



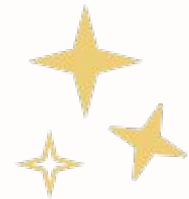
Finance Committee

Week 8 Meeting: Personal Finance

Meeting Overview

01

Dive into credit score and credit cards



Learn about why credit score is important, how to increase/decrease credit and different types of credit cards and perks

02

Dive into savings and Investment

Learn about how much you should be saving each month, different types of savings programs. Also learn about how to invest and what options are available

✦ 01 ✦
Dive into Credit Scores
and Credit Cards

Credit Cards



- There are two main types of credit cards: secured and unsecured.
 - Secured credit cards are typically used by people with little to no credit history or bad credit scores.
 - Unsecured credit cards are used by people who have proven themselves to be more trustworthy to banks.
 - Secured credit cards are a great way for new credit card holders to establish credit history.
- There are many types of unsecured credit cards: rewards, cash back, travel, student, business, low interest, etc.
 - These types of cards are great to have once your credit history is more established.
- Ideally, you want to set yourself up to have at least 2-3 credit cards in order to diversify your credit and strengthen your credit history.
- For students, who usually have little to no credit history, it is easiest to get approved for student credit cards or secured credit cards
 - It is also possible to have someone with a good credit score cosign with you onto a credit card. This makes them responsible for the debt you take on with this credit card and gives you a better chance of being approved for it.

Credit Cards Continued

- Student Credit Cards
 - Discover It Student Cash Back
 - Chase Freedom Student
 - Discover It Student Chrome
- Secured Credit Cards
 - Bank of America Secured
 - Citi Secured Mastercard
- Unsecured Credit Cards
 - Apple Credit Card
 - Chase Freedom Unlimited
 - Capital One Venture Rewards

Credit Score

- At its core it is a three digit number that represents your history of borrowing and paying back money
- Higher = better, you're considered more trustworthy by creditors
- Consequences of a low credit score:
 - higher interest rates on loans and lines of credit
 - you might be asked to pay a deposit upfront
 - if you're applying for something in a competitive environment (ex: apartment) you may lose it bc of credit score
- Credit Score Range: (300 - 850)
 - Exceptional: 800 and above
 - Very Good: 740-799
 - Good: 670-739
 - Fair: 580-669
 - Poor: 579 and lower
- The average American's credit score is 700
- Checking your credit score:
 - can sometimes be hard to find for free - some banks offer it so check with yours to see

Credit Scores Continued



- How to get and maintain a good credit score:
 - pay all of your bills on time (especially credit card)
 - keep your credit utilization under 30%
 - don't borrow or buy something you cannot pay back
 - start using credit early
 - Diversify your credit
 - don't constantly try to open new lines of credit
- Some things to note and misconceptions:
 - if you have one bad mistake in the past, it will eventually age off your report, as long as you keep making financial smart decisions going forward
 - a “soft check” - checking your own score does not negatively affect your score, however a “hard check” like a creditor checking it does decrease your score
 - student loans - can help or hurt your score
 - every individual person has their own credit score, even if you have a joint account with someone else - their actions can affect your score, but you still have individual scores

02

Dive into Saving
and Investig



Savings

What is the essential point of savings?

- Put money to the side for your future to avoid living paycheck to paycheck
- Earn interest

Different Types of Savings:

→ Deposit Savings Account

- ◆ Traditional savings accounts that you use to save money with low interest rates (No fees)

→ Money Market Accounts

- ◆ Another version of savings account, but has a higher initial deposit (Some fees with medium interest rates)

→ Certificate of Deposit

- ◆ A deposit where you are locked in your money for a certain amount of time in order to obtain higher interest rates (Higher fees)

Savings

Different types of **Retirement** savings:

- 401k savings
- Roth IRA (Investment Retirement Account)
- Different pensions account

Start planning for long term future by saving some every month!

- Usually locked for long periods of time
 - Leads to tax benefits in current time
 - Can invest it in long term equity, debt, and even your own savings if you prefer
- These accounts usually have lots of penalties to pull out the money before and leads to having to pay the current taxes again

Remember, that whichever account you choose within savings, it is based on what your goal is!

IE: savings for house, for groceries next month, car, vacation

Investing

To firstly state, investing is not necessary. It is a great tool once you learn how to navigate the market!

Why do people invest:

- Great way to grow one's own financial wealth
- Save for retirement
- Earn higher returns
- Be a part of new companies' trying to grow in the market

Investing helps you out, but it is the companies that need investors to continue to flourish and grow!

Investing Continued

→ Diversification is necessary!

- ◆ Need to invest in various portfolios and stocks such as equity, bonds, cash, crypto, etc.
- ◆ Allows for money to grow in various sectors of the market, so that you are not reliant on one type of stock

→ Risk Profile

- ◆ Lower risk
 - If you are older, you might be more conservative when it comes to investing, so you would take less risks
 - ie: bonds
- ◆ Higher risk
 - If you are younger, you probably will want to get higher returns as you can wait it out for the long run, which means you would take more risks
 - ie: equity

Next Week + Beyond

- No meeting week 10
- WEEK 9: Individual 10-15 Minute Sessions on ZOOM during the regular time slot (Monday, 7-8pm)
 - ◆ come talk to the committee if you have individual questions, want resume feedback, want to do mock interview, internship questions, or just want to talk to us about our backgrounds
 - ◆ Sign up on this Google Form below if you're interested:
 - <https://docs.google.com/forms/d/1UCOzok1KfY5CfZCOLOMUNNQ9HHBFZ6UbDmNbdITeBZU/edit>



Join Us



With active membership (attend a minimum of 7 events and \$5 quarterly dues), perks include:

- Access to our database of resources (including our previous presentation decks, resume templates, books, meeting recordings, and more.)
- Priority in applying for committee projects
- The ability to apply for board positions
- Early access to limited capacity events
- A feature on the website and social platforms (ie LinkedIn)



If you have any questions, please feel free to reach out!

Join our slack channel to keep updated!

- general
- #financecommittee

Follow our instagram and facebook as well!!

@bwib.finance

Thank you.