



FINANCIAL WELLNESS CENTER

THE UNIVERSITY OF UTAH

FINANCIAL WELLNESS WORKBOOK



BALANCED MONEY,
BALANCED LIFE!



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BACKGROUND OF THE FINANCIAL WELLNESS CENTER

Since 2011, the Financial Wellness Center (FWC) at the University of Utah has been a vital resource, fostering lifelong financial wellness for students. Our mission is to support student well-being and success by providing individualized financial counseling, education, programming, research, and advocacy to guide students in their lifelong financial wellness journeys.

With a team of full-time staff & Accredited Financial Counselors (AFC®), peer mentors, grad mentors, student advocate, and interns, the FWC provides personalized support for U along your financial wellness journey. Whether you are looking to create a plan for your money, are overwhelmed with debt, or anything in between, we are here to help.

Our Services include: 1:1 financial counseling, 1:1 credit counseling, monthly programming, educational workshops, & annual tax clinics.



The graphic features a central logo for the Financial Wellness Center at the University of Utah, with the tagline "Balanced Money, Balanced Life!". To the left, an illustration shows a woman in a yellow shirt holding a pink piggy bank, surrounded by icons for taxes, credit cards, piggy banks, and graduation caps. Below the logo, a QR code is provided for scheduling an appointment, accompanied by the text "SCHEDULE AN APPOINTMENT". To the right, a winding path leads through various financial concepts: emergency fund, budgeting, credit, goals, saving, and investing. A small text box at the bottom left states: "We support student well-being and success by providing individualized financial counseling, education, programming, research, and advocacy to guide students in their lifelong financial wellness journeys." The bottom of the graphic includes social media handles "@uofu_financialwellness" and the website "financialwellness.utah.edu" with corresponding icons.

TAX

FINANCIAL WELLNESS CENTER
THE UNIVERSITY OF UTAH

Balanced Money, Balanced Life!

SCHEDULE AN APPOINTMENT

We support student well-being and success by providing individualized financial counseling, education, programming, research, and advocacy to guide students in their lifelong financial wellness journeys.

emergency fund, budgeting, credit, goals, saving, investing

Let FWC help U on your financial journey!

@uofu_financialwellness
financialwellness.utah.edu

INTRODUCTION

INTRO TO FINANCIAL WELLNESS

Financial wellness refers to the overall health of an individual's financial situation. It encompasses various aspects of managing finances, such as budgeting, saving, investing, planning for the future, and understanding the attitudes, behaviors, and emotions influencing our financial decisions. Financial wellness is an ongoing journey rather than a destination. It entails adopting a balanced approach to managing money, creating pathways towards having your basic needs met, financial security, and the ability to meet current and future financial obligations.

Money Mindset: Reducing financial stress and promoting a positive financial outlook.

Overall, financial wellness is a adventure of ongoing learning, growth, and the ability to make informed decisions with confidence. It's all about knowing how to handle your money, seeking new knowledge and opportunities, and feeling good about the decisions U make.

WHAT IS FINANCIAL WELLNESS TO YOU?



"Not having money to spend doesn't mean we can't have well spent moments."
–Sarah Breathnach

HOW TO USE THE WORKBOOK

This workbook is meant to be used after your 1:1 financial counseling session to better guide you in your lifelong financial wellness journey. In the pages that follow, you will find handouts, some with educational information and some financial homework to support you in any action items you and your financial counselor discussed. At the same time, you can make this book yours, and use it however best serves U!

Cheering you on,
The Financial Wellness Center Team



DEFINITIONS #1

Below are some definitions of terms that come up in various personal finance topics. Having a basic understanding of these can be helpful throughout your life as you come across financial services. No need to memorize them, but this is here in case you ever need to reference it!

Key Terms:

- **Budget/Spending Plan**– A budget is a comprehensive financial plan that outlines expected income and expenses over a specific period, typically monthly or annually. A spending plan entails a plan for where your money will go next month/in the future.
- **Checking Account**– A bank account that stores liquid assets (cash!). Allows for transfer of money between people, services, and organizations. Look for one that is FDIC or NCUA insured.
- **Credit**– The ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future.
- **Credit History**– “A continuing record of a person’s credit usage and repayment of debts” (afcpe.org).
- **Credit Report**– “Information compiled by a credit bureau from merchants, utility companies, banks, court records, and creditors about your payment history” (afcpe.org).
- **Credit Score**– “A statistical measure used to rate applicants based on various factors deemed relevant to creditworthiness and the likelihood of repayment” (afcpe.org).
- **Debt**– The amount of money borrowed. It is typically subject to repayment with interest, which represents the cost of borrowing. Common forms of debt include loans, credit cards, and mortgages.
- **Default**– “Occurs when a borrower fails to make a payment when due or fails to meet other requirements of the credit agreement” (afcpe.org).
- **Federal Student Loan**– “Money borrowed from the federal government to help pay for your education, that must be repaid with interest” (studentaid.gov).
- **Grant**– Money given to students, usually based on financial need, is most often awarded by the state or federal government and does not need to be paid back.
- **Graduate PLUS Loan**– “Direct PLUS Loans are federal loans that graduate or professional students...can use to help pay for college or career school” (studentaid.gov). They are unsubsidized and can be used to cover living expenses.
- **High Yield Savings Account (HYSA)**– A savings account with a higher annual percentage yield (APY). This means your money is earning money or interest, as it is typically higher than a traditional savings account. A common APY for a HYSA is around 3-4%.

DEFINITIONS #2

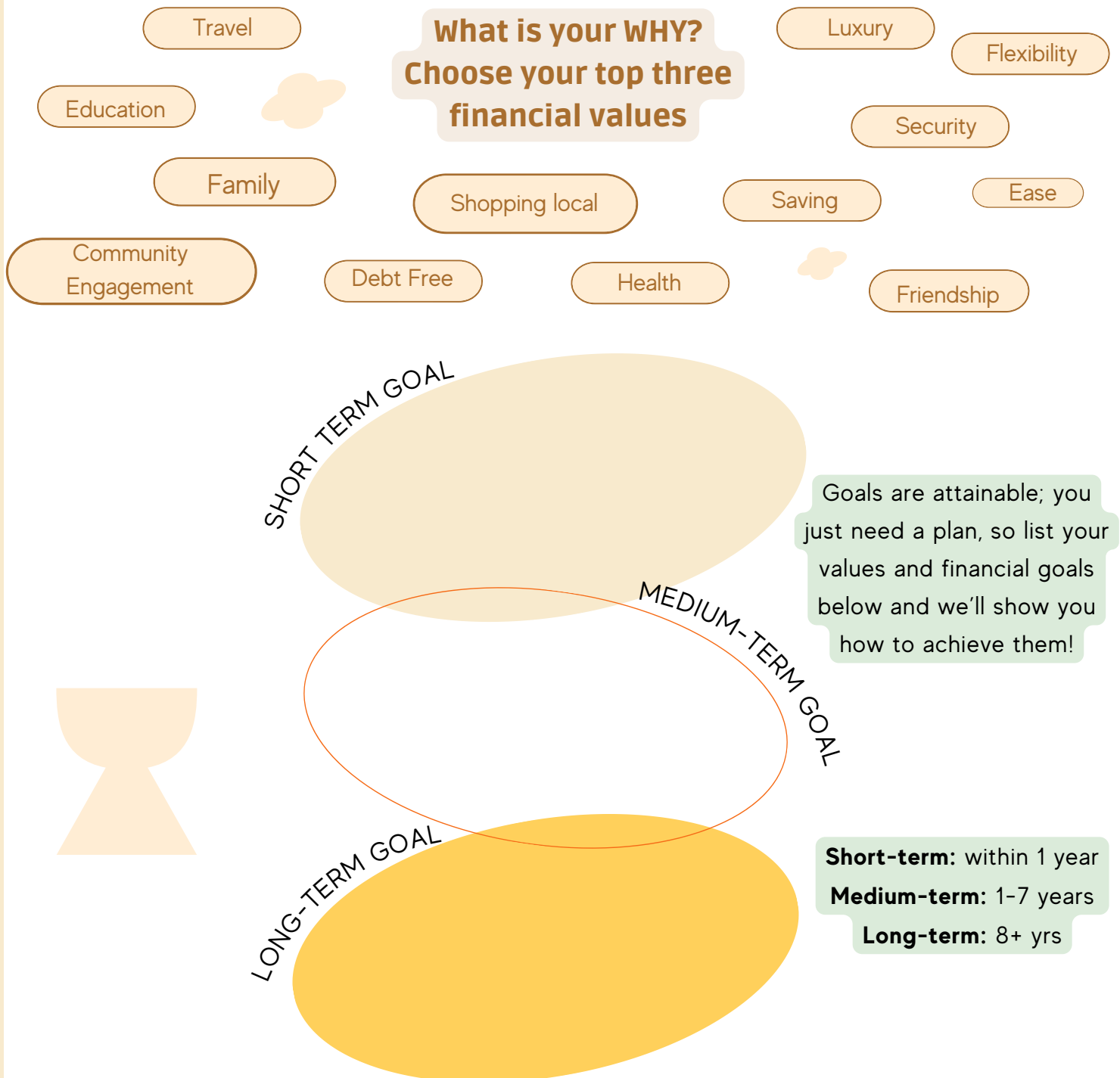
Key Terms:

- **Interest**– “The price you pay to borrow money or the return earned on an investment” (bankrate.com).
- **Liabilities**– Money you owe.
- **Liquid Assets**– Money you have that is readily accessible (e.g. not invested and usually in a checking or savings account).
- **Loan**– Consumer credit that is repaid in equal amounts over a set period of time” (afcp.org).
- **Loan Deferment**– When you temporarily stop making loan payments, you are considered to be in loan deferment. Make arrangements with your loan servicer to do this. Balance growth is possible because interest can still accumulate.
- **Loan Forbearance**– Similar to Defaulting on a loan, but this means you haven’t made payments for 12 months or more.
- **Net Worth & Net Worth Statement**– Assets minus liabilities. The statement shows this at a particular point in time.
- **Parent PLUS Loan**– “Direct PLUS Loans for parents are unsubsidized loans made to parents of dependent undergraduate students” (studentaid.gov).
- **Private Student Loan**– A loan that is used to pay for school and that is awarded by a private institution, such as a bank or private company.
- **Revolving Savings/Sinking Fund**– A savings account that works as a budgeting tool to help save various short-to-medium term financial goals. It is meant to be used and will “sink” as you use the money for its designated goal, and will be built back up again.
- **Scholarship**– A type of financial support awarded to students, commonly based on merit or need.
- **Subsidized Loan**– A type of federal loan for qualifying undergraduate students that do not accrue interest while student is in school.
- **Take-Home Pay**– The income you get to take home after taxes (and other things like employer-sponsored health insurance) have been taken out.
- **Unsubsidized Loan**– A type of student loan for both undergraduate and graduate students. Can be federal or private. Interest accrues while in school.

**Financial Aid, Investing, and Tax Terms are provided
in those sections of the workbook!**

VALUES & FINANCIAL GOAL SETTING

When we talk about financial wellness, we start with our values and goals.. Your “why” will be your motivation to continue when things get hard. Not all of our values and goals are going to be the same, or even similar, and that's completely okay. After identifying some of your values, write out 3 financial goals you have. Goals help us focus on long-term financial health, leading to sustained financial well-being. You will keep coming back to this as you create and use your spending plan, or budget. Having specific goals keeps us accountable, helping to stay on track and make informed financial decisions while in school and throughout your life.



THE 5-STEP BUDGET



A budget is simply a plan for your money. The hardest part of budgeting is usually sitting down to do it, so we like to make this process as enjoyable as possible. Maybe you light a candle, grab your favorite beverage, etc. There are two parts to budgeting: 1) track your current money habits and 2) creating a new money plan. Use the steps below to guide you in this process.

1. Define your Financial Values & Goals

You have already completed the first step! Congratulations! See? You can do this!

2. Track Income & Expenses to Build Awareness

At this stage, we are simply building awareness. Track your income and expenses by using the template on pages 9-10. You can track your progress on a daily, bi-weekly, or monthly basis, or pull up the past 1-2 months of statements and log those. Remember that we are recording this to obtain information rather than to guilt or shame ourselves.

3. Reflect

Total up your income. Total up your expenses. What do you notice? Do you have enough \$ to cover your basic needs? Look back at your values and goals. Does your current spending align?

4. Create Budget Buckets

Based on where you are currently AND where you'd like to go, create "buckets/vaults" for your spending and saving based on a realistic goal for each category. To create your buckets, group common expenses into a few categories. Remember to include a bucket for fun money!

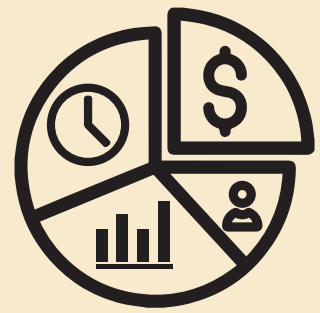
5. Have Frequent Money Check-Ins

At least 1-2 times a month, check for fraud/double charges on your statements, look over your subscriptions and see if you can get rid of any, & review your account balances and evaluate your progress toward your financial goals (herfirst100k.com).

Anytime you feel like you need a reset or your situation changes, you can repeat this process. Budgets are meant to evolve with you!



BUDGETING TIPS



Create budget categories! Here are 3 to get you started: needs, fun money, & saving/investing.



4 ways to use your \$: save it, spend it, invest it, or pay off debt!



Try the FWC Financial Planner!



Access a copy of the google sheet [HERE!](#)

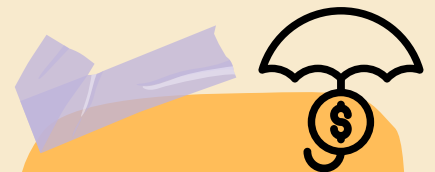
Remember these 5 basic needs:

1. housing/utilities/phone/internet
2. transportation (includes maintenance costs)
3. food/groceries
4. medical costs/what keeps you healthy and happy
5. minimum payment on debt



Saying no to one thing means saying yes to something else.

Not sure where to start? Build up your emergency fund first!



THE BUDGETING BASELINE

The 50/30/20 budgeting rule is a popular method for managing personal finances, but it's important to adapt it to your unique financial situation. Here's how you can customize and understand it better, especially if you're a student or have varying income levels:

Customizing Your Budget: The 50/30/20 rule suggests dividing your income after taxes into three categories: Needs (50%), Wants (30%), and Savings/Debt Repayment (20%). However, you can adjust these percentages to fit your circumstances. Given your unique financial situation, your personal budget may look like 80/10/10 or 90/5/5. This means allocating 80% or 90% to Needs (like rent, groceries, utilities), 10% or 5% to Wants (such as dining out, entertainment), and 10% or 5% to Savings/Debt Repayment.

Understanding Each Category:

- **Needs (50% - 90%):** Cover essential expenses crucial for daily life, including rent, groceries, utilities, transportation, and minimum debt payments.
- **Wants (5% - 30%):** Allow for non-essential spending on hobbies, coffee, dining out, or entertainment, try to keep it within a reasonable limit.
- **Savings/Debt Repayment (5% to 20%):** Save a portion of your income for emergencies, faster debt repayment, or investments.

Flexibility and Adjustments:

- These percentages are not fixed and can be adjusted based on your goals and current financial situation. For instance, if you have credit card debt, you might allocate more towards debt repayment temporarily.
- Regularly review your budget and make adjustments as your income or expenses change. Being flexible helps adapt the budget to different stages of life and varying income levels.

Practical Tips for Budgeting:

- Use budgeting apps, spreadsheets, or automate your budget to track expenses and income effectively.
- Prioritize essential needs over wants to manage your \$ wisely!
- Take advantage of student discounts or free resources whenever possible to save money.
- Commit to your financial education to make informed decisions and ensure long-term financial stability.

WRITE DOWN YOUR OWN BUDGET CATEGORIES!

NAVIGATING YOUR EARNINGS

YOU DESERVE
ALL THE
GOOD
THINGS

Far too often, this topic is left out of personal finance. Yet, it's one of the most important components! Part of financial wellness is making sure you are getting paid fairly, based on the value you bring. And even before pay negotiation comes getting the job! We know this process can be daunting! Luckily, U Career Success is a resource on campus dedicated solely to help students on this part of their journey. Below is some more information about their center and how to meet with a Career Coach. But first, work through the following exercise. This will help you see that U bring value to the workplace that is unique to you (even if you are a full-time student right now)!

WRITE DOWN 3 WAYS YOU ADD VALUE TO THE WORKPLACE!



Need help on your job search journey? U Career Success can support you! Not sure how to approach the negotiation process? Book an appointment with a career coach at <https://careers.utah.edu/career-coaches/>.



EMERGENCY FUNDS



Building up your emergency fund is a great first step on your financial wellness journey. Generally, we recommend having 3-6 months worth of necessary expenses saved. However, depending on your specific needs, you may want to have more than that. Or, maybe \$500 is a good place to start for you. Save what you can and know that while you're a student this can be a challenge!

WHAT IS AN EMERGENCY YOU'D LIKE TO BE FINANCIALLY PREPARED FOR?

Step 1: What resources are currently available to you?

Step 2: What do I need to save for in the immediate future? Examples: kids, car, house, medical needs.

These are some examples of emergencies to save for:

- Car Problems
- Housing Maintenance
- Medical Emergency
- Unemployment



You work to have an emergency fund with enough money to be able to **pay 3 to 6 months of living expenses**. For example, if you spend \$1,000 on needs monthly, you should aim to an emergency fund of \$3,000-\$6,000.

These money have to be kept in an account that you may access at any moment in case of need. A **High Yield Savings Account (HYSA)** is an excellent place to hold one, since it lets you earn a high annual percentage yield, or APY (free \$). Make sure you open one that is FDIC or NCUA insured with no fees! You can access your money without incurring penalties!

PAYING FOR SCHOOL



There are 3 main ways to pay for school:

1. Someone Else's Money
 - a. Scholarships, grants, familial support
2. Your Own Money
 - a. How can you free up more funds in your money plan for tuition? Increase income, lower expenses, or a combination of the two?
3. Borrowed Money
 - a. Student loans

BRAINSTORM SPECIFIC WAYS YOU PLAN TO PAY FOR SCHOOL!

We know that understanding student loan terminology can be difficult. Here is a table that breaks down federal versus private and subsidized versus unsubsidized loans.



	Federal Loans	Private Loans
PROS	Federal loans have fixed interest rates.	Can borrow more to cover the full cost of education.
	Do not require payments while in school.	Interest rates are based on credit.
	The government may pay your interest while you're in college.	Easy application - Borrowing student loans from your own bank.
	You may be able to delay repayment.	
CONS	The government can garnish your salary if you default on your loan.	You need to start payments while still in school.
	Defaulting can also lead to the loss of other sources of income.	Private student loans are not subsidized. No one pays the interest on your loan but you.
	There is a maximum loan amount available, based on your dependency status and year in school.	The interest rate is variable (it could change over time) and may be higher.
	Lengthier application.	You may be not able to temporarily postpone or lower your payments.

wwwonestoplifeinsurance.com

Subsidized Loans	Unsubsidized Loans
Based on your financial need.	You can qualify, regardless of income or your financial need.
Available only if you're an undergraduate student.	Available if you're an undergraduate or graduate student.
Government does not usually charge you interest while you're in school at least half-time, for the first six months after you leave school, during a period of deferment (a postponement of payments), and, sometimes, during repayment under an income-driven repayment plan.	Government charges interest from the time your loan is disbursed through the life of the loan, except for some periods of repayment under an income-driven repayment plan.
Your school determines the amount you can borrow, and the amount may not exceed your financial need or the limit set on how much you can borrow per year and total.	Your school determines the amount you can borrow based on your cost of attendance and other financial aid you receive and may not exceed the limit set on how much you can borrow per year and total.

Reference: Credit Products. MYAFCPE. (n.d.). <https://learn.afcpe.org/>

FAFSA BASICS



- Free Application for Federal Student Aid (FAFSA) is a crucial step in securing financial aid for higher education.
- Complete the FAFSA annually to access federal grants, loans, and work-study opportunities.
- For many scholarships, the FAFSA must be completed.
- Fill out the FAFSA at studentaid.gov

KEY COMPONENTS



- Use of Prior-Prior Year (PPY): Income information from the tax year two years prior is used for a more accurate financial picture.
- Personal Information
- Financial Information: Include income details for both the student and parents.
- School Selection
- IRS Data Retrieval Tool: Streamlined Process and Enhanced Accuracy

FAFSA CHANGES



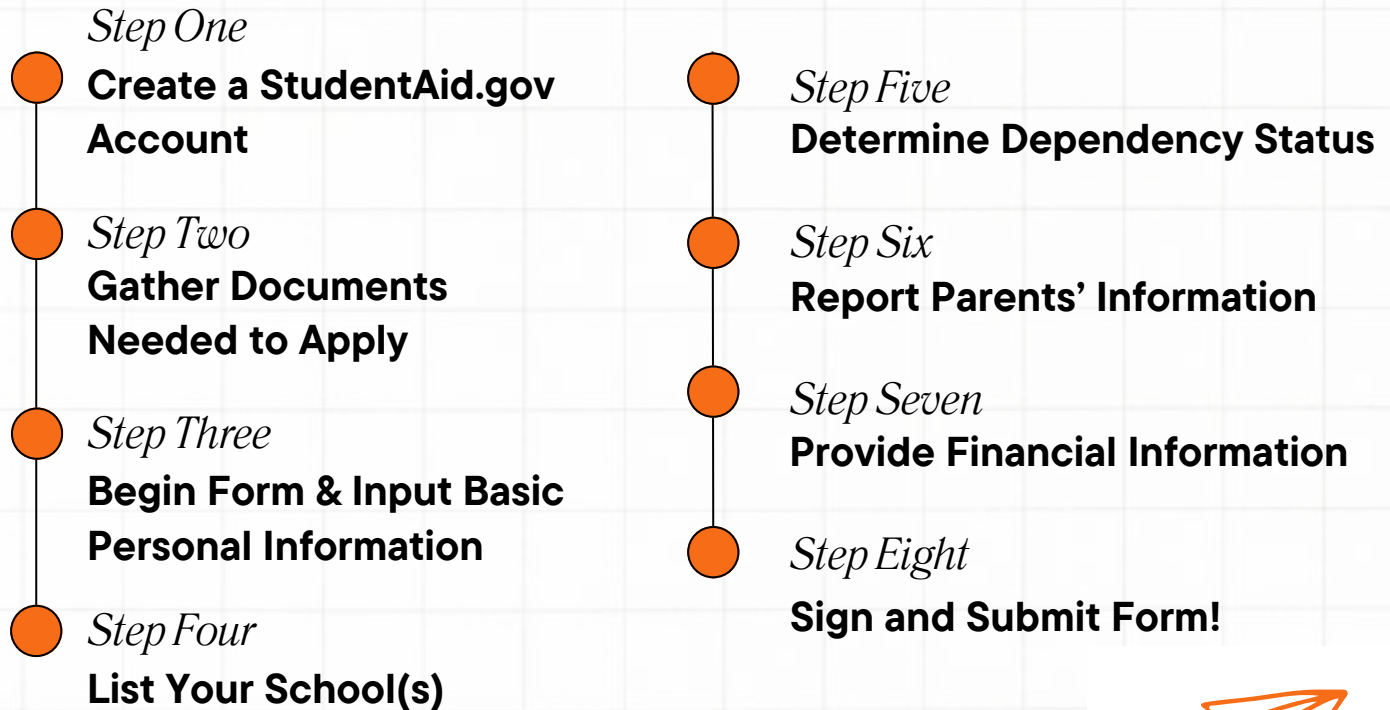
- There is a new formula to calculate aid: the Student Aid Index (SAI) replaces the Expected Family Contribution (EFC) metrics to calculate aid eligibility.
- **Dependency Status Change**
- **Emancipated Minor:** New criteria for students who are considered financially independent.
- **Special Circumstances:** Considerations for unique family situations impacting financial independence.
- **Pell Grant eligibility changes:** Increased income limits in hopes of making higher education more accessible.

CONCLUSION: APPLY & STAY INFORMED



- Each year, apply as soon as you can after it opens to maximize your aid.
- Stay up to date on all things fafsa! Here are a few resources: @uutah_uosfa, @federalstudentaid, @uofu_financialwellness, and ushe.edu/fafsa.
- **Remember:** FAFSA is your gateway to financial aid. Stay informed, submit early, and embark on your educational journey with confidence!

STEPS TO COMPLETE THE *FAFSA Application*



FAFSA DEFINITIONS

COST OF ATTENDANCE

The total amount of college expenses including tuition and fees, room and board, books and supplies, and living expenses.

CONTRIBUTORS

A new term that refers to students, biological or adoptive parents, the student's spouse, or the parents' spouse (step-parent). Use the infographic on StudentAid.gov to determine who in your family is considered a contributor.

FINANCIAL AID OFFER

The communication you receive from a college that shares the types and amount of financial aid the college is offering you. The Financial Aid and Scholarship Office will send you the Award Letter via email and can be found in financial aid status page in the Campus Information Services (CIS) portal.

STUDENT AID INDEX (SAI)

This replaces the Expected Family Contribution (EFC) as a formal evaluation of a student's approximate financial resources to contribute toward their post-secondary education for a specific award year.

WORK STUDY

A federally funded program that is a form of student employment. Students work part-time (20 hours or less) and you receive a paycheck for time and hours worked.

Have any questions? Book an appointment at financialwellness.utah.edu or contact financialaid.utah.edu.
For more information, visit <https://studentaid.gov/apply-for-aid/fafsa/filling-out>.

INTRO TO CREDIT & DEBT

Credit is the ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future. Debt is the amount of money borrowed. It is typically subject to repayment with interest, which represents the cost of borrowing. Common forms of debt include loans, credit cards, and mortgages.

Debt can be a useful tool **when used mindfully**. Like any tool, it can also be misused and abused. Below we will talk about how to use debt as a positive tool along your financial journey.

How Credit Works:

Can be used for transactions to pay for something that you will then pay back later with funds from your bank account.

**Benefits:**

- Safe: can help prevent fraud and identity theft
- Many credit cards offer cash back and other rewards
- Can be used as a tool to build credit score (book an appointment with us to learn more!)

When using a credit card, focus on these 3 things:

1. Know your due date for your credit cards and bills!
2. Pay off balance each month (preferably in full).
3. Know your credit limit and try not to use all of the available credit.
 - a. For example, if you have a credit limit of \$1,000, try to keep your credit utilization below \$300, or 30% (in a perfect world, it would be between 1% and 10%). Credit utilization is the ratio of your credit card balance to your credit limit, expressed as a percentage. This shows lenders that you are less likely to borrow all of the money they offer you, which helps boost your credit score.



Sometimes life happens and we might not be able to pay our balance off each month. IT'S OKAY! IT HAPPENS! Make a plan to pay it off in full going forward. There are options we can help you with!

If you find this happens often that you don't pay your balance on time and in full, you may need to re-evaluate your income, financial situation, or your relationship with your credit card.

WHICH CREDIT CARD IS RIGHT FOR ME?

A breakdown of a few different credit cards and the benefits of each one based on your own individual goals. To learn more about credit, book a 1:1 credit counseling appointment through our website!



01 – The Starter

Examples of companies to get a starter card from are Capital One and Discover. Your local bank will also have options, as well as U First Credit Union. Good credit cards on training wheels are student cards with a small credit limit (\$500-\$800) with no fees.

- Eventually, you can upgrade.

02 – Student Cash Back

If you already have established credit and you want free money, this is a great option. This one is great for someone who can responsibly use a bigger line of credit. Make sure there are still no fees.



03 – Travel Points Card

If you like to travel, this one may be a great option. It's all about finding the card that will benefit your unique lifestyle and values.

04 – Rewards Credit Card

Cash back and travel cards fall under this category. This is any credit card that gives you rewards, whether that be cash or points.



05 – Store Credit Card

These ones are not for everyone, and it's important to know the pros and cons before signing up for one. If you pay off your balance on time and in full each month and shop there often, it could be beneficial. But, be careful of the high interest rates and introductory rate.



06 – Co-Branded Credit Card

This could include a store credit card offered through a traditional credit card company. Example: Delta Sky Miles American Express Card.



07 – Secured Credit Card

Most credit cards are unsecured. Secured cards are great for students who are just starting to build their credit or for adults who have just filed for bankruptcy and are rebuilding their credit.



So...what does all this mean?!

There is no best credit card out there. It depends on your needs at this moment in time. Weigh the pros and cons of each, and choose what will best serve U!



DEBT MANAGEMENT

There are 3 main ways to pay off debt. Using the **debt avalanche** method, you pay off the highest interest debt first. This will save you money in the long run. The second method is called **debt snowball**, where you pay off the smallest debts first. This helps build momentum and confidence. **Debt consolidation** is the third type and involves re-financing your debt. You use one big loan to pay off all your smaller loans. It is important to know the terms involved when using this approach.

Different types of debt have different levels of priority. Meet with an Accredited Financial Counselor to help you prioritize your specific debts.

Use the template below to help organize your debt, and reference this during your debt payoff journey!

[illegible]

STUDENT LOANS

FEDERAL STUDENT LOANS REPAYMENT OPTIONS

Standard

- Fixed monthly payment.
- Designed to pay off your loans in 120 fixed payments over 10 years.
- Default plan if no other plan is chosen.
- The monthly payments on this plan are generally higher than on some other repayment plans, with plan of paying back student loans within 10 years, which helps to lower the overall interest you pay.

Great option for those who:

- Want to pay off their loans in the shortest amount of time
- Who are high income earners
- Those who prefer fixed monthly payments

Graduated

- Starts with smaller payments, with payments increasing every two years
- 10 - year repayment term (longer if consolidated)
- May result in higher costs compared to the Standard Plan.
- Unlike the SAVE plan, does not have the potential to end in loan forgiveness (right now!)
- Is not a qualifying plan for PSLF

Great option for those who:

- Are expecting higher income overtime

Saving on a Valuable Education (SAVE)

- Newest and often most affordable income - drive repayment plan (FYI, not all loans qualify)
- Payment based on % of discretionary income
 - 5% for undergrad loans
 - 5-10% for graduate loans
- Interest subsidy - government pays 100% of unpaid interest
- Students who borrowed \$12,000 or less will see their remaining balances wiped away after 10 years of payments.

Great option for those who:

- Need the lowest payment
- Are pursuing Public Service Loan Forgiveness (PSLF) or Income Driven repayment (IDR) forgiveness

Traditional Repayment Plans

Income-Driven Repayment Plan

*There are more options for federal loan repayment. Visit studentaid.gov to learn more.

DEBT: TIPS AND TRICKS

1 Know your numbers

Know the types of loans you have, including knowing the interest rates & terms for each loan.

2 Build emergency funds

Work on saving at least 3 months of expenses in a High Yields Savings Account (HYSA)

3 Do your research

Search for student loan forgiveness options, grants & work programs.

4 Choose a debt strategy

- **Snowball** - pay smallest debt & then roll payment into next smallest debt.
- **Avalanche** - pay off debts with highest interest first

5 Tackle high interest debt

Tackle high interest rate loans (10% or higher) first and strive to pay more than the minimum. *consider your student loans in the process

6 Talk to HR

There are options out there, some are NEW!

Secure Act 2.0 Student Loan Match, student loan forgiveness options

7 Celebrate milestones

Celebrate accomplishing your goals! Review and track your progress!

8 Adapt to life changes

Adjust your goals, budget, and financial game plans needed!



INVESTING BASICS

First, you should not be investing if you do not know what your budget looks like! Yes, you invest to grow your money, but not at the risk of putting you into debt and not being able to cover your basic needs.

Investing key words:

Investing– Commitment of resources (money) to potentially achieve later benefits.

Risk tolerance– Your comfort level with taking risks in the market with your money.

Portfolio– The investments, and especially the types of investments, you have.

Diversification– How many different types of investments are in your portfolio (ex. bonds, stocks, REITs)?

ACCESSIBLE INVESTMENTS

STOCKS

Individual shares or partial ownership in a company.

BONDS

Buying debt issued by the government or company. You are loaning them money.

YOU CAN **DIVERSIFY** YOUR **PORTFOLIO** BY USING INVESTMENT PRODUCTS:

MUTUAL FUNDS:

A group of stocks or other investments pooled together.

Ex: FGRTX Fidelity Mega Capstock, PBFDX Payson Total Return

INDEX MUTUAL FUNDS:

Tracks a particular part of the market.

Ex: FXAIX - Fidelity® 500 Index Fund, VTSAX - Total Stock Market

ETFs (EXCHANGE TRADED FUNDS):

Traded at any time; cheaper; passively managed.

Ex: VOO - Vanguard S&P 500 ETF, QQQ Invescoqqq Trust series

You can open an investment account with many financial institutions and banks!





STEPS TO INVEST



Use this page as a flow chart. You will find more information on investing basics, as well as the 4 key things to keep in mind when investing.

1. CHOOSE WHICH FINANCIAL GOAL YOU'RE WORKING TOWARD & WHAT INVESTMENT ACCOUNT YOU'LL OPEN

RETIREMENT

- Traditional or ROTH IRA
 - individual
- SEP-IRA
- 401k or 403B
 - employer-sponsored
- Solo 401K

OTHER LONG-TERM GOAL

- Example account:
 - brokerage account.

2. CHOOSE INVESTMENT PRODUCT(S)

STOCKS

- Mutual Funds
 - index funds
- ETFs
 - index funds
- Target-Date Funds (actively managed)
- Individual stocks

BONDS

Can be used to mitigate risk.

3. PAY ATTENTION TO THESE THINGS WHEN CHOOSING YOUR INVESTMENT PRODUCT

TREND

Does this fund have an upward trend when looking at the past few years?

FEES

less than 1% is reasonable.

DIVERSIFICATION

Be mindful of both industry and company here.

4. FUND THE ACCOUNT

Put money in your account. You will have to link your new account to your bank. Then, transfer funds. We like to automate this after the initial set-up!

5. INVEST, OR "TRADE."

In order for your money to actually be invested, you have to "trade" the money. You can make this automatic as well!



Financial Milestones



- **Emergency funds:** 3 – 6 months expenses saved in High Yields Saving Account (HYSA)
- **Debt:** Pay off all high interest debt (8% interest or higher) *nuances with student loans
- **Investing and Debt:** Yes, you can have debt and invest, BUT first prioritize paying off high interest debt. Remember to consider student loan repayment options when evaluating your debt.
- **Goals:** Achieving your short, medium and long term goals.



HOUSING

RENTING



Pros:

- Flexibility
- No Maintenance
- Lower Upfront costs
- Amenities
- No Market Risk

Cons:

- Limited control over space
- Rent Increases
- No Equity Built
- No Tax Benefits (in Utah)

Purchasing a Home



Pros:

- Stability
- Equity building
- Control of surroundings
- Tax Benefits

Cons:

- Maintenance Costs
- Financial Commitment
- Limited Flexibility
- Market Risk

30% RULE WITH A CAVEAT:

Aim to spend 30% of your gross income on housing costs, including rent/mortgage payments, property taxes, rent/homeowners insurance, and utilities.

*In high-cost areas (like SLC!) it is often challenging to adhere strictly to the 30% guideline, consider your personal circumstances, priorities, and long-term financial goals when determining how much to spend on housing.



HOW DO I KNOW IF I NEED TO FILE MY TAXES?

Students who are **single and earned more than the \$14,600 standard deduction in 2024 are required to file** a 2024 tax return. That \$14,600 includes earned income (from a job) and unearned income (such as from investments). **If your job withheld federal income tax and you earned under that amount, we can file to get the money back** to you. There are also **tax credits for education**, among others, that could be available. If you are an **international student, even if you did not earn income, you will file form 8843** to show your presence in the United States for that tax year.

WILL I BE CLAIMED ON MY PARENTS' TAX RETURN?

Whether or not you can be claimed as a dependent on your parents' tax return is based on your age, your student status, and who is paying the bills. A parent can claim you as a dependent until age 19, but if you are a full-time student, they can claim you as a dependent until age 24.

WHAT DOCUMENTS DO I NEED TO FILE MY TAXES?

8843: form used by int'l students to explain U.S. presence and claim exemption from the substantial presence test for tax purposes.

W-2: form you receive from your employer that summarizes your annual wages and taxes withheld.

1098-T: (Located in your CIS (Campus Information Services portal under Tuition and Loans).

1099: form used to report other various income.

Note: a comprehensive list of documents can be found on our website under the "Taxes" header.

HOW AND WHERE DO I FILE MY TAXES?

We can help guide you in your tax filing process! Visit our website to learn more and book a spot at one of our tax clinics in the Spring!



<https://financialwellness.utah.edu/taxes.php>



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THE FINANCIAL SELF-CARE DATE

"When you think of your money, it should be with confidence and comfort, not with fear or uncertainty."
-Kumiko Love, AFC

01. Write down all expenses from the past few weeks, and highlight the expenses that don't align with your values.
02. Look through your subscriptions and cancel any that no longer serve you.
03. Check for suspicious activity on your accounts and make sure there are no double charges.
04. Look at your account balances and check progress toward goals.
05. Create a money calendar for the next month with all bills, appointments, and expenses written on the day they will occur.

HOW TO MAKE A MONEY CALENDAR

- Write down upcoming expenses
- Color code and use stickers!



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FINANCIAL WELLNESS WORKBOOK



FINANCIAL WELLNESS CENTER

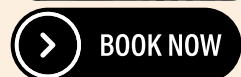
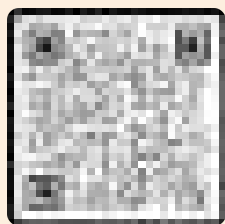
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YOU DID IT!

As you complete this financial wellness workbook, remind yourself of the hard work you've put in. Whether you worked through each page in detail or simply referenced one or two things, you've laid a foundation for your financial well-being! Remember that financial wellness is a lifelong journey, not a destination. This book is yours to keep, so feel free to come back to it for reference. Stay committed and always believe in your ability to create a positive financial future.

Proud of you!

–The Financial Wellness Center Team



Stay in Touch

801-585-7379



financialwellness.utah.edu



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