Millennials: Ditch the Debt and Start Saving
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Family-owned company, 70 years experience

Provide a simple and straightforward experience so that you feel in control of your financial future

Home of financial education and research, along with specialists to work with you and help answer your questions
TODAY’S WORKSHOP

Make smart choices with what you’ve got

Build a solid foundation for the future with just five simple money concepts
WHAT WOULD YOU DO WITH $1000?
THE 5 CORE MONEY CONCEPTS
CONCEPT 1: BUDGET

Make the most of what you’ve got.
CONCEPT 1: BUDGET

HAVE YOU EVER?

• Felt shocked by how much you spend a month?

• Got hit with an unexpected expense?

• Tried budgeting and gave up?
CONCEPT 1: BUDGET

- Essentials
- Non-essentials
- Short-term savings
- Long-term savings
CONCEPT 1: BUDGET

50%

ESSENTIALS

15%

RETIREMENT

5%

SAVINGS
ACTION PLAN

• How do you stack up?
• How can you funnel your money into the right buckets?
CONCEPT 2
CREDIT
THE 5 CORE MONEY CONCEPTS
CONCEPT 2: CREDIT

Use it to ★ your advantage.
CONCEPT 2: CREDIT

WHAT DO YOU THINK…

• Of the phrases “good” and “bad” credit?

• Makes credit good or bad? How does that affect your money choices?
FICO CREDIT SCORE

CONCEPT 2: CREDIT

LENGTH OF HISTORY 15%
CREDIT MIX 10%
NEW CREDIT 10%
PAYMENT HISTORY 35%
CREDIT UTILIZATION 30%

SOURCE: FICO
CONCEPT 2: CREDIT

- Check your credit health
- Build credit as needed
- Check your debt load
- Read the fine print
- Pay on time & pay at least the minimum
ACTION PLAN

- How can you check on your credit health this week?
- How can you keep your credit history healthy?
THE 5 CORE MONEY CONCEPTS

CONCEPT 3

DEBT
Handle debt smartly.
• In debt? How did you get there?
• Confused or frustrated about your debt?
• Completely debt free?

ARE YOU...

CONCEPT 3: DEBT
CONCEPT 3: DEBT

SAVE + REPAY
CONCEPT 3: DEBT

1. Build an emergency fund
2. Contribute to your 403(b)
3. Pay off high-interest credit cards
4. Pay off private student loans
5. Contribute even more to your 403(b)
6. Tackle lower interest loans last
ACTION PLAN

• Where are you on this map?

• Where do you want to focus first?
THE 5 CORE MONEY CONCEPTS

CONCEPT 4
INVEST
Reach your money goals.

CONCEPT 4: INVEST
WHAT DO YOU THINK OF WHEN YOU HEAR...

- About investing?
- About the stock market?
CONCEPT 4: INVEST

Risk involved (as compared to a savings account)
CONCEPT 4: INVEST

SHORT TERM
0-5 Years

LONG TERM
+5 Years
CONCEPT 4: INVEST

LOWER RISK

- Cash (short term)
- Bond or fixed income

HIGHER RISK

- Stocks (equities) and international stocks
ASSET ALLOCATION AND DIVERSIFICATION IN ACTION

Cash (short term)
Bond or fixed income
Stocks (equities)
Mutual fund
Cash (short term)
What goals do you have?

How would investing help you reach these goals?

CONCEPT 4: INVEST

ACTION PLAN
THE 5 CORE MONEY CONCEPTS

CONCEPT 5

RETIRE
Tackle retirement (even today).
WHAT DO YOU THINK…

- When you hear the word retirement?
- You’ll need to retire?
CONCEPT 5: RETIRE

COMPOUNDING

Hypothetical illustration

This hypothetical example assumes the following (1) $5000 annual IRA contributions on January 1 of each year for the age ranges shown, (2) an annual rate of return of 7% and (3) no taxes on any earnings within the IRA. The ending values do not reflect taxes, fees or inflation. If they did, amounts would be lower. Earnings and pre-tax (deductible) contributions from Traditional IRAs are subject to taxes when withdrawn. Earnings distributed from Roth IRAs are income tax free provided certain requirements are met. IRA distributions before age 59 1/2 may also be subject to a 10% penalty. Systematic investing does not ensure a profit and does not protect against loss in a declining market. This example is for illustrative purposes only and does not represent the performance of any security. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The assumed rate of return used in this example is not guaranteed. Investments that have potential for a 7% annual rate of return also come with risk of loss.
This hypothetical example assumes the following (1) $5000 annual IRA contributions on January 1 of each year for the age ranges shown, (2) an annual rate of return of 7% and (3) no taxes on any earnings within the IRA. The ending values do not reflect taxes, fees or inflation. If they did, amounts would be lower. Earnings and pre-tax (deductible) contributions from Traditional IRAs are subject to taxes when withdrawn. Earnings distributed from Roth IRAs are income tax free provided certain requirements are met. IRA distributions before age 59 1/2 may also be subject to a 10% penalty. Systematic investing does not ensure a profit and does not protect against loss in a declining market. This example is for illustrative purposes only and does not represent the performance of any security. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The assumed rate of return used in this example is not guaranteed. Investments that have potential for a 7% annual rate of return also come with risk of loss.
INDIVIDUAL RETIREMENT OPTIONS

IRA + ROTH IRA

- Opened as an individual
- Variety of investment options
- Compounding growth

TAXES AND WITHDRAWALS
INDIVIDUAL RETIREMENT OPTIONS

**IRA**
- Tax on deposited funds
- Early withdrawals incur penalties
- Taxed upon withdrawal

**Roth IRA**
- ✔

Which one makes sense for you?
GIVE YOUR FUTURE SELF A FINANCIAL BOOST

- Open an account
- Make it automatic
- Meet the match
- Bump up your contributions
CONCEPT 5: RETIRE

ACTION PLAN

• What’s one thing you can do in the next year to give your future self a boost?
EDUCATION: Articles, videos, tools and more

ACTION: Simple ways to take action

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In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so avoiding losses caused by price volatility by holding them until maturity is not possible.

Stock markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. Investing in stock involves risks, including the loss of principal.
Q&A