

Let's Work **TOGETHER**

We stand with schools and students to conquer loan anxiety, delinquency, and default.

Handling Money Like a #GirlBoss Empowering Women Through Financial Literacy

Speakers



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Vice President of Student Success
Inceptia



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Host of “Her Money Matters®” Podcast



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Founder of Gen Y Planning

Agenda

- How Did We Get Here?
- Financial Challenges Facing Women
- Talking to Students: Financial Confidence
- Talking to Students: Building a Foundation & A Career
- Q & A

Poll: Who is joining us today?

8% of respondents identify as male

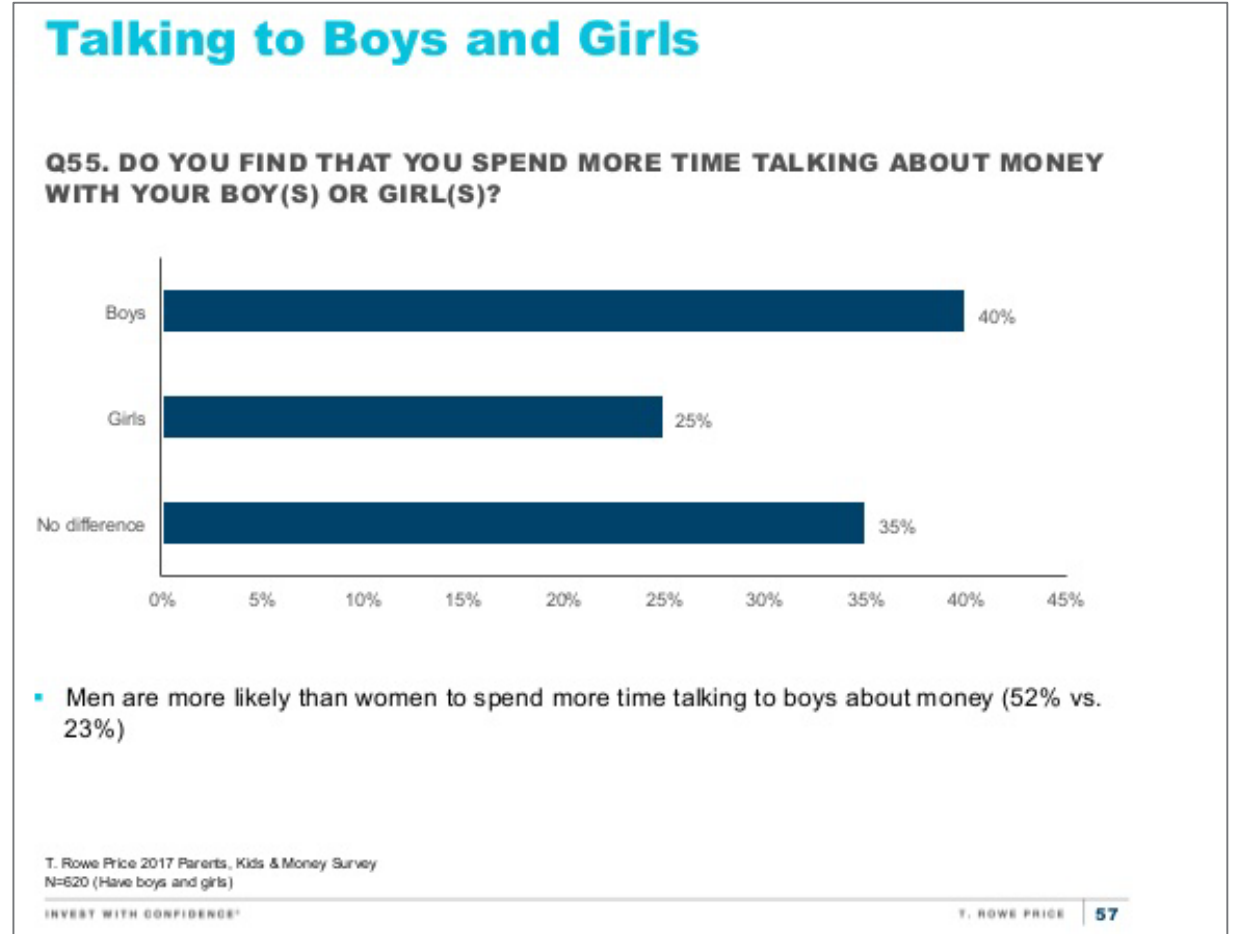
92% of respondents identify as female

How Did We Get Here?

Women & Financial Education

Imbalanced Beginnings

- Parents talk to girls about:
 - Spending
 - Checking accounts
 - Family finances
- Parents talk to boys about:
 - Borrowing
 - Budgeting
 - Savings



Money Matters: Children's Perceptions of Parent-Child Financial Disclosure

Imbalanced Beginnings

- Parents talk to girls about:
 - Spending
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 - Borrowing
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“The results yielded a significant difference between girls and boys... with respect to communication about investing.”

Lynsey Romo
Assistant Professor of Communications
North Carolina State University

College Costs

66%

Women own almost two-thirds of total US student debt, roughly \$833 billion

56%

The majority of college students are female

34%

Percentage of all women who couldn't meet essential expenses while in loan repayment; 57% of black women

CNBC: American women hold two-thirds of all student debt—here's why

And yet...



50% of households with only boys had money saved for college

- *Just 35 percent of households with only girls did*

83% of boy-only households contributed to college savings accounts monthly

- *Just 70 percent of girl-only households did*

Boy-only households were also:

- More willing to take on debt
- More likely to send their sons to expensive colleges
- More likely to cover the entire cost of college

T. Rowe Price 9th Annual Parents, Kids & Money Survey- College Related Findings



There is really no way to say this subtly: The parents had different life expectations for their sons and daughters — and were unwilling to pay private college tuitions for their daughters. They perceived that the young women were not going to have 40-year careers in the ways they expected their sons to have.

Cheryl Winkour Munk, The Wall Street Journal

CNBC: Why parents save more to send sons to colleges than they do for daughters

More Debt, Unequal Pay

81¢

What women earn for every one dollar earned by men

Preschool & Kindergarten Teachers

Men: \$16.33

Women: \$15.00

Nurse Practitioners

Men: \$42

Women: \$39

\$61,000

Earnings for a woman with bachelor's degree; equivalent to earnings for a man with an associate's degree

Average Wages

Men w/ 4 year degree: \$37.39

Women with advanced degree: \$36.13

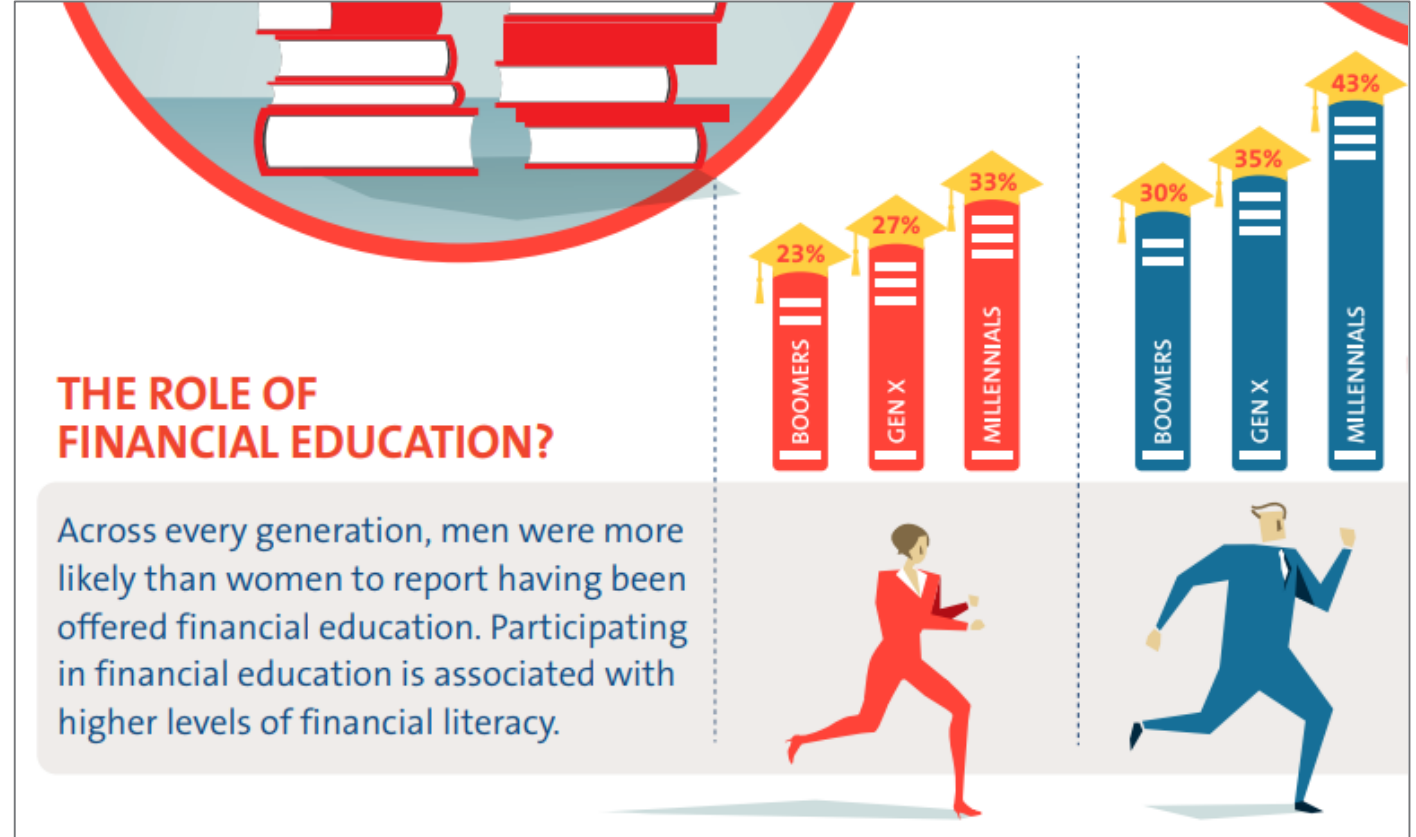
CNBC: American women hold two-thirds of all student debt—here's why
EPI: Equal Pay Day is a reminder that you can't mansplain away the gender pay gap

The Role of Financial Education

“Participating in financial education is associated with higher levels of financial literacy.”

Offered to:

- 33% Millennial women
- 43% Millennial men



FINRA: Across Generations, Women Trail Men in Financial Knowledge – but the Gap May Be Closing

The Struggle is Real: Financial Challenges Facing Women

Why Women are Lacking: The Background

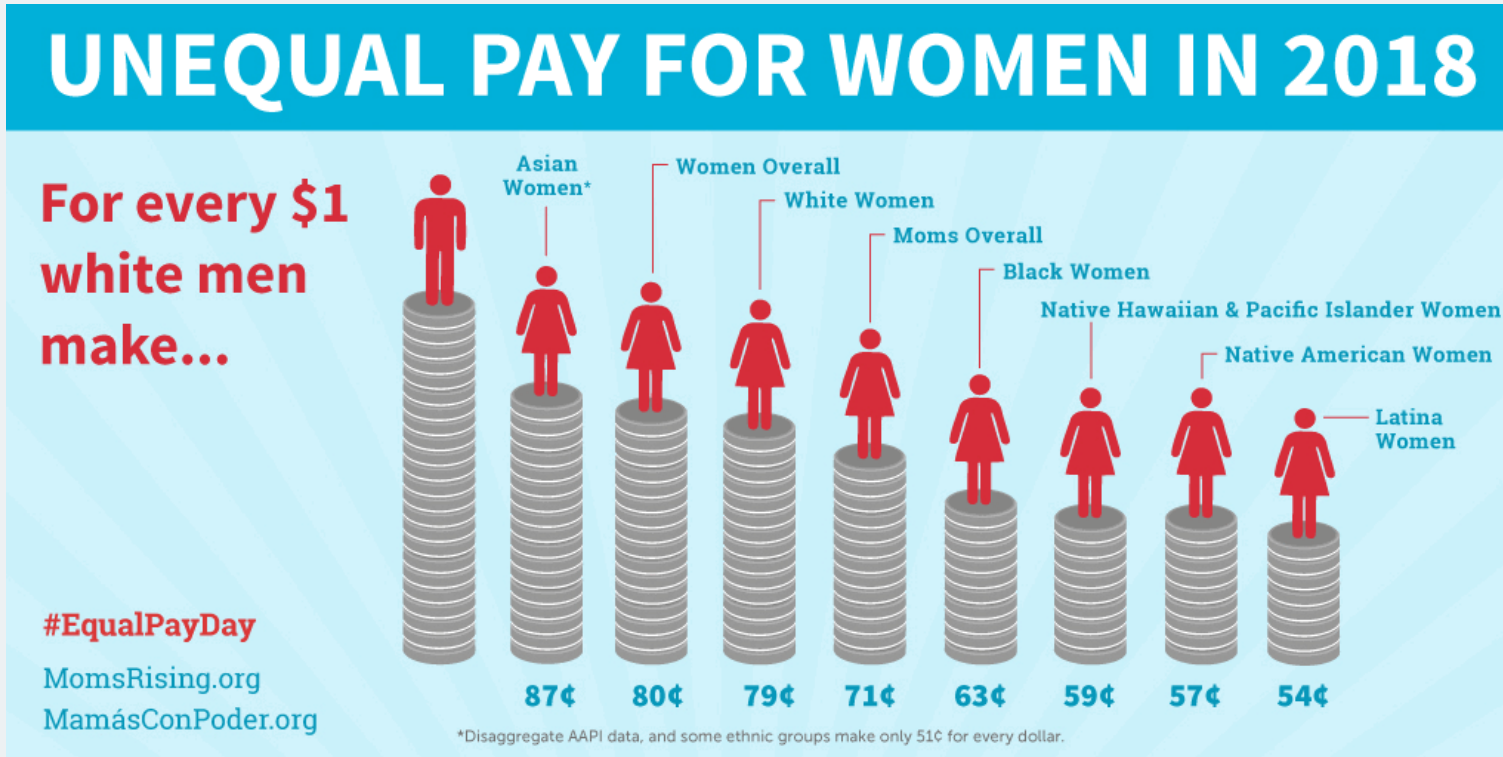
- Socially and historically women were not involved in the finances (that's changing)
- Financial information is not considering the female audience



Why Women are Lacking: The Reality

- Earn and save less, live longer, BUT have same financial responsibilities as men
- Higher chance than men of completing degree → student loans, degree ROI
- Wage gap + pauses in career (raising children, care of elderly parents)
- More single women are first-time home buyers than single men
- Divorce and the financial realities
- Underprepared for retirement

Additional Issues for Minority Women



- Doubled-edged sword: gender wage gap + minority pay gap
- More usage of high-cost form of borrowing such as payday loans
- The melting pot: cultural considerations
- Language barriers

Talking to Students: Building Financial Confidence

Financial Confidence Defined



Your own belief in how you manage your personal finances.
It includes earning money, saving money, spending money.

Why financial confidence is important



- It will help us push through our challenging financial hiccups
- Can be challenging when you are feeling self-doubt, but you can combat this with action

Talking to Students: 7 Ways to Increase Your Financial Confidence

Own and claim that you can be financially confident

1

- “I am financially confident”
- Reading personal finance books, blogs and listening to podcasts

2

Be Resourceful

- “It’s not about your resources, it’s about your resourcefulness.” Tony Robbins
- We are resourceful, it is innate characteristic

3

Talk Money

- It doesn't have to be perfect, you just have to do it
- You don't have to talk about the latest stock market trends or the best funds to invest in
- Talk about new apps you have loved, saving tips you have learned, wins you have had

4

Take Action Focusing on the Quick Wins First

- Find an action that you haven't been taking that is far overdue

5

Celebrating Those Wins Big and Small

- The sheer act of celebrating will no doubt boost your confidence levels

Surround yourself with people
who have the financial confidence
you want to have


6

- Who are you currently surrounding yourself with?

7

Do Financial Confidence Check-Ins

- Rate your confidence from 1 (not being confident at all) to 10 (being extremely confident)
- Why did you rate yourself this way?
- What can you do to improve this rating?



Talking to Students: Building a Solid Foundation

1

Eliminate High Interest Debt

- Create a spreadsheet of all your debt.
- Find one online:
 - <http://www.budgetsaresexy.com/2009/07/free-budget-templates-sites/>
- List out: the card, balance, interest rate, and minimum monthly payment.
- Call credit card companies and ask for a lower interest rate.

Debt Repayment Methods

- **Snowball Method:** Pay off the card with the lowest balance. Once it's paid off, add the amount you were paying to the card with the next lowest balance.
- **Avalanche Method:** Pay off the card with the highest interest rate first. Once it's paid off, add the amount you were paying to the card with the next highest interest rate.
- Use this template to see which method is right for you:
 - <http://www.vertex42.com/Calculators/debt-reduction-calculator.html>

2

Create a Savings Plan

- Three Bucket Trick
- Money is divided into:
 - Fixed Expenses
 - Future Goals
 - Everything Else

What Does That Look Like?

Post-College \$4,000 Per Month

Fixed Expenses



Future Goals



Everything Else



That's \$250 per week – and when it's gone, it's gone!

Helpful Tips & Apps

- **If you prefer cash:** use the envelope system to budget your monthly expenses. When the cash is gone, it's gone!
- **Credit cards and online banking** give you an online breakdown of your spending. Helpful for keeping records!
 - Pick one credit card to use for the “everything else” category.
- **Automate often:** set up automatic bill pay to avoid late fees, and automatic transfers of your money into savings.
- **Helpful tools to track spending and saving:**
Mint, You Need a Budget

3

Save for Retirement

“The average 50 year old has \$42,000 saved for retirement.”

“45% of Americans have saved nothing for retirement.”

“63% are dependent on Social Security at age 65.”

The average monthly Social Security check is \$1,341.

Source: The Motley Fool

Why Do I Need to Start Today?

Let's say you want to retire at age 67. If you contribute \$1,500 per month to your 401(k) and you earn a 7% return, here's how much money you could have in retirement (not including an employer match):

- If you start at 27, you could have nearly **\$3.9 million** saved up in 40 years!
- If you wait until you're 47 to start saving, you might only have about **\$780,000.**

Look at the impact between starting to save at 27 and waiting to begin until you're 47: more than **\$3 Million!**

Retirement Rules of Thumb

1. Save 15% of your income across all retirement accounts (not including Social Security).
 - <https://www.nerdwallet.com/investing/retirement-calculator>
2. Contribute at least enough money to your 401(k) plan to get your company match and then consider starting a Roth IRA if you qualify.
 - If you don't qualify for a Roth IRA, contribute to a non-deductible IRA.
3. When deciding between a Roth or traditional 401(k), it's important to look at your tax bracket. The higher your tax bracket the more savings you'll receive on the traditional.
 - If you're in the 15% tax bracket or lower, strongly consider the Roth 401(k). If you're in the 32% tax bracket or higher, strongly consider the pre-tax 401(k).

4

Build Credit

- Excellent: 750-850
- Very Good: 700-749
- Good: 650-699
- Fair: 600-649
- Poor: 300-599

Keeping Credit Healthy

1. Pay all credit card bills and loan payments on time and in full.
2. Limit new credit inquiries if you'll be taking out a loan in the next 6 months.
3. If you have trouble affording a loan payment, work with your creditors to establish a new repayment plan – don't just stop paying your bills!
4. If you're struggling to keep up on monthly payments contact the National Foundation for Credit Counseling. www.NFCC.org
5. Be patient! Changes to your credit score take time.
6. Blog Post: Understanding Your Credit Score and How to Improve it: <http://bit.ly/gypcredit>

Talking to Students: Growing Your Career

Three Keys for Career Growth

1. Know Your Worth

- Negotiate Upfront
- Ask for a Raise
 - www.glassdoor.com
- Don't question your qualifications – apply anyway!
 - <https://genyplanning.com/2017/10/18/earn-grow-net-worth/>
 - <https://genyplanning.com/2015/03/25/negotiate-a-raise-you-deserve/>

2. Network

3. Freelance

Resources

- Sites
 - Jen Hemphill – Blog & Podcast <http://jenhemphill.com/>
 - Sophia Bera – Blog <https://genyplanning.com/>
- Student Handouts
 - A Guide to Networking; Georgia Tech Alumni Association <https://bit.ly/2GZoGUi>
 - Women and Retirement Savings; Department of Labor <https://bit.ly/2pXVBke>
- Great Advice for Grads 2018
 - www.inceptia.org/gradadvice

Q&A

Q&A

I have a hard time getting female students to do budgeting. Actually students in general. How can I get a better turn out for financial literacy presentations?

I email, put out flyers, table in the CUB and offer free gift cards for giveaways for attending. I have also promoted on Facebook and SNAPCHAT.

Try taking advantage of certain periods in the day when you may have a captive audience: lunchtime, in between day/evening classes, before morning classes begin, etc. You may also be able to partner with professors who agree to have you present to their students when he/she is unable to make it to class.

When marketing the event, capitalize on those “pain points” that students feel. Highlight what they’re struggling with and use emotional words to draw them in. Since the word “budgeting” is boring, try a different spin like “automating financial habits.”

Also, utilizing guest speakers can be engaging to students: grad students, alumni, etc.

Q&A

Is there a specific way to negotiate pay? What exactly should be said?

Jen: I think what "should" be said can vary on the situation, but in preparing ahead of time to negotiate, you can do the following:

- Write down your top 5-10 strengths relevant to your position
- List the tangible results you have played a significant role in creating
- Be able to communicate how giving you a raise would benefit your employer

On how to broach the subject: "I've had the pleasure of working here for x, and have been able to use my [list one or two strengths] to [insert one tangible result]. I would love to set up a meeting to discuss a raise which would [insert how raise would benefit employer]."

You may also review Sophia's blog post on this topic at:

<https://genyplanning.com/2015/03/25/negotiate-a-raise-you-deserve/>

How do we address cultural female roles to educate female students?

Carissa: Asking students to participate in an “I am, I am from” exercise can be helpful. It helps participants to identify what they may have been taught to believe, versus who they are or what they want to believe. Example: “I am from a family that didn’t want me to go to college. I am a woman who will do what it takes to get my degree.” Simple, but a powerful tool used by a friend of mine in his sociology courses to get students to shift their paradigm.

Jen: You may also incorporate examples of cultural female roles (historical figures, present famous figures, people you know, etc.) into the conversation to explore how dynamics have changed and continue to evolve.

Why do Asian women make more? (in reference to Equal Pay Day graph)

The graph utilized average data, which would indicate that Asian women in general are the closest in narrowing the gender wage gap. However, diving into the data shows that there is great disparity among all ethnicities that are grouped together as Asian-American and Pacific Islander. In fact, the group experiencing the widest pay gap of **all** female groups is Burmese-American women (\$0.51 to every dollar earned by a white man).

- <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2018/02/Asian-Women-Equal-Pay-Feb-2018.pdf>
- <https://rewire.news/article/2018/02/26/no-model-minority-addressing-myth-equal-pay-day/>

Q&A

I sometimes see women being shamed in terms of spending choices or "overspending," but this often fails to consider that most women are the primary household spenders. How do you field these harmful stereotypes?

I think we as financial educators know the reality of what financial challenges our female students face, but media is mislabeling them as careless spenders. It can be so beneficial to include this topic in your financial education programs with the help of existing resources. This article from the Guardian is a great place to start, but there is a whole conversation happening on Twitter under the hashtag #MakeMoneyEqual. You can also discuss the “pink tax” to explore why women have to pay more for goods. I would suggest using media coverage and social media discussion to start that dialogue with students.

- <https://www.theguardian.com/money/2018/mar/10/media-stereotype-women-in-financial-coverage-study-finds>
- <https://www.starlingbank.com/campaign/makemoneyequal/>
- <http://pink.tax/>

What's your take on financial therapy and how to incorporate it when talking with students?

As with any kind of therapy, we recommend that only those licensed to conduct such activities should do so. That being said, many of us intuitively walk the line of this kind of work, as students may present with over-arching issues that encompass their financial struggles.

If becoming a financial therapist is of interest to you, there are programs and associations you can join. This NerdWallet article sums up financial therapy and available resources, while the Financial Therapy Association site includes links to training programs.

- <https://www.nerdwallet.com/blog/loans/student-loans/ask-brianna-financial-therapy/>
- <https://www.financialtherapyassociation.org/university-showcase>

Talk To Us



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