

Operation Uplift

Managing Your Money for Students

A Consumer Financial Wellness Program from the Federal Reserve Bank of Philadelphia

Disclaimer

The views expressed in this presentation are solely those of the presenters and do not necessarily reflect the views of the Federal Reserve Bank of Philadelphia, the Federal Reserve Board, or the Federal Reserve System.

Agenda

1. Introduction
2. Managing Your Money
3. Budgeting 101
4. Questions

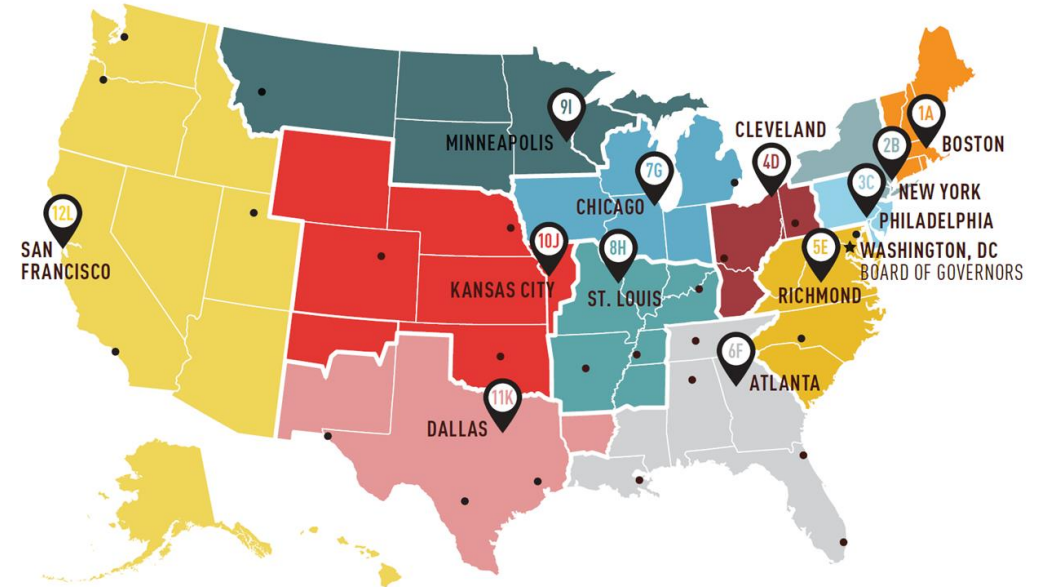


Team Member Introductions

What Is the Federal Reserve System?

The Federal Reserve System is the central bank of the U.S. and performs five general functions to promote the effective operation of the economy:

1. Conducts the nation's monetary policy
2. Promotes the stability of the financial system
3. Promotes the safety and soundness of individual financial institutions
4. Fosters payment and settlement system safety and efficiency
5. Promotes consumer protection and community development



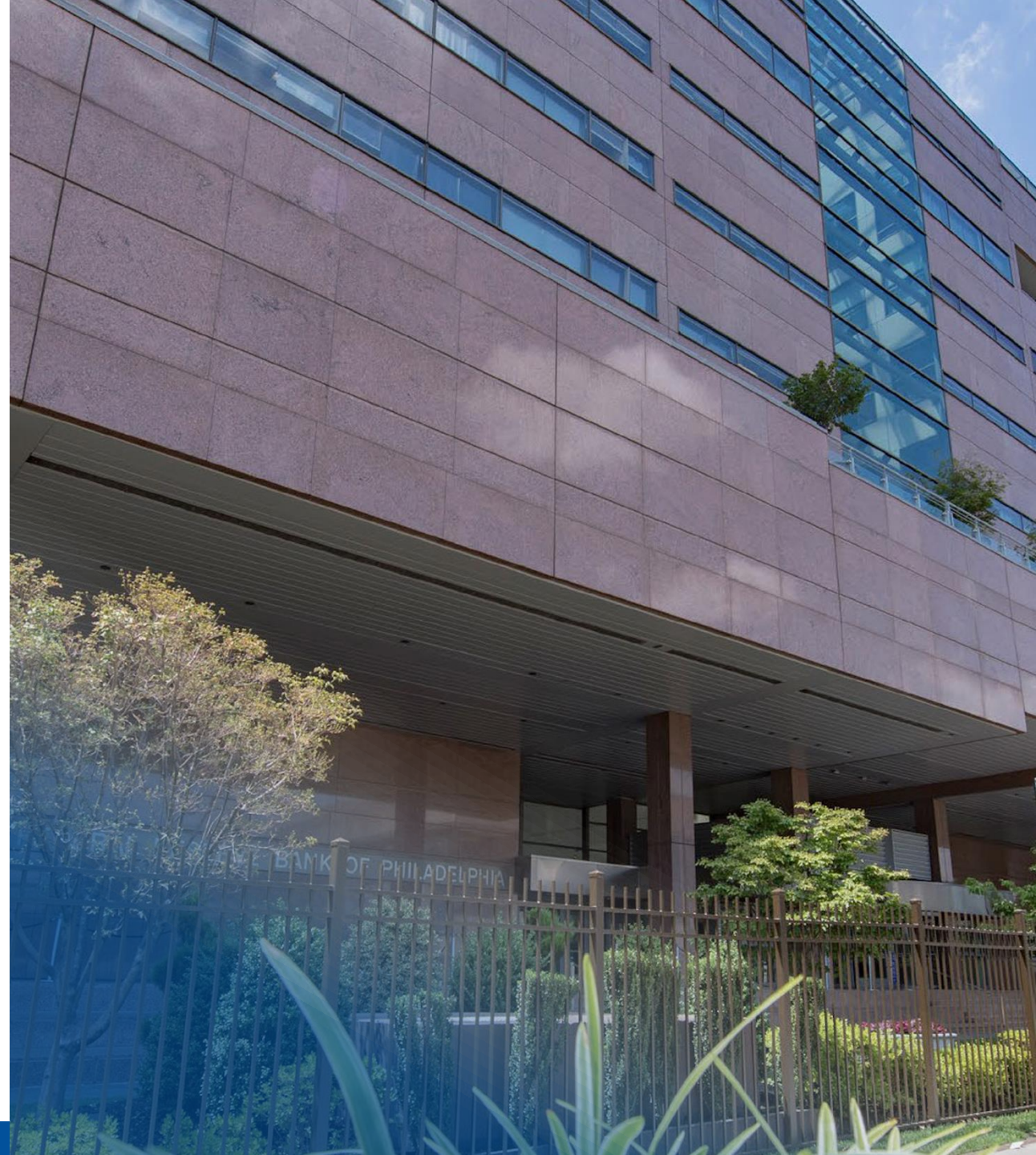
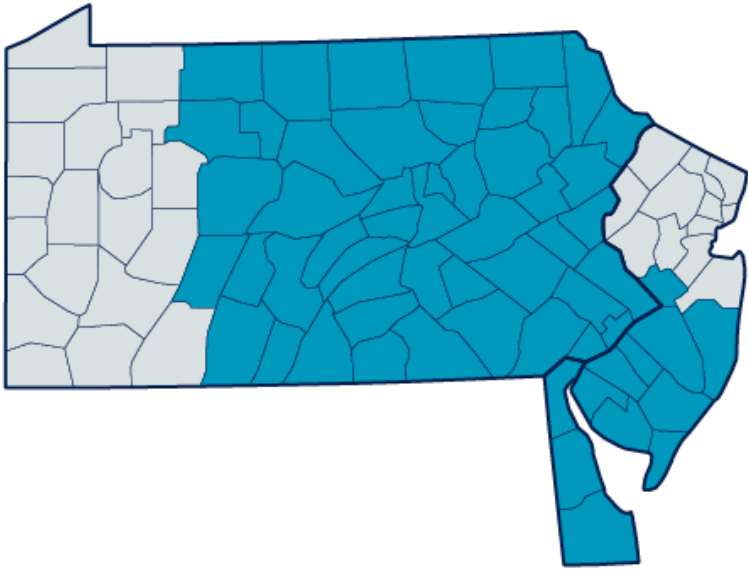
- ★ BOARD OF GOVERNORS
- 📍 FEDERAL RESERVE BANKS
- RESERVE BANK BRANCHES

GOVERNORS AND RESERVE BANK PRESIDENTS SERVE ON THE FEDERAL OPEN MARKET COMMITTEE (FOMC)

What Is the Philadelphia Fed?

It's one of the 12 Federal Reserve Banks and is located in downtown Philadelphia

It provides services in Delaware, eastern and central Pennsylvania, and South Jersey (over 13.3. million people)

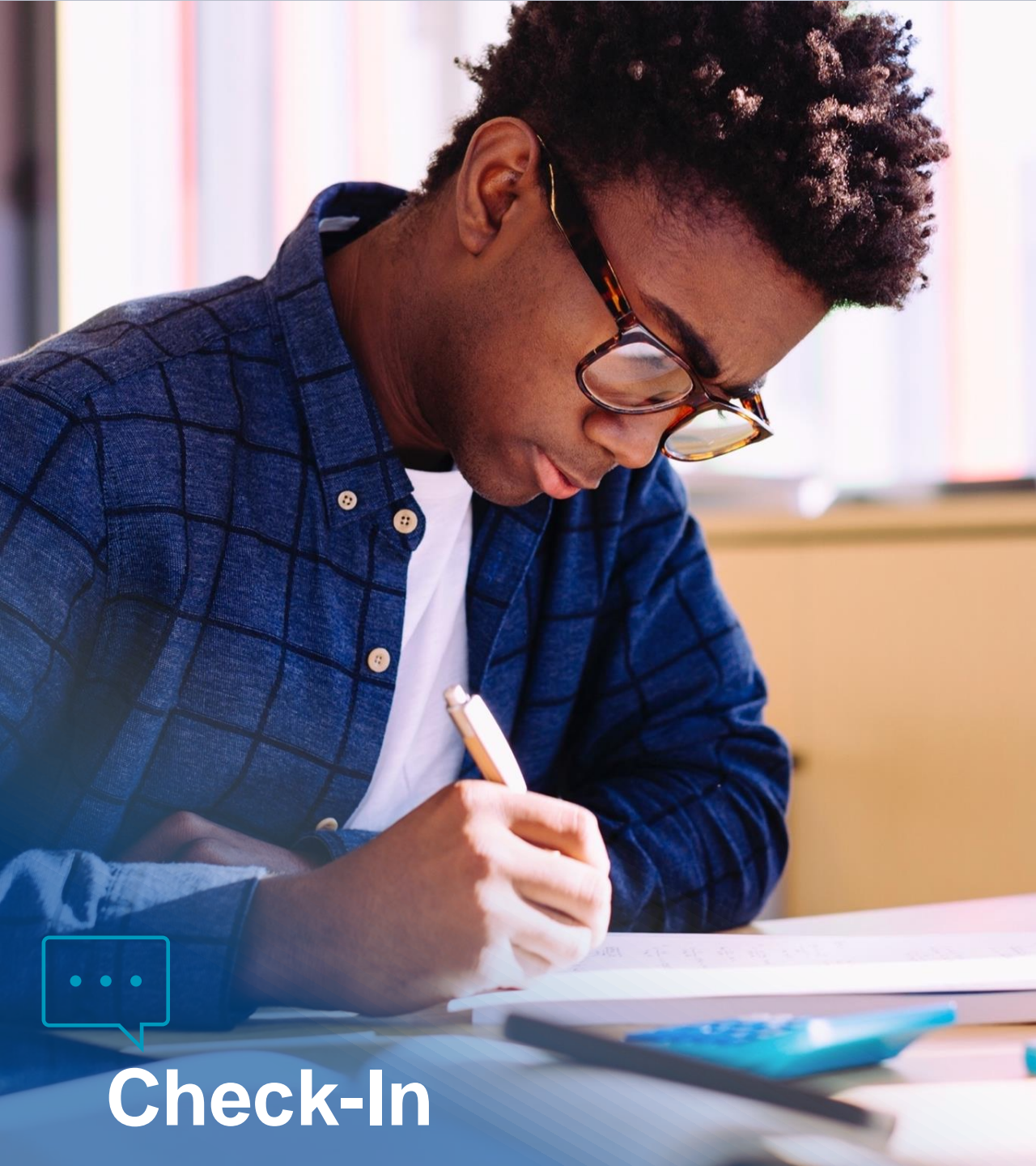


Overview of Operation Uplift

- To offer a financial wellness program focusing on financial management and wealth building to college students in the Federal Reserve Bank of Philadelphia's District
- To introduce students to career opportunities at the Reserve Bank



Managing Your Money



Talking about money and finances can stir up many emotions.



ANXIETY/FEAR



GUILT



FRUSTRATION



HOPELESSNESS



AVOIDANCE

Check-In



“You can make money two ways — make more or spend less.”

John Hope Bryant



“It’s not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for.”

Robert Kiyosaki



“Beware of little expenses; a small leak will sink a great ship.”

Benjamin Franklin



“Do not save what is left after spending, but spend what is left after saving.”

Warren Buffet

Selecting a Financial Institution

Identify the right institution for you: Large banks, community banks, credit unions

Understand account choices and fees: Are you required to maintain a minimum balance or make direct deposits to avoid fees?

Where are branches and ATMs located? What hours can you call for customer assistance?

Review digital offerings: Online banking, bill pay, money transfer, mobile banking alerts



Beware of Scams!

Here are some best practices:

- If it looks too good to be true, it probably is
- Don't click links in emails from senders you don't recognize
- Delete emails or text messages asking you to "verify" your account
- Don't rely on the phone numbers provided in an email



Debit Cards vs. Credit Cards

Feature	Debit	Credit
Fees	Can incur fees for overdrafts if you opt in	Can incur fees for exceeding credit limit if you opt in
Builds credit history	No	Yes
Fraud protection	Not responsible for fraud, with exceptions	Not responsible for fraud, with fewer exceptions
Merchant disputes	Limited protections	Many protections
Financial discipline	Generally cannot spend more than balance in bank account	Risk of paying only monthly minimums and incurring finance charges
Interest	No	Yes; interest on cash advances, interest on purchases if balance is not paid in full

Consumer Protections

Bank account

- Fees must be disclosed at account opening. Read carefully to avoid surprises

Check holds

- Banks *generally* must make funds available from a check deposit within one or two business days (with exceptions)

Debit/ credit card liability

- Promptly notify the card issuer if your card is lost or stolen or if you notice an error to limit your losses

Prepaid debit cards

- You must **register** your card to receive protection for unauthorized transactions

Gift cards

- Cannot expire for at least five years
- Dormancy/inactivity fees can only be imposed after one year of inactivity
- Does not apply to loyalty, award, or promotional cards

Unfair/ deceptive practices

- Financial institutions cannot engage in unfair or deceptive practices

Complaints

- The Federal Reserve can help. Call 888-851-1920 or visit the [website](#).

Budgeting 101



A budget is telling your money
where to go instead of wondering
where it went.

Dave Ramsey

Why Is Creating a Budget Important?

- To ensure you spend within your means
- To avoid a debt trap with expensive interest charges
- To assist you in achieving your financial goals





What Is a Budget?

Income:

- Money earned
- Financial aid proceeds
- Contributions from parents
- Small business earnings
- Other

Expenses:

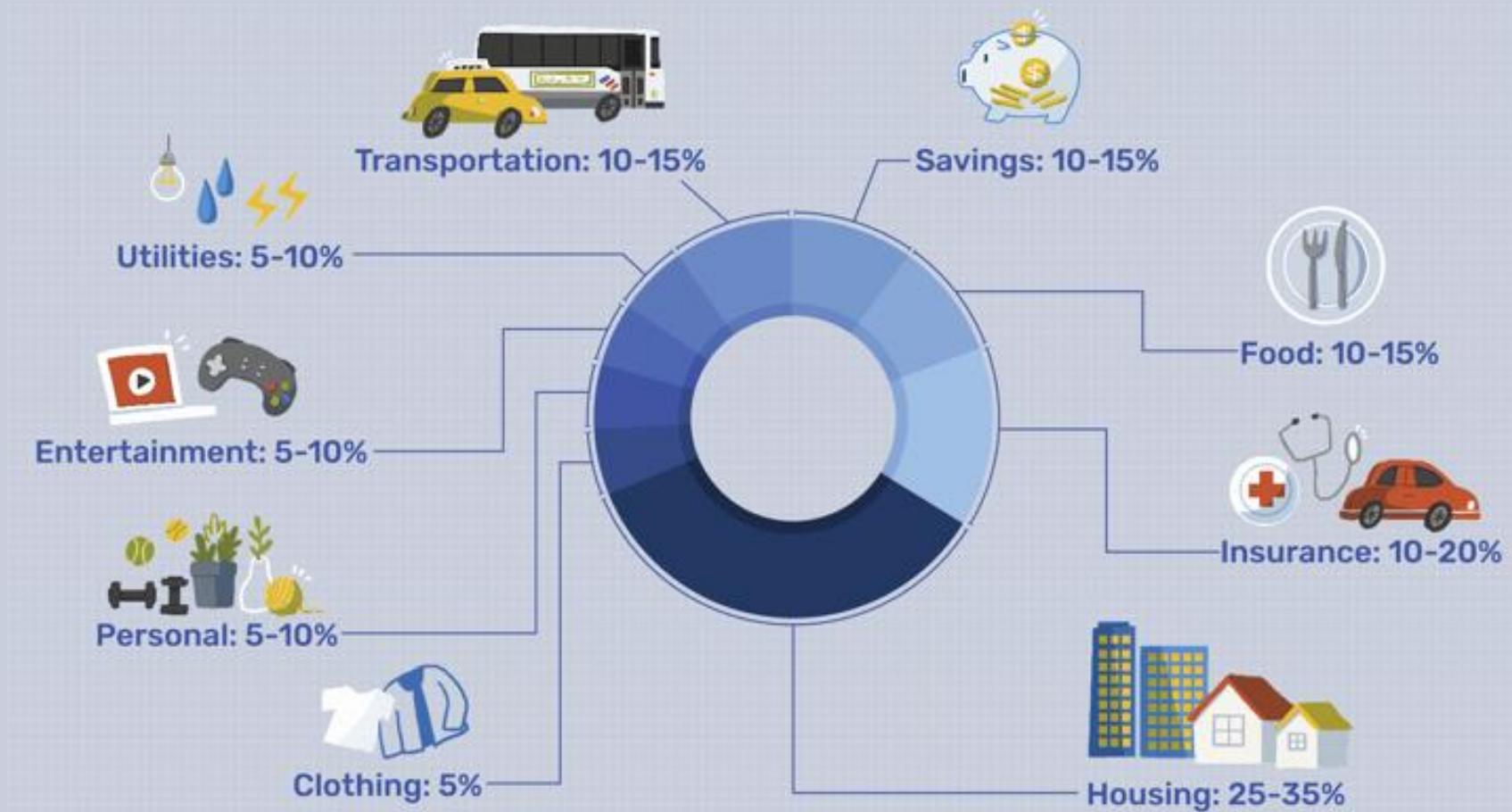
- Food
- Housing
- Transportation
- Insurance
- Savings
- Cell phone
- Entertainment
- Emergencies
- Clothing
- Other

Budgeting Best Practices

- Overestimate your expenses
- Underestimate your income
- Involve family in planning your budget
- Prepare for the unexpected
- Pay credit card balances in full to avoid expensive finance charges



Basic Budget Percentages



Source: [The Balance.com](https://www.thebalance.com)



Budgeting 101: Putting It All Together

Student Budget	
Income	
Financial aid	\$1,230
Work	\$420
Family	\$580
Net income	\$2,230
Expenses	
Rent	\$700
Food	\$330
Other	\$300
Transportation	\$300
Utilities	\$200
Insurance	\$200
Entertainment	\$100
Savings	\$100
Total expenses	\$2,230
Net income - Total expenses	\$0

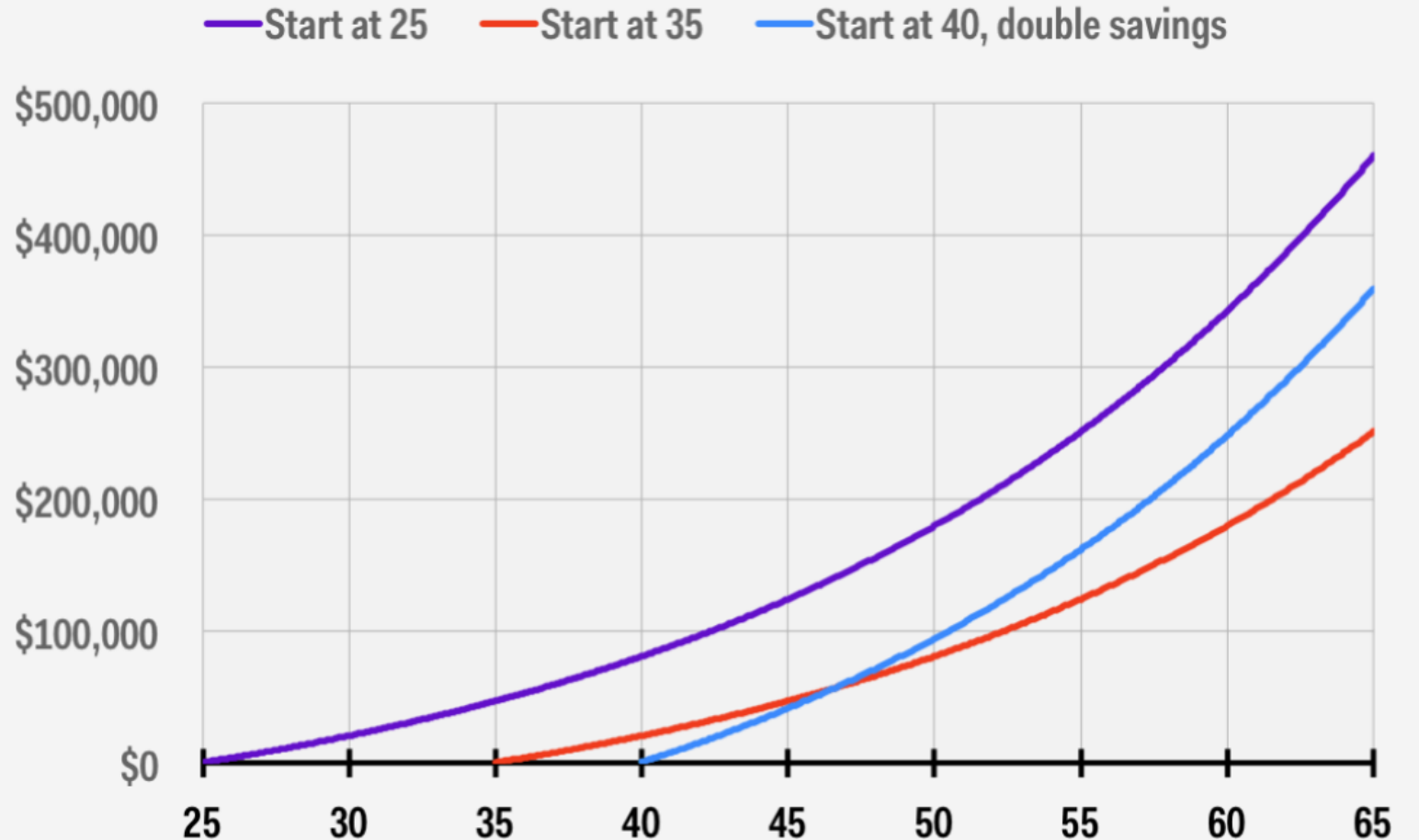
Budgeting 101: Savings and Retirement

The Power of Compounding

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Start Saving as Soon as Possible!



Source: [Business Insider](#)

Budgeting 101: Emergency

1. Let's face it: Stuff happens!
2. Start with an emergency fund of \$500 to \$1,000
3. If you use this fund for an **emergency**, the priority for the next month is to replenish it



Budgeting 101: Starting Salaries

BROAD CATEGORY	2023 SALARY PROJECTION	2022 SALARY PROJECTION	% CHANGE
Engineering	\$74,405	\$73,922	0.7%
Computer Sciences	\$72,843	\$75,900	-4.0%
Math & Sciences	\$67,199	\$66,760	0.7%
Business	\$62,069	\$60,695	2.3%
Social Sciences	\$60,107	\$61,173	-1.7%
Agriculture & Natural Resources	\$59,282	\$57,807	2.6%
Communications	\$58,097	\$55,455	4.8%
Humanities	\$52,938	\$50,681	4.5%

- Average college graduate starting salary: \$55,260
- Check the salary for your major [here](#)

Top Degrees in Demand

MAJOR	# OF RESPONDENTS THAT WILL HIRE	% OF RESPONDENTS THAT WILL HIRE
Finance	117	68.8%
Computer Science	114	67.1%
Accounting	109	64.1%
Business Administration/Mgmt.	106	62.4%
Information Sciences & Systems	93	54.7%

Final Thoughts

It's never too late to start maintaining a budget

Know where your money goes

Every little bit helps

Be disciplined in following your budget

Understand the power of time

Questions?

Thank you for your attention and please let us know of any questions or comments.



Consumer Resources

- [Consumer Financial Protection Bureau \(CFPB\)](#)
- [Federal Trade Commission \(FTC\)](#)
- [FTC Budget Tool](#)
- [Budget Tracker & Planner | Free Online Money Management |](#)
- [Budgeting Video](#)
- [Top Scams of 2022](#)
- How to avoid scams ([FTC](#) and [CFPB](#) links)
- Books (check your local library):
 - *Rich Dad, Poor Dad*
 - *The Richest Man in Babylon*
 - *Get Good with Money (The Budgetnista)*
 - *I Will Teach You to Be Rich*
 - *Broke Millennial*

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Federal Reserve Bank of Philadelphia