



Tax Credit Alliance

O F N E B R A S K A

Financial Education Series

Monthly Newsletter – Budgeting Part two and savings





Tax Credit Alliance

O F N E B R A S K A

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Topics

Topics we will cover

- Using your budget to create wealth
- Tackling common budgeting mistakes
- Savings and investing are not the same
- Emergency funds and why you need one
- 401 (k)'s Roth's, and IRA's
- Setting financial goals



Using your budget to create wealth



Tackling common budgeting mistakes

And how to avoid them

- Not tracking expenses
- Setting unrealistic goals
- Forgetting irregular expenses
- Failing to adjust overtime
- Not budgeting for fun
- Relying to much on credit
- No emergency fund
- Ignoring small expenses
- Not reviewing
- Failing to communicate



Emergency Funds



- Unexpected bills
- Job loss
- Home repairs
- Car repairs
- Emergency pet care
- Medical emergencies

And why you need one...





Setting SMART Goals

S

SPECIFIC

M

MEASURABLE

A

ACHIEVABLE

R

REALISTIC

T

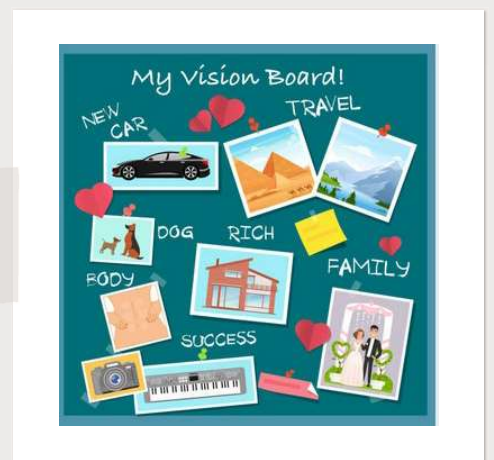
TIMELY



**GOAL
FACTION**
 WORKSHEET

YOUR GOAL

MONTH 1 GOAL TO DEVELOP _____ _____ _____	1 ST PRACTICE (2 WEEKS) _____ _____ _____
MONTH 2 GOAL TO DEVELOP _____ _____ _____	2 ND PRACTICE (2 WEEKS) _____ _____ _____
MONTH 3 GOAL TO DEVELOP _____ _____ _____	3 RD PRACTICE (2 WEEKS) _____ _____ _____
MONTH 4 GOAL TO DEVELOP _____ _____ _____	4 TH PRACTICE (2 WEEKS) _____ _____ _____



Tracking Your Progress



Saving and investing



are NOT the same 

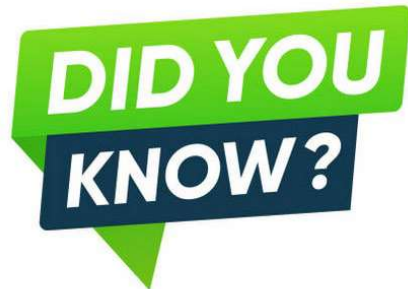


Focus on savings first



There are different types of savings accounts?

- Traditional Savings Account
- High-Yield Savings Account
- Money Market Account
- Certificates of Deposit (CDs)
- Health Savings Account (HSA)



Traditional Saving Accounts



Is a basic bank account where you can deposit money and earn a small amount of interest. It's a foundational tool for managing your personal finances.



High Yield Saving's Account

A **high-yield savings account (HYSA)** is a type of savings account that offers a higher interest rate than a traditional savings account. While the fundamentals are the same the key difference lies in the potential for your money to grow.





Money Market Account

A **money market account (MMA)** is a type of savings account that often combines the features of a traditional savings account with some of the conveniences of a checking account.



Certificate Of Deposit

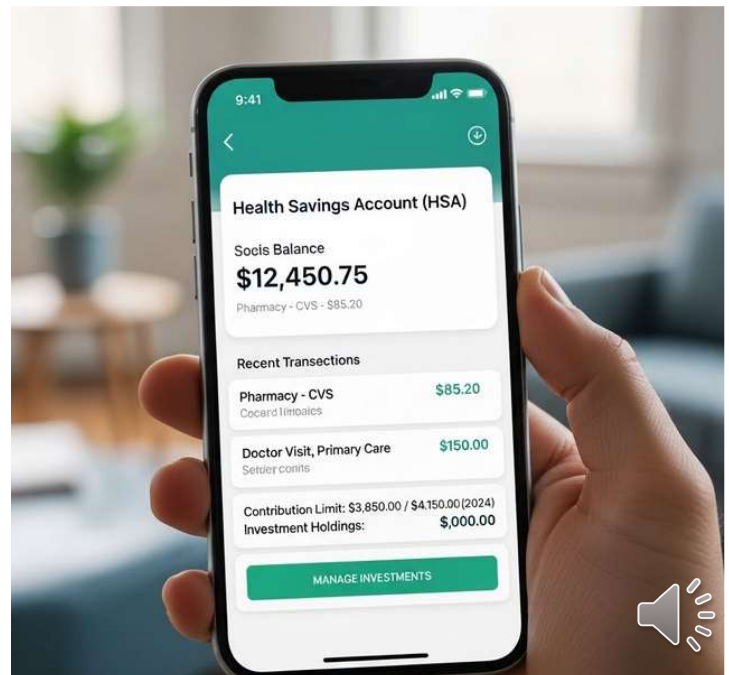


A **Certificate of Deposit (CD)** is a type of savings account that holds a fixed amount of money for a fixed period of time, in exchange for a fixed interest rate. When the term ends, the CD "matures," and you get your initial deposit back plus the interest it earned.



Health Savings Account

A **Health Savings Account (HSA)** is a powerful, tax-advantaged savings and investment account specifically for healthcare expenses. It is unique because it offers a "triple-tax advantage" that makes it one of the most effective long-term savings tools available.





What is the difference?



Traditional IRA VS Roth IRA

Tax break now



Traditional IRA

You get your tax break up front and pay no taxes on the money you put in until you withdraw it.

Tax break later







Roth IRA

The money you deposit has already been taxed. You pay no taxes when you make withdrawals after age 59½.





401(k)

TRADITIONAL 401(k)	vs.	ROTH 401(k)
Contributions  Pre-tax income		Contributions  Post-tax income
Tax Benefits  Taxed at withdrawal		Tax-free  No tax on qualified withdrawals



401 (K) Vs 457 (B)

401(K) 	457(B) 
<ul style="list-style-type: none">• Employers match contributions above the standard employee contribution limit• There is a 10% penalty for withdrawals before the age of 59½• Roth options available• Loan provisions allowed if you need to temporarily access funds early	<ul style="list-style-type: none">• Employer matching contributions are extremely rare with a 457• Withdrawals before age 59½ are not subject to the 10% penalty tax imposed on most early 401(k) withdrawals• Roth options available• Loan provisions allowed if you need to temporarily access funds early



Resources And How To Access Them



<https://tcan.unl.edu/>

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Do You Know Where Your Money is Going? – Budgeting Basics (Part 1)

Learn the foundations of budgeting and how to track your spending to take control of your financial future.

[Watch the video](#)

Download the handouts:

- [Simple Budget Worksheet \(XLS\)](#)
- [Detailed Tracker Worksheet \(XLS\)](#)
- [Lincoln Nebraska Resource List \(DOC\)](#)



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