, which can add up to a lot.

### Slide 11 (Managing Food Costs)

- Learning how to cook, or at the very least eating food that you bought from a grocery store rather than eating out for all meals is more financially beneficial
- When you dine out, there are a lot of costs associated with it. If you eat out to a restaurant, there is tipping and driving.
- To manage your costs, when you dine out, take the money out of your 30% discretionary or wants spending. This will allow you to look at dining out as an extra expense rather than a need

### Cutting Transportation

- If you find that the cost of insurance, gas, oil, repairs, and loan repayment for the car is too high, switch to public transportation
- Leasing is basically renting a car, like renting an apartment, and can be cheaper than buying a car, depending on the monthly costs and length that you lease it for
- Public transportation is much lower than any other option, averaging at around \$2 per ride

### Keeping Insurance Low

- The higher the deductible, the lower the monthly premiums tend to be
- Broad coverage is buying an insurance that covers every type and usually is cheaper to do so than taking out policies for each different type
- There are countless insurance companies and taking the time to look for the lowest cost for the best coverage is worth it
- Lastly, having good health makes you less vulnerable to large medical expenses or even car accidents. Sleeping well and not being tired at the wheel decreases your chances of an accident

### Slide 12 (Dealing with Unemployment)

- If you lose your job, apply for unemployment. As long as you prove that you have been looking for a job, they will give you checks for up to 6 months
- Also know that money spent looking for jobs are tax deductible, so you don't have to pay taxes on them
- Also, cut back your savings or discretionary spending. This is the benefit of budgeting. If you run into these types of situation, you can use your savings to stay a float