

**Financial Wellness Workshop**  
**Module 5**

Mental Health Association in Essex County  
February 8, 2017

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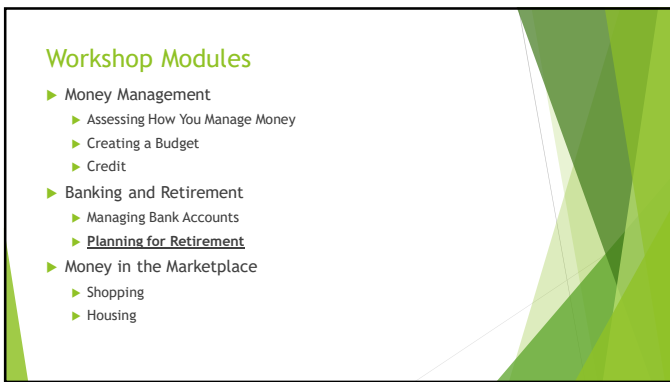
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**Workshop Modules**

- ▶ Money Management
  - ▶ Assessing How You Manage Money
  - ▶ Creating a Budget
  - ▶ Credit
- ▶ Banking and Retirement
  - ▶ Managing Bank Accounts
  - ▶ Planning for Retirement
- ▶ Money in the Marketplace
  - ▶ Shopping
  - ▶ Housing

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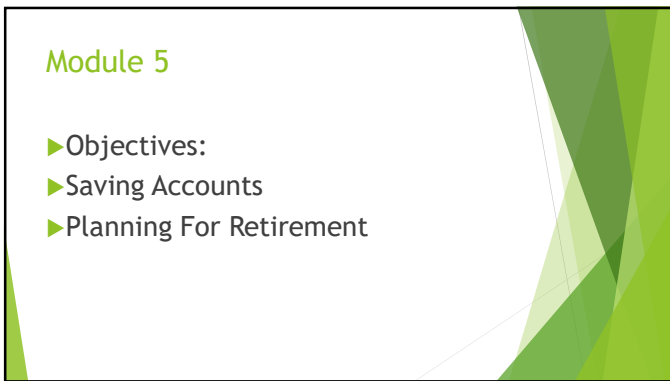
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**Module 5**

- ▶ Objectives:
  - ▶ Saving Accounts
  - ▶ Planning For Retirement

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### Deciding How To Save

- ▶ Basic Savings or Passbook Account
- ▶ Certificate of Deposit (CD)
- ▶ Money Market Accounts

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### Opening A Savings Account

- ▶ To open a savings account:
  - ▶ Visit the financial institution of your choice, and speak to a customer service agent about opening a savings account.
- ▶ Bring:
  - ▶ Two forms of identification, including one with a picture
  - ▶ Your Social Security Number
  - ▶ Money for your first deposit, which can be cash or a check

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### Opening A Savings Account Cont...

- ▶ Be prepared to fill out information on a signature card that will remain on file at the bank. The bank uses the card to verify the signature on checks that bear your name. Signature cards typically include:
  - ▶ Your name
  - ▶ Your current address and length of time at the address
  - ▶ Your previous address and length of time at that address
  - ▶ The type of account, such as single or joint
  - ▶ Your signature
- ▶ Once your account is approved, you can make your first deposit.
- ▶ Save money regularly so you will be better prepared to deal with an emergency and achieve your financial goals.

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### Deposit and Withdrawal Slips

- ▶ You may recall from the checking account lesson that deposit and withdrawal slips are written orders to your bank. Use these slips to put money in or take money out of your savings account.
- ▶ **To fill out a savings deposit slip:**
- ▶ Write your **name** and **account number** on the deposit slip.
- ▶ List the **amount of money** you want to deposit. Cash and checks are usually listed separately, then totaled.
- ▶ Take the slip to a teller at your bank, or withdraw money using an ATM.

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### Keep Track Of Your Savings Account

- ▶ 1. As you withdraw or make deposits, keep track of the amount of money remaining in your savings account. Your bank or financial institution will send you a monthly **statement** or list of the various withdrawals and deposits made on your account.
- ▶ 2. To help you keep a current record of your savings account, some banks issue a **passbook**.
- ▶ 3. When your bank statement arrives, compare it with your passbook or bank statement. Determine the amount of money you deposited, the amount you **withdrew**, and the amount you have left. If you bank online, you can also access and track your savings account information online.
- ▶ 4. To earn the maximum interest on your savings, limit the amount of withdrawals you make from your savings account.

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### Planning For Retirement

By the end of this lesson, you should be able to:

- ▶ Discuss retirement planning
- ▶ Discuss Social Security and how to obtain a Social Security card
- ▶ Set retirement goals

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### Assess Your Retirement Goals

1. When do you want to retire?
2. What do you want to do after you retire?
3. Where do you want to live?
4. How much money do you want to have available to you?

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### Seven Retirements Planning Tips

1. **Estimate** your future expenses. Think about any expenses that may be reduced or added. For example, you may pay off your mortgage but gain more medical expenses or add expenses for travel.
2. **Decide** where your retirement income will come from: savings, investments, Social Security, a company pension plan, or rental income.
3. **Estimate** your yearly retirement income. Your lifestyle will determine how much you will need. As a rule, you will need 60 percent to 80 percent of your gross household income today to maintain the same lifestyle after you retire.

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4. **Don't forget** about inflation. Inflation is the steady increase in the prices of goods and services. It can diminish your buying power, savings, and investment earnings. For example, if the interest on your investments is 4 percent and the inflation rate is 2 percent, you are essentially earning 2 percent on your investment.
5. **Become** a knowledgeable investor. Don't invest in anything you don't understand. There are many resources that can help, including books, the Internet, and a financial advisor.
6. **Create** an investment plan. If you are young and not afraid of risk, you might consider riskier investment strategies. As you get closer to retirement age, you might consider less risky investment options.
7. **Regularly review** your investment portfolio to make sure you can meet your goals.

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### What Is Social Security?

- ▶ **Social Security benefits** are based on the earnings recorded under your nine-digit **Social Security number**. When you work, your employer withholds Social Security and Medicare taxes from your paycheck. Your employer matches that amount, sends the taxes to the Internal Revenue Service (IRS), and reports your earnings to Social Security. If you're self-employed, you pay your own Social Security taxes when you file your tax return, and the IRS reports your earnings to the Social Security Administration.
- ▶ As you work and pay taxes, you earn credits that help make you eligible for future Social Security benefits. How many credits you earn per year depends on how much money you make; in 2014, you receive a credit for each \$1,200 of income, up to a maximum of 4 credits per year. This does not apply to money earned as a **domestic or farm worker**, which has a separate set of rules. To qualify for benefits, most people need to have accumulated **40 credits**.

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- **Social Security benefits** can provide financial support for you and your family when you retire or if you become disabled. Such benefits can also be provided to your family if you die.
- When it comes to planning for retirement, remember that Social Security should be only part of your retirement plan. The amount of money that retirees get from Social Security does not always rise with inflation, so it can be hard to live comfortably on Social Security. It is therefore important to try to save other money for your retirement as well.
- To help you plan for retirement, each year the Social Security Administration sends you a personal **Social Security Statement**. You can also view your statement at any time by creating an account on the Social Security Administration's website. Your Social Security statement contains an estimate of the monthly benefit amounts you and your family may qualify for now and in the future.

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### Social Security Card

Remember, the number on your Social Security card is used to determine your benefits. The Social Security Administration issues this number on a **Social Security card**.

- ▶ The card many people have shows their name and Social Security Number and lets them work without restriction. It is issued to:
  - ▶ U.S. citizens
  - ▶ People lawfully admitted to the U.S. with permanent Immigration and Naturalization Service (INS) work authorization

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## How To Replace A Social Security Card

► To get a duplicate card if yours is lost or stolen or a corrected card if you have changed your name, call or visit your local Social Security office. Your card will be replaced free of charge.

Visit [www.ssa.gov](http://www.ssa.gov)

Call (800) 772-1213

Visit a [local Social Security office](#)

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To get a duplicate card if yours is lost or stolen or a corrected card if you have changed your name, call or visit your local Social Security office. Your card will be replaced free of charge. You will need to:

Complete an **application** for a Social Security card (Form SS-5).

Show **proof of your identity**. If you need a corrected card, you will need to show one or more documents, which identify you by the old name on our records and your new name. The document showing your current identity must have been issued recently.

Show **proof that you are a U.S. citizen or lawful alien status** if you were born outside the United States

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