

Financial Literacy

Tweens and Teens

November 12, 2015

Presented by:

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Financial Literacy

What is financial literacy?

Why should you care?

Why is Ann here?



Financial Literacy

How can you be expected to make a good financial decision if you don't know what one looks like?



Today's session

- Your first job
- Your first car
- Review credit cards
- College and career choice basics



Your first job

A work permit is required for all teens age 14-17.

Generally, kids younger than age 14 can not legally work.



Your first job

How do I get a work permit?



Your first job

What are the rules?

- How many hours can I work?
- What kinds of jobs can I NOT do?



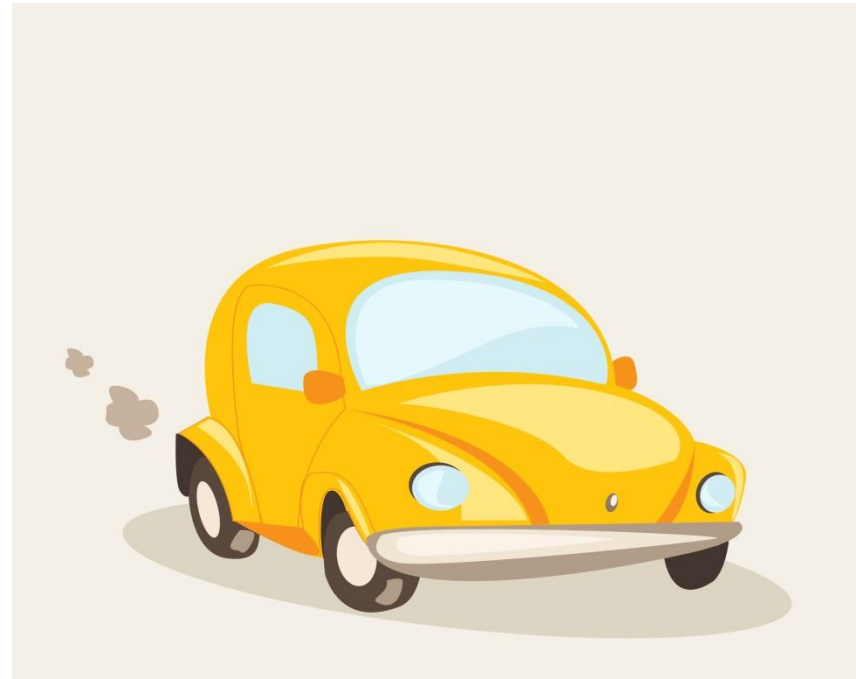
Your first job

What the heck happened
my paycheck?



Your first car

Get help from a trusted adult when making the decision about whether and where to buy a car!



Your first car

How much should I spend
for a car?

Where do I get the money?



Your first car

But wait, there's more...

- Sales tax 6.25%
- Registration



Your first car

But wait, there's even more...

Excise tax every year of \$25 per
\$1,000 value, minimum \$5

\$20,000 car, excise is \$500.

\$5,000 car, excise is \$125.



Your first car

But wait, there's still more...

Ongoing expenses include

- Insurance
- Gas
- Maintenance/repairs



Your first car

Bottom line, know how much owning your car is going to cost you.

Budget for the big bills, like insurance and excise tax, putting a little aside every paycheck all year.



Review: Debit vs. Credit cards

What is a Debit Card?

What is a Credit Card?

****Key difference is where the money comes from!**



Time Value of Money

The single biggest factor in how successful your financial plan will be is TIME!



College and Career Choice

What do you want to do
for a living?

Do you need to go to
college?



College and Career Choice

What can you and your parents afford?

What college is the best choice for you?



College and Career Choice

How will you pay for college?

How much **SHOULD** you spend?



College and Career Choice

Tie your expected income to the cost of attending your chosen school.

Then ask yourself if that's the most cost-effective way to get there.



College and Career Choice

Example:

Brendan wants to be a chef.

Brendan also wants to go to Harvard, because that's where all his friends are going.



College and Career Choice

Harvard is very expensive (>\$60k per year) and does not give Brendan any advantage over other schools for his chosen profession.



College and Career Choice

Johnson & Wales,
however, is very well
known for that program.

Tuition, at roughly \$29k
per year is less than half
that of Harvard.



College and Career Choice

But is J&W the right choice
if you don't have a clue
what you want to do?

Maybe not.



College and Career Choice

Bottom line:

Know what you want to get from the college you choose, and make sure it is a smart investment!



Resources

What are some good resources for financial information?



Next session

January 14th

7:00 PM

Topic: Saving and
Investing



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