

# SAVING FOR & INVESTING IN YOUR CHILD'S FUTURE

*(selected slides)*

## MANAGING YOUR COST OF LIVING – BE A SMART CONSUMER

	Checking Service Charges	Annual Savings
Downey Federal Credit Union	\$0 No Direct Deposit / Minimum	N/A
Bank of America	\$15.36 - \$30	\$185-\$360
Chase	\$19.20 - \$30	\$230-\$360
Wells Fargo	\$13.44 - \$30	\$161-\$360

Source: [www.wallethub.com](http://www.wallethub.com) 2015 Report

## MANAGING YOUR COST OF LIVING – BE A SMART CONSUMER

	Basic Savings Rates (APY)	Fees?
Downey Federal Credit Union	0.20% (20x more!)	No monthly fee
Bank of America	0.01%	To avoid fees: >\$300 Monthly fees: \$5.00
Chase	0.01%	To avoid fees: >\$300 Monthly fees: \$5.00
Wells Fargo	0.01%	To avoid fees: >\$300 Monthly fees: \$5.00

## MANAGING YOUR COST OF LIVING – BE A SMART CONSUMER

**Bundling  
services  
pays  
big-time**

We paid: \$45 for home phone  
\$72 for Internet  
\$177 for Cable TV  
= \$294 a month

- Bundling discounts:
  - Combined all 3 services = \$158 a month
- Saving \$136 per month! = **\$1,632 per year!**

## MANAGING YOUR COST OF LIVING – CUT DOWN ON EXPENSES

### THE BITTER TRUTH ABOUT COFFEE



- Starbucks Tall latte once a day = **\$4.25**
- Starbucks Tall latte 3 times a week = **\$12.75**
- Starbucks Tall latte 3 times a week for a year = **\$663**

## MANAGING YOUR COST OF LIVING – CUT DOWN ON EXPENSES

- $\$663 \times 5 \text{ years} = \$3,315$
- $\$663 \times 17 \text{ years} = \$11,271$

### 2016-2017 Annual tuition for Cal State...

Dominguez Hills	\$6,418
Fullerton	\$6,560
Long Beach	\$6,452
Los Angeles	\$6,356
San Diego	\$7,084
San Luis Obispo	\$9,075

## MANAGING YOUR COST OF LIVING – CUT DOWN ON EXPENSES

### A NIGHT AT THE THEATERS: A MOVIE NIGHT WITH TWO ADULTS & TWO KIDS

#### MATINEE TIMES

**\$24** MONTHLY

**\$288** YEARLY

#### REGULAR TIMES

**\$42** MONTHLY

**\$504** YEARLY



## MANAGING YOUR COST OF LIVING – CUT DOWN ON EXPENSES

- Matinee saves your family \$216 a year
- $\$216 \times 5 \text{ years} = \$1,080$
- $\$216 \times 17 \text{ years} = \$3,672$

### 2016-2017 Cost of Books for Cal State...

Dominguez Hills	\$1,764
Fullerton	\$1,898
Long Beach	\$1,898
Los Angeles	\$1,898
San Diego	\$1,818
San Luis Obispo	\$1,848



# SAVING AND INVESTING

**SAVE 5% TO 10% OF YOUR TAKE-HOME PAY.**  
IF YOU EARN \$2,000 A MONTH AFTER TAXES:



## MANAGING YOUR COST OF LIVING – BE A SMART CONSUMER

- 5% x 17 years = \$20,400
- 10% x 17 years = \$40,800

### 2016-2017 Annual tuition for Cal State...

Dominguez Hills	\$6,418
Fullerton	\$6,560
Long Beach	\$6,452
Los Angeles	\$6,356
San Diego	\$7,084
San Luis Obispo	\$9,075

# SAVING AND INVESTING

## IRAs

- Traditional IRA
- Roth IRA
- **Coverdell ESA (Education IRA)**
- SEP
- IRA Certificate

## SAVING AND INVESTING

### Coverdell ESA

- Savings for future educational expenses
- Designated beneficiary under 18
- Start with as little as \$100
- Deposit up to \$2,000 per year
- No monthly service charge/no maintenance fees
- **A great way to save for your child's future education!**