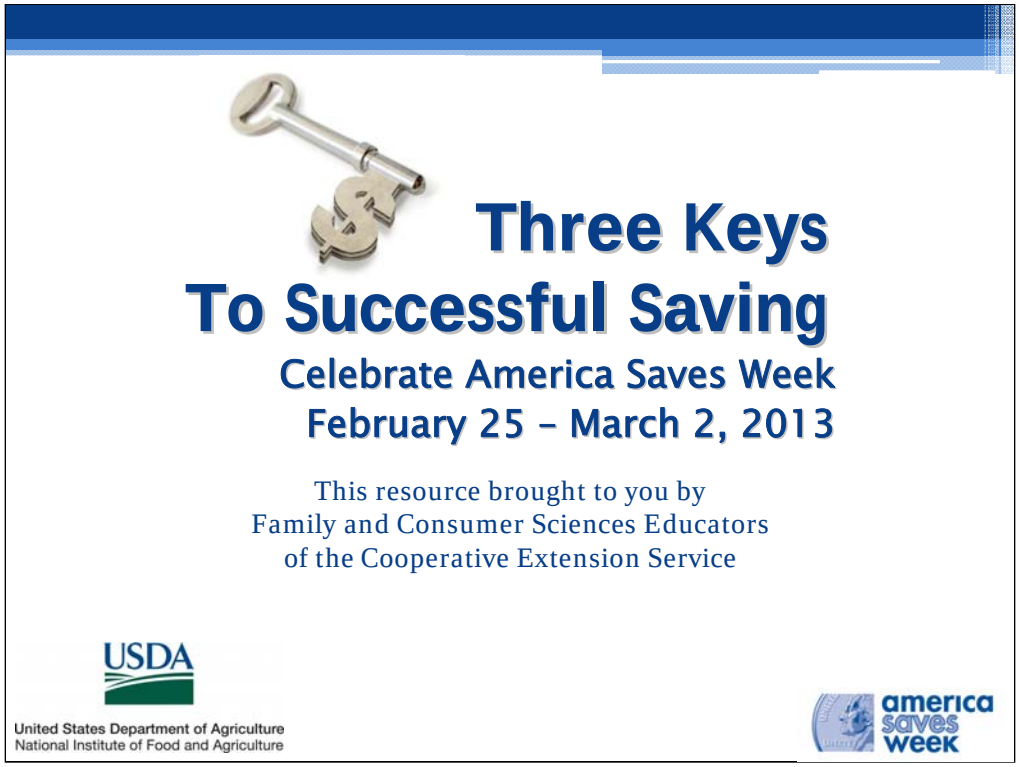
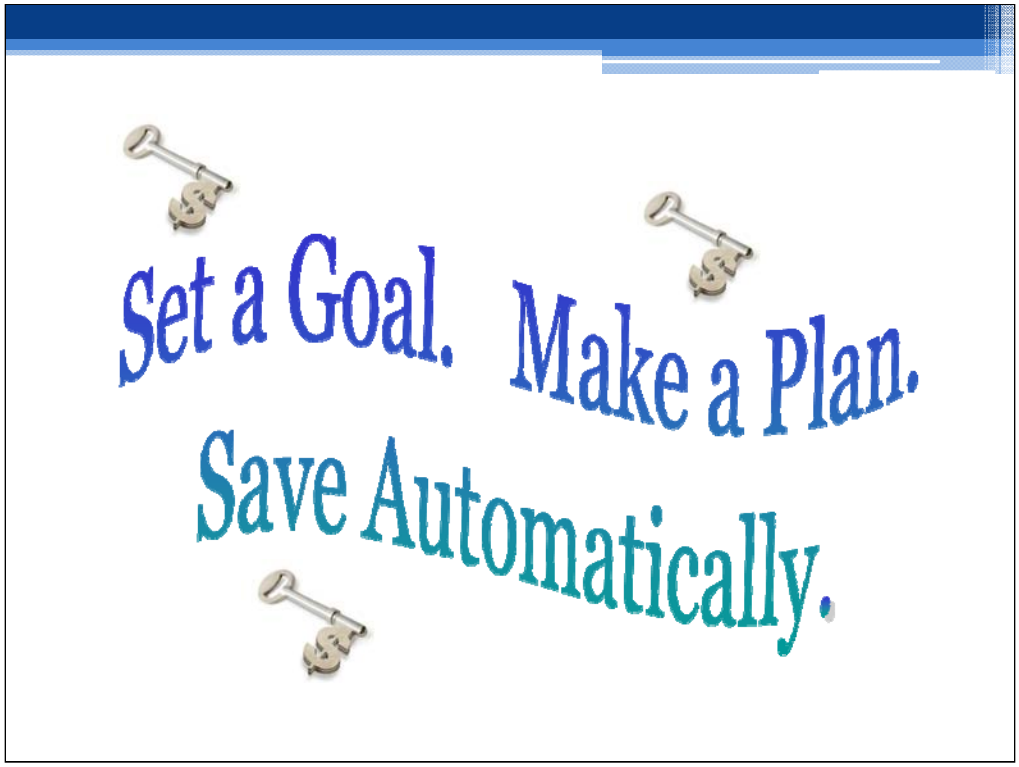


Instructor Notes
This presentation should take approximately 1 hour. Adding the activities will add about ½ hour.

Instructional Objectives
Participants will:
•Understand the advantages of goal-setting and how to set a SMART goal
•Understand the basic principles of a spending plan
•Learn tips for saving money
•Learn about accounts which can be used to save automatically
•Commit to be a Saver

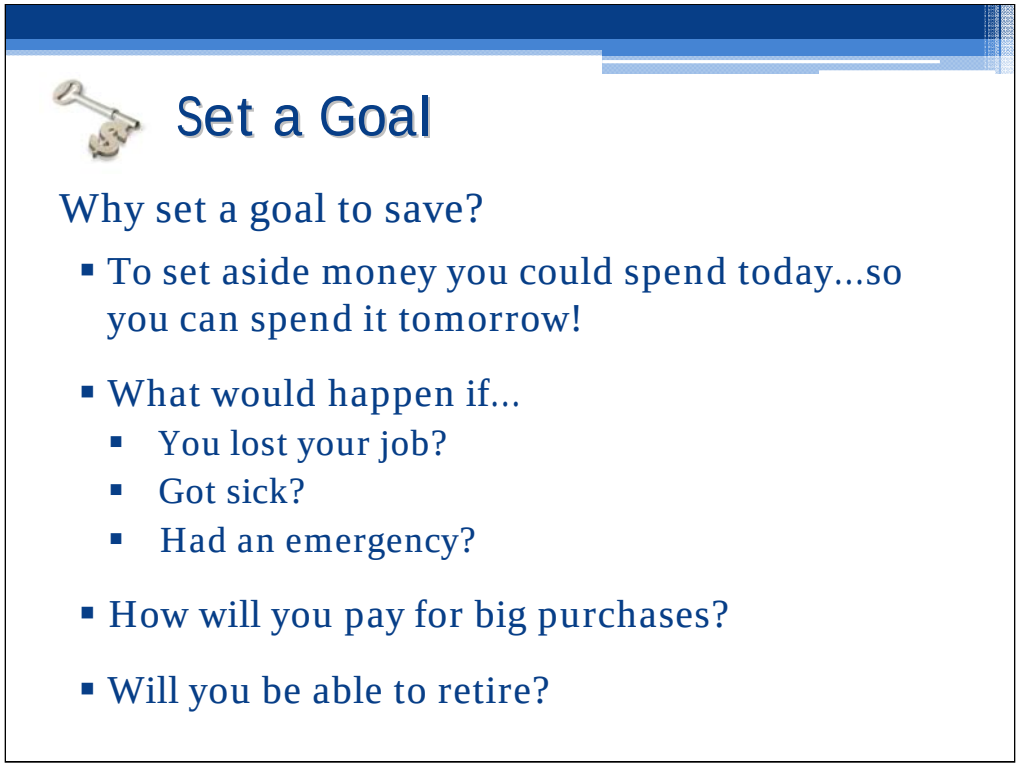
Materials and Equipment
Multimedia projector
Laptop computer with PowerPoint
Supplemental material –
1. SMART chart
2. Spending Leaks worksheet
3. Saves registration form (use your state form – an example from Florida is provided)
4. Evaluation form

You may also wish to distribute an Income and Expense Worksheet or Money Management Calendar that you usually use for budgeting workshops.



Introduction

Do you have a particular item on your wish list that your heart desires but can't seem to afford? Perhaps you've spent money and then wished you hadn't? During this presentation we will focus on three keys to saving to achieve the financial success waiting in your future. Set a Goal. Make a Plan. Save Automatically.



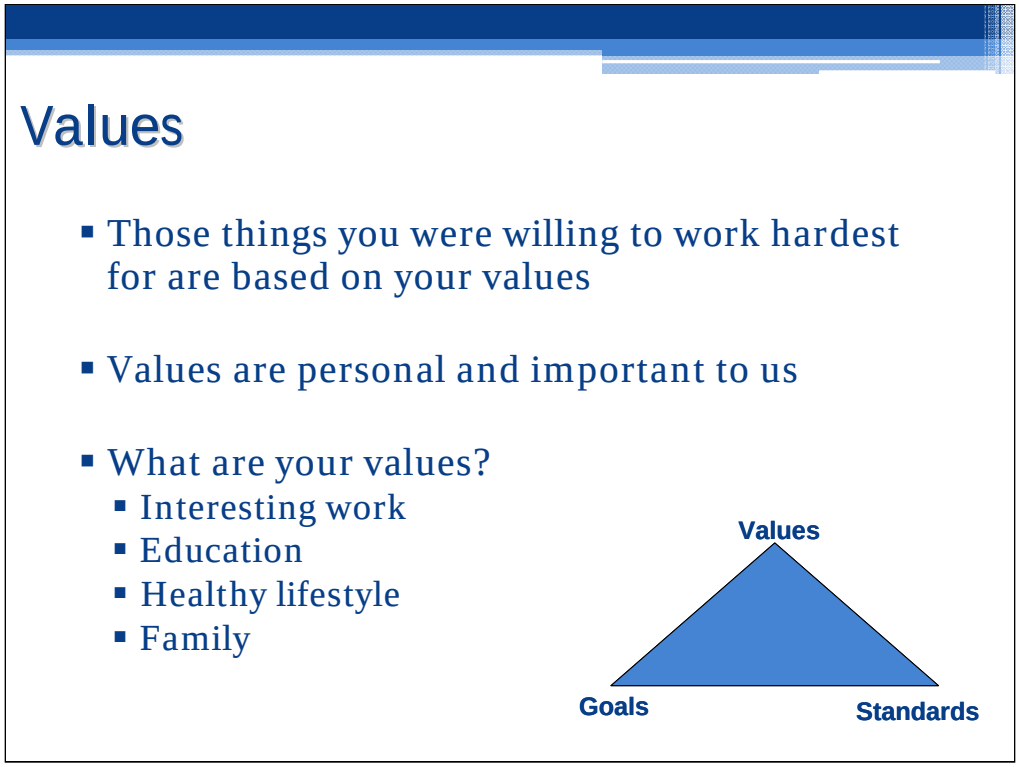
Goal setting is an essential key to good money management. Goals give you direction! They give you a purpose for the way you spend money.
There is no disputing that saving is the foundation to establishing good financial practices. Making saving a priority means you are preparing yourself for an improved financial life while building wealth. There are many reasons to save. For example:

•Get out of Debt
•Save for Emergencies
•Save for Retirement
•Save for a Car
•Save for a Home
•What's your reason?
What are some of the things you want to accomplish during your lifetime? Which of these goals cost you money? You need to set up a plan for how you want to achieve these goals. They also help you decide what wants you can afford. Having goals helps you answer the question, "if I buy this will I still be able to meet my goals on schedule?"
(Allow for audience feedback)

What are you willing to work for?

- Think about your perfect life, what can you do to make sure it happens?
- What are the most important things on your wish list?
- Which things do you need someone else to share to make your dream come true? Who?

You can only make plans for you. If deciding where you want to go involves other people, you have to involve them in the planning.



We have values in all areas of our lives: Social, Family, Work, Religious, Education, Leisure, etc.

Some values are relative depending on the circumstances, others we are unwilling to change or compromise. An individual's values will change over time as outside influences and personal development occur.

A few of the ways we learn our values are from our parents, peers, experience, religion, the culture we live in, and the media.

VALUES - You often hear the words "goals" and "values" mentioned together. Values are the deep-rooted beliefs you have about what is good and desirable.

GOALS - A goal is an objective that you plan to fulfill. It is something that you plan to achieve. It will satisfy a need or a want. Only when you are ready to take action to achieve it, however, does that want or need actually become a goal.

STANDARDS - A standard, in the most general sense, means something used as a measure or basis of comparison. Standards are specifications of values, they measure the degree of influence that personal values and the limits they have when working toward a goal. An example of a standard might be that no goal is worth achieving if it means breaking the law.

***Reference: Virginia Cooperative Extension- Master Financial Education Training**

Activity 1.

1. Write down three of your values (takes a couple minutes)
2. If you have more time, make a collage, draw, and/or describe your perfect life.

Does anyone want to share?

Why Set Goals?

- Provides direction and purpose
- Identifies needed changes
- Improves planning
- Defines priorities
- Guides decision-making
- Increases chances of success

Goals are an important part of your life. Setting financial goals is not an exercise in wishful thinking. It demands a realistic look at future income and the amount needed to reach established goals. Setting financial goals requires careful and reasoned thinking.

When you achieve a goal, you feel a sense of accomplishment. Achieving a goal also gives you a sense of pride, which in turn, increases your confidence in your ability to make decisions and take action. Successful goal achievement then stimulates more goal setting, more success, and more self-confidence.

Once you set your goals, picture your goals in your mind. Creative daydreaming puts your goals into your subconscious mind. Once your dream is in your mind, you start thinking of ways to reach that dream in ways you don't even realize. You automatically see ways to make your dream become a reality.

***Reference: Virginia Cooperative Extension- Master Financial Education Training**

Factors In Goal Development

- Consider available resources
- Contemplate time required
- Make goal personal
- Make goal positive
- Write it down!

The first thing you need to do is consider the things that are important to you and your family. When setting your goals you must make a list. To help identify goals, ask yourself these questions: *What do I want to do with my money? How much will it cost? And how long will it take me to get that much money?*

Once you set your goals, picture your goals in your mind. Creative daydreaming puts your goals into your subconscious mind. Once your dream is in your mind, you start thinking of ways to reach that dream in ways you don't even realize. You automatically see ways to make your dream become a reality.

***Reference: Virginia Cooperative Extension- Master Financial Education Training**

Types of Goals

Long Term	Purchase a home
Intermediate	Pay off credit card
Short Term	Purchase an appliance

A useful way to classify goals is according to the length of time it will take to achieve them. Goals can be divided into two or three basic categories. Most people set short and long term goals. Others add a third category.

Short-term goals - These are goals that can be completed within the next twelve months. They may be for the basic living expenses that you spend money for regularly. Examples are monthly rent and food expenses. An emergency fund to cover small, unexpected expenses could be included in this category. So would the things you want to buy in the near future, such as a new coat, gifts, and an appliance. They can be adjusted to fit your income.

Intermediate-term goals – This category is optional. These are goals that can be completed in 1-3 years. A goal may be the elimination of all credit card debt or saving for the down payment on a car.

Long-term goals - These are goals that can be completed in 4 or more years (1 or more if you do not use the intermediate category). You usually do not have as many long-term goals as short-term ones. Your long-term goals are not as specific as your short-term goals. Purchasing a new home, plans to educate children, or retirement could be considered long-term goals.

Think about the following guidelines for developing goal statements: consider all available resources, contemplate the time required, make your goal personal, positive, specific, be ambitious but realistic, and write down your goal!

***Reference: Virginia Cooperative Extension- Master Financial Education Training**

Specific – Make your goals as specific as possible. The more specific your goals, the easier it is to work towards them. I will pay my bills is not as specific as I will pay my bills at least 5 days before the due date so they arrive on time. The second goal is much easier to write steps to achieve.
Measurable - How will you know you have achieved your goal? With the specific goal above you can check a calendar that has the dates your bills are due on it and see if you paid them 5 days in advance.
Adaptable – Goals are not written in stone. Life events or unforeseen circumstances may cause you to revise a goal. It may take longer than you planned. Sometimes, something we thought was important is no longer important. If you are not getting the satisfaction you thought you would get by working on a specific goal, it is okay to drop it or maybe to put aside until things change. Maybe you were saving for a family vacation that you had always wanted to take and you got sick. For example, you might revise the amount you are saving and take a less expensive vacation. Or you could not save for a few months and change the date of the vacation. Or depending on how sick you are, you might decide to save more so you can take the vacation sooner while you are still able to enjoy it or you might even decide that spending time with your family is more important than taking the vacation. There is no right response and it does not make you a failure if a goal changes.
Realistic – Don't set goals you can't reach. Be ambitious but within reason. Goals should be challenging, yet possible to reach. You probably can't save a million dollars in a year but you can set a goal to save a realistic amount in a year or a million dollars over a lifetime.
Time Bound- Goals should be measurable and reachable within a given time period. Specify the date when you want to reach your goal. I will have a system in place so that I pay my bills 5 days before they are due and monitor my progress on the 15th and 30th of each month until I am on track for 12 months. Now the goal has a timetable and I will know if I am on track and if I stay on track. At the end of twelve months if this is now a habit (something I do automatically without thinking), I won't need to track it so often. If I am still having problems, I may need to revise the goal.

SMART Goal Chart

Goal	$ Amount	Start Saving	Buy Date	Number Months	$ Per Month
Buy a new Toyota Camry	$3000 down payment	March 1, 2013	May 31, 2013	3	$1000

Review example and discuss – is $1000 realistic? If yes, continue with saving automatically – you have a plan!
If not,

Looking at the chart, what could you do to make it realistic?

SMART Goal Chart

Goal	$ Amount	Start Saving	Buy Date	Number Months	$ Per Month
Buy a new Toyota Camry	$3000 down payment	March 1, 2013	May 31, 2013	3	$1000
Buy a new Toyota Camry	$3000 down payment	March 1, 2013	Dec. 31, 2013	10	$300

Change the buy date and re-calculate. Will this fit your budget? What's your gut reaction?

What else could you change on the chart?

SMART Goal Chart

Goal	$ Amount	Start Saving	Buy Date	Number Months	$ Per Month
Buy a new Toyota Camry	$3000 down payment	March 1, 2013	May 31, 2013	3	$1000
Buy a new Toyota Camry	$3000 down payment	March 1, 2013	Dec. 31, 2013	10	$300
Buy a new Toyota Camry	$1000 down payment	March 1, 2013	May 31, 2013	3	$334

Change down payment amount and re-calculate

Or change both. Getting a realistic monthly saving amount is important. Plan for your success, so you can believe that you are a saver.

This works best for setting aside money for the future. If you are paying down several debts that escalate because of interest charges applied each month, try http://powerpay.org

Activity 2 – Each participant/couple uses the SMART chart handout to write a personal goal – can be short, intermediate or long-term. Ask for one or two examples to share. Discuss the need to prioritize your goals and change start and buy dates to accomplish them realistically. Anyone want to share?

SMART Goal Example

- Specific — New Toyota Camry
- Measurable — $3,000 down
- Adaptable — Yes, if an emergency arises I could choose to save less per month and postpone buying the car
- Realistic — Yes, save $300 monthly
- Time — Start saving in March. Buy in December or January.

Here is your SMART goal…

SMART Goal Examples

- *Will establish a $5000 rainy day fund by saving $138 a month for 36 months.*
- *Will reduce credit card debt by paying an extra $15 a month (above the minimum payment) for twelve months.*

A couple more examples of SMART Goals

When you achieve a goal, you feel a sense of accomplishment. Achieving a goal also gives you a sense of pride, which in turn, increases your confidence in your ability to make decisions and take action. Successful goal achievement then stimulates more goal setting, more success, and more self-confidence.
If your goal is to reduce debt, as in this second example, look for ways to find that $15 a month in the next section, Make a Plan.

The second key to successful savings is to MAKE A PLAN.
No matter what your financial goals are it is important to map out a plan for achieving success. It is important to put your savings plan in writing and review it often to help you stay on track.

A *savings plan* is a roadmap to help you reach specific financial goals.

Let's look at these key strategies for finding money to save for our goal
•Develop or review your spending plan to plug leaks
•Choose a saving technique to boost savings
•Identify your Spending Leaks
•Increase income and save some

A spending plan or budget addresses the question, How you are going to use the money that is available to you? A written spending plan is the most important financial skill for financial health and to help you reach your goals. Let's look at the steps to prepare one.

If you don't already have a written plan, here are the steps to help you write one.
Start by writing your top 3 to 5 values. What is really important to you? As you develop your plan, make sure it reflects your values.
What are your needs? The things you need to survive, the must-haves. Take care of those first. Wants are everything else. Also think about which wants are more important to you than others.
Select a tracking system and record how you spend your money now.
Use this information in step 5 – but examine whether you will continue to spend in the same way in the future.
In step 4, you determine the amount of money coming into the household for the month. Your net amount. If it varies, use the lowest amount or the average over the last 6 months.
We already talked abut setting SMART goals. Put that number in your plan to make it a spending AND SAVING plan.
Use your tracking system to make sure you spend as you planned, but remember that things change - for the good and the bad – and you will make changes occasionally. That's what makes this a cycle. When things change, we re-examine goals, needs, wants.

Make a Plan

- Include spending categories for basic needs first, then allocate funds for the goals that have been identified
- Prioritize goals
- Carefully consider how much money to allocate to each category
- Make tracking income and expenses a habit

Some important things to remember when writing your plan are:

When developing a spending plan/budget it is important to include spending categories for your basic needs first, then allocate funds to your goals. If it is not possible to support all of your goals, prioritize them and work on the most important ones initially. After progress has been made and your financial situation has improved, work on another goal. Think carefully about the amount to set aside for each category in the spending plan/budget.

Make a Plan

Find money to save by cutting back on expenses such as:

- Eat out less often & cook at home more
- Land line vs. cell; review cell plan
- Shop at thrift stores and garage sales
- Reduce energy use

Reduce spending – Cut back on expenses where you can.

•Eat out less often and cook at home more.

•Do you need both a land-line and cell? Is your cell plan economical?

•Shop at thrift stores and garage sales when you can.

•Reduce energy use. (in order of highest impact on the bill) 1. Set thermostat on 78 degrees in the summer and 68 degrees in the winter. Install a programmable thermostat. Seal air leaks in doors and windows. 2. Use less hot water and set heater on 120 degrees. 3. Replace light bulbs with CFLs. 4. Unplug appliances while not in use.

Make a Plan

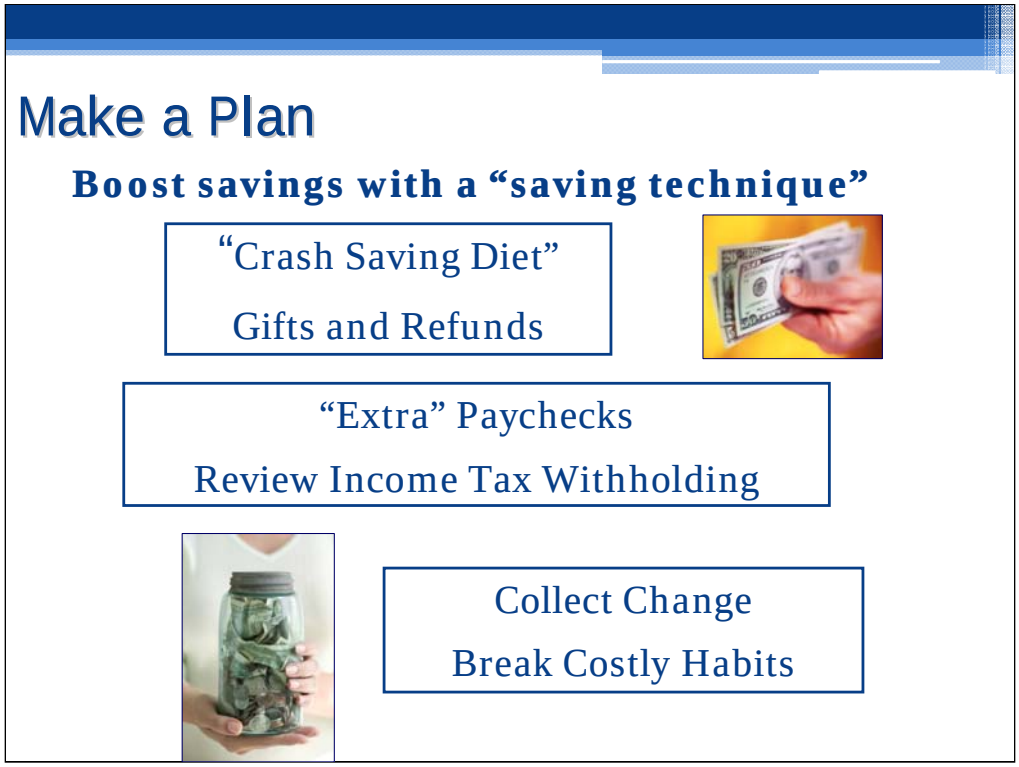
- Shop with a list and stick to it
- Re-examine bundling of services (e.g., cable, internet, phone)
- Use clothing longer
- Plan “frugal fun”
- Carpool, public transportation

•Start every shopping trip with a written list and stick to it.
•Bundle services such as cable, Internet and home phone can sometimes be economical, but make sure you need all the services in the bundle. Avoid subscribing to add-on services.
•Clothing – buy quality classics and limit total spent on trends. Do you need costly, high-fashion items? Is your closet full already?
•What are some ways your family can have fun without spending a lot of money?
•Do you need a car, a NEW car? Keep it maintained and drive it longer.

Make a Plan

- Buy products in bulk
- Use retailer discounts, promo codes and coupons
- Try generics
- Pay more than minimum on cards to reduce interest costs
- Comparison shop insurance

•Use retailer discounts, promo codes and coupons when shopping online.
•Buy products that you use regularly in bulk.
•Try a new generic product at the grocery each week. If you like it, savings will continue over time. Talk to your health care provider about using generic meds.
•Getting rid of credit card debt will free up money to save for your goals.
•Get new quotes on your car and property insurance every couple of years. But also check on the company's reputation before switching.



Try some of these strategies to free up money to save.
Savings Diet – for a specific amount of time, stop spending on wants and see how much you can save. Then go back to your regular spending pattern. Do is again in a couple months.
Do you have money coming in from a tax refund, expect a monetary gift? Use all or some of it to boost your savings account.
If you get paid every week, you get a third paycheck four months each year. If you are paid every two weeks, you receive an third check twice a year. Use that money for saving instead of impulse spending.
If you get a large tax return each year, adjust your exemptions to get your return down to a small amount and use the extra each month to put in your savings account.
Take change from your wallet or pocket each day and dump it into a jar. Take it to the bank each month.
Do you get cokes from the vending machine everyday, stop off at McDonald's regularly? Buy lottery tickets each week? Smoke? These habits can be costly. Let's look at how costly and what you can do about it to realize some savings.
Click to next slide…

Make a Plan

Do you have a spending leak?

Routine	Daily	Weekly	Monthly	Yearly
Lunch out	$8	$40	$160	$1920
Vending machine snacks	$2	$10	$40	$480

Those habits can add up to enough money to fund your goals.
Here are two examples.

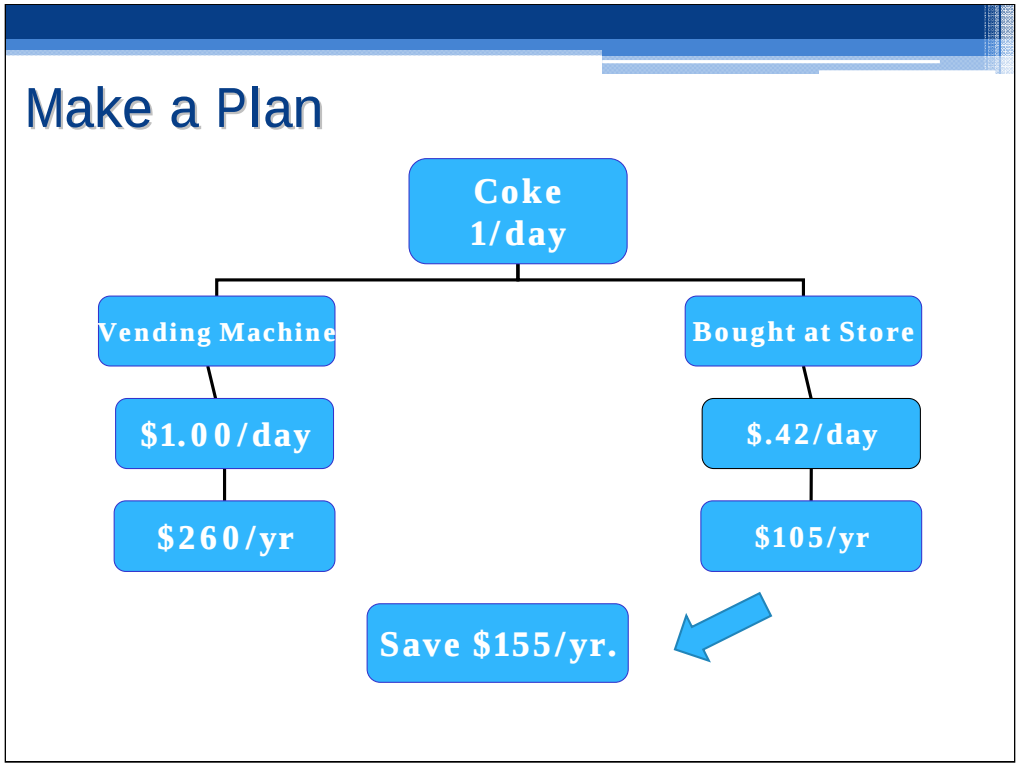
Make a Plan

Identify YOUR spending leaks

- Daily or weekly routine that costs you money
- Calculate the annual cost
- Will you…
  - Continue spending on this routine?
  - Stop "cold turkey"?
  - Reduce frequency?
  - Find cheaper way?

Activity 3.
Using the Spending Leaks handout, give participants time to write down their own examples. Will anyone share?

You might have one of these reactions to the annual amount:
1.This amount is okay with me, I will continue to spend this amount. Just make sure it's in your spending plan.
BUT, you might be amazed to see the annual amount and decide to make a change. Then,
1.Is this something you can just stop doing and save the whole amount?
2.Do you still want to spend money this way, but could do it less often and save a portion – how much will that be? How will you make sure it gets in your savings account?
3.Continue with the routine, but find a cheaper substitute, like this next example (next slide)



Review the example on the slide
This is an example of saving by finding a cheaper way. Of course, you could decide to go with water and save $260 a year.

Make a Plan

Find Money to Save - Earn Extra Income

- Volunteer to work overtime
- Prove your worth – Ask for a raise or promotion
- Take on a part-time or second job
- Sell surplus items at a garage sale or online
- Start a business

Earn extra income – Improve your employment status to generate money to save.

•Take on a part-time or second job.
•Start a business.
•Sell surplus items at a garage sale or over the Internet.

Now that you have a SMART goal and a spending plan to make sure there is excess to save, it's time to choose accounts to use.

What is meant by the phrase "Pay Yourself First"? Accept answers –
Before you get your hot little hands on your money, before it lands in your checking account, put it aside in a savings or investment account.
If we wait to save what is left over each paycheck or month, what is likely to happen?
Accept answers –
It will be spent instead of saved or invested.

Ask your payroll department to split your paycheck by sending the amount directly to a savings or investment account. If your payroll department doesn't offer the ability to split your paycheck, ask your bank or credit union if they can automatically divert a specific amount each pay period to your savings or investment account.

Or, have your bank, credit union or brokerage company automatically draw a pre-set amount from your checking account on a specific date.

Do you have online bill pay? Set up a recurring payment to your brokerage account or the bank where you have a separate savings account.

Save Automatically

- Is your goal less than 10 years in the future?
- Concerned about risking your money?
- Will you need to retrieve your money quickly?

You are a saver!

If you plan to spend the money you are saving in less than ten years and you are most concerned about having the whole amount of money available when you need it.
If you may need to get to your money quickly, without much hassle – then you need what is called the "liquidity" of a savings option.

Save Automatically

- Statement Savings
- Club or Special Goal Account
- Money Market Deposit Account
- Certificate of Deposit

Comparison shop APY at banks, credit unions, online

Choose the right product and be aware of when to switch or add accounts to get the best rates for the amount of money and your pattern of usage.

Usually start with Statement Savings Account -Earns interest, principal FDIC insured, Receive account statement (be sure to reconcile monthly), May require a minimum balance to avoid fees, Limited number of automatic withdrawals – 6/mo.

Club or special goal account – similar to statement savings, but requires a regular deposit.

Money Market Deposit Account – Requires large minimum balance ($2500+), FDIC insured, Better interest rates than savings accounts, less than 1-year CD, Limited check writing and withdrawals. Don't confuse with **money market mutual fund.**

CD - Timed deposit (usually 1-month to 5 years), Higher rates for longer maturity, Minimum balance to open ($500), 3 to 6 month's interest penalty for early withdrawal.

Use a "CD ladder" to reduce interest rate risk and allow for some liquidity. Divide up a large sum of money into 3 to 5 pots of money. Buy a 1 year, 2 year, 3 year (4 year, 5 year). As each one comes due, switch to a three (five) year.

Use the "Rule of Three" to check at least three banks or credit unions and check accounts within each one to find the best rate. APY is Annual Percentage Yield and is calculated so that you will not need to ask if the account is compounded daily, monthly, quarterly, or annually. If you know the APY, you can compare accurately.

You can now set up a Payroll Savings Plan to purchase electronic savings bonds in TreasuryDirect. The new Payroll Savings Plan feature allows individual primary account owners to make recurring purchases of electronic Series EE and Series I Savings Bonds, funded by a payroll allotment/direct deposit. Simply set up your Payroll Savings Plan and schedule a regular payroll allotment/direct deposit with your employer and your payroll office will send the allotment/direct deposit to your TreasuryDirect account.

Optional notes for presenter:

Series EE U.S. Savings Bonds are an appreciation-type (or accrual-type) savings security. They are sold at face value, so you'll pay $50 for a $50 bond. The bond is worth its full value upon redemption. The interest is issued electronically to your designated account. You cannot buy more than $10,000 (face value) during any calendar year. If you redeem the bonds in the first five years of buying them, you'll forfeit interest payments for the three most recent months. After five years, you won't be penalized for redemptions.

Series I U.S. Savings Bonds are inflation-indexed. They are sold at face value and you can buy up to $10,000 (face value) in any calendar year. Series I Bonds offer a fixed rate of interest, adjusted for inflation. As with Series EE Bonds, if you redeem Series I Bonds in the first five years, you'll forfeit the three most recent months' interest. After five years, you won't be penalized for redemptions.

Tax advantages. You pay no state or local taxes on the interest on the bonds, and you can defer paying federal taxes on the interest until you cash in the bond or until it matures. In addition, tax benefits are available for eligible taxpayers when Series EE and Series I savings bonds are used for qualified education expenses. For details on the education tax exclusion and the requirements to qualify, read more at Treasury Direct.

Money Market Mutual Funds are non-FDIC insured, brokerage products. The broker at your bank or credit union may offer these accounts. They may pay a little better interest to compensate for the risk of not being insured. They are pretty safe though, since they invest primarily in short-term corporate bonds.

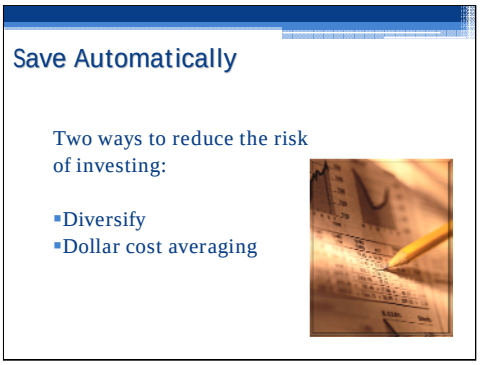
Save Automatically

Is your goal more than 10 years in the future?

You are an investor!

- Your principal is at risk, but…
- Return is usually greater over longer periods of time than savings products

Investing trades certainty for the potential for greater profits or return. Over the last 100 years, bonds have returned 5%, stocks 8 to 10% per year – on average. Savings accounts have averaged 3%. However, investments vary quite a bit from year to year. If you leave your money invested for at least ten years, you are more likely to see an upward trend.



There are two important concepts you can use to reduce your risk and increase the possibility of gains. Diversification is one. Who can explain this concept? Accept answers –
Mom or dad may have said – don't put all your eggs in one basket. When investing, buy a variety of stocks from different sectors of the economy and different sizes of companies. Loan money to a variety of governments and corporations (bonds). And to also hold stocks, bonds, real estate, and commodities – rather than just stocks, or just bonds. You also need to change your diversification – or asset allocation – depending on how close you are to your goal date so that you have more conservative investments at the time you cash out.
Another way to reduce risk is to dollar cost average. When you are investing, you are buying stocks or bonds at a specific price per unit on a given day. Some days they are regular price, some days on sale, and others higher priced. When you automatically save from each paycheck, you are buying some on sale and some at regular or a high price. Over time, the average price paid has the potential to be lower than if you happened to buy all at one time and the price happened to be high on that day. Remember, value is only on paper until you sell. So you hope that over many years, you have purchased shares or bonds at lower prices and sold at a higher price.

<u>Optional notes for presenter, for potential questions:</u>
You can buy individual stocks, but remember it's harder to diversify and buy with small amounts of money without incurring brokerage fees. You might want to look into DRIPs or DPPs (companies that sell stocks directly and re-invest dividends to buy more stock at no charge)
Exchange traded funds are similar to index mutual funds but are bought and sold as a stock – during the trading day, based on the value of the underlying assets at point in time. Whereas a mutual fund is bought or sold at the price established at the end of the day. If the broker commission is not waived, there is a fee charged for the trade. This makes buying and selling ETFs expensive if you are making a lot of small purchases.
When you buy a bond you are loaning money to a corporation or a government. Except for savings bonds, you will probably need $1000 or more to purchase.
Mutual funds and ETFs are two ways to automatically diversify and reduce risk, so most of us will decide to use these products. They can also simplify our investment purchases Each mutual fund has an objective, for example to invest in
-big, stable companies whose stocks may give dividends based on their profits
-Small companies that may or may not make it
-Bonds of cities
-bonds of one length or a variety of lengths
Some funds are actively managed and stocks or bonds are bought and sold based on the manager's assessment of what will make money for the investors. The manager is paid for their expertise. Each fund has an expense ratio. For actively managed funds, this fee can be as much as 2%. This means the assets must clear that % before the investor begins making a profit.
A less expensive type of mutual fund is an index fund. This fund mimics an index – a set basket of stocks or bonds – and doesn't require active management. So the expense ratio can be very low - .5%. For instance, a fund might mimic the an index of small company stocks or the whole stock market.
Two other types of funds – target-date and balanced funds – help with diversification and re-balancing. A balanced fund has both stocks and bonds in the same fund. A target date fund is managed so that investments become less risky as the goal date approaches.
Mutual funds may or may not have a "load" – a commission paid to the salesperson. You will also want to know if there is a load and when it is paid. That will effect your profit.

Save Automatically

- Is your goal for retirement?
  - **Use a tax-advantaged account**
- 401k / 403b / 457 or Thrift Savings Plan
- Traditional IRA
- Roth IRA
- Self-employed plans SIMPLE, SEP

If you want a secure retirement, you will probably need more than Social Security income. Start saving automatically with your very first paycheck. You can use these special accounts that reduce taxes owed on your income or the gain on your investments at the time you take money out of the account.

Optional notes for presenter:
401k accounts are for corporations. Some match some of your contributions. If you don't save enough to receive the match, you are missing out on free money. The money you invest is not taxed at the time you invest. You pay the tax on that income and the gains in the account when you withdraw from the account in retirement. There is a penalty if you withdraw before age 59 ½.

403b accounts are for non-profits , schools, hospitals. There may not be a match.

457s are for government employees. **TSP**s are for military.

If you do not have a plan at work, you can fund your own Traditional IRA through almost any financial institution and receive a tax credit for your contribution. Both savings and investing options are available. Keep in mind the risk/reward factor.

A Roth is the opposite of a traditional IRA. You pay tax on the contribution, but you can withdraw (after age 59 ½) and not pay any taxes at that time. If you have a modest income, you can have a Roth as well as your employer-sponsored account. Be sure to compare fees and probable return rates.

If you are self-employed, there are several plans you can set up for yourself and your employees of your small business.

Save Automatically

Is your goal for college saving?

Use a tax-advantaged account

- 529 Investment Account
- 529 Pre-paid Tuition Plan
- Coverdell
- Roth IRA

These accounts allow you to save for college automatically. Some have tax advantages.

Optional notes for presenter:
Each state has a 529 plan. If your state has an income tax, there might be a tax credit for your contributions. You can invest in any state's plan, however, and use the money for the beneficiary child's college expenses at any post-high school institution. You can comparison shop for the best investment plan. You can choose from various investment options. An age-based portfolio might be a good choice since the investments become more conservative as college entrance approaches – and thus reduces risk.

Your state may have a pre-paid tuition plan. You will want to be very sure that your child will attend an in-state school because the cash out for a school in another state may not be optimal.

The Coverdell is a self-directed investment savings plan. You can choose the investments.

Since the initial contributions to a Roth retirement account can be withdrawn without penalty, this account can be used for college expenses. If your child does not attend college, you still have your retirement account.

Save Automatically

Learn more by taking the online course
Investing For Your Future
at http://www.eXtension.org

You can learn about how to purchase these products by taking the online course at eXtension.org or taking a similar class at your local Extension office.

Summary slide

Questions?

Please complete the evaluation form

Celebrate America Saves Week
February 25 – March 2, 2013

Become a Saver today!

http://www.americasaves.org

Activity 4. Encourage participants to complete the paper Saves form or sign up online. One idea is to have a drawing for an attendance prize using the paper sign up forms. One form of evaluation is to count the number of "intent to save" forms you receive.

There is also an evaluation survey form provided with this lesson packet.

This resource brought to you by Family and Consumer Sciences Educators of the Cooperative Extension Service

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