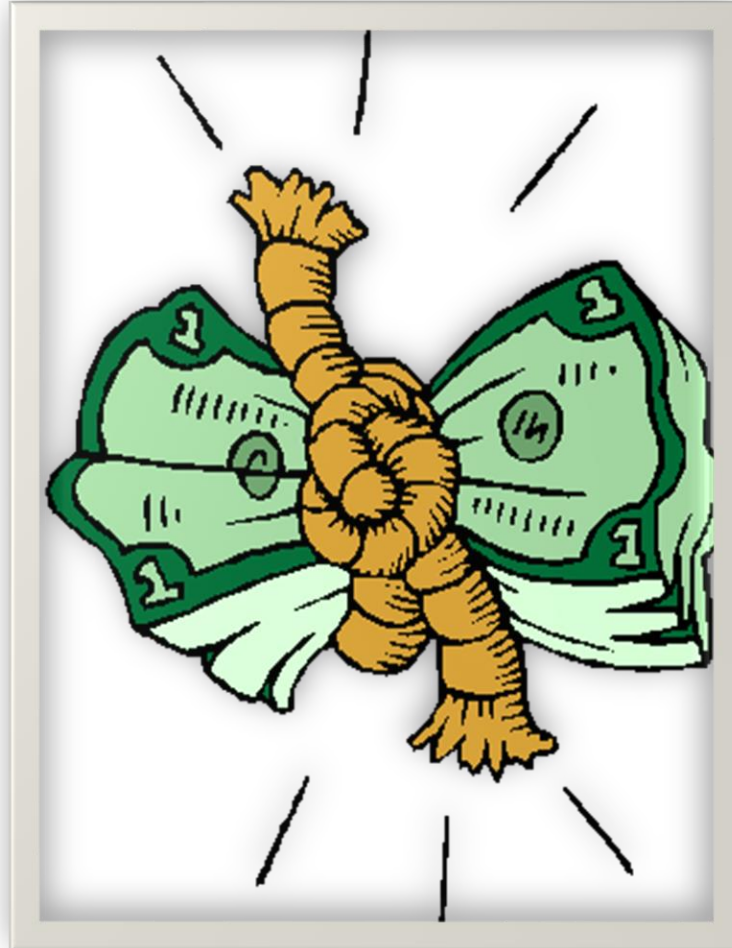




California Cadet Corps Curriculum on Wellness



W1C: Building Wealth

Updated: 27 DEC 2020



TEACHING EFFECTIVELY

C1. Careers and Income

C2. Taxes

C3. Investments

C4. Money and Relationships

C5. Giving



TEACHING EFFECTIVELY: UNIT OBJECTIVES

The desired outcome of this unit is for Cadets to be able to prepare for their financial future.

Plan of Action:

1. Identify types of careers that promise high income levels.
2. Identify the types of income.
3. Identify types of taxes and examples of them.
4. Differentiate between progressive and regressive taxes.
5. Describe the basic process of paying income taxes, including forms, dates, deductions, and tax credits.
6. Describe why retirement planning and goal-setting are important to consider when you're young.
7. Differentiate between a traditional and a Roth IRA.
8. Describe how to avoid having money problems cause relationship problems.
9. Discuss facts and statistics about giving of your time and money, and the business of charity in the United States.
10. Define generosity.



Careers and Income

OBJECTIVES:

DESIRED OUTCOME (Leadership)

Cadets will be able to prepare for their financial future.

Plan of Action:

1. Identify types of careers that promise high income levels.
2. Identify the types of income.

Essential Question:

How can your income meet your needs and goals?



Definition - Income

- The sum of all the wages, salaries, profits, interest payments, rents, and other forms of earnings received in a given period of time.

Case & Fair, Principles of Economics, 2007

- Gross: consisting of an overall total exclusive of deductions
- Net: remaining after the deduction of all charges, outlay, or loss

Merriam-Webster Dictionary





Your Income Needs

- What do you want to do with your life?
 - What's most important to you?
 - "Happiness"
 - Career
 - Family
 - Wealth
- How much income do you need to accomplish what you want?
- Are you capable of achieving your goals?
 - Ability, resources, qualifications, experience, determination





Top 25 Highest Paid Occupations



- Predominantly healthcare
- Most require extensive & expensive education & certification
- What will it cost you in debt, time, life focus to achieve this
- Do you want it bad enough?



Top 25 Highest Paid Occupations

1. Anesthesiologists
2. Surgeons
3. Oral-Maxillofacial Surgeons
4. Obstetricians-Gynecologists
5. Orthodontists
6. Prosthodontists
7. Psychiatrists
8. Family and General Practitioners
9. Physicians
10. Internists, General
11. Chief Executives
12. Pediatricians, General
13. Nurse Anesthetists
14. Dentists
15. Pilots and Flight Engineers
16. Petroleum Engineers
17. Information Systems Managers
18. Architectural and Engineer Managers
19. Marketing Managers
20. Financial Managers
21. Natural Sciences Managers
22. Attorneys
23. Podiatrists
24. Sales Managers
25. Compensation and Benefits Managers





Alternatives

- Ways to fund education & training
 - US Military
 - Scholarships
 - Debt
- Be an Entrepreneur
 - Start your own business



Debt

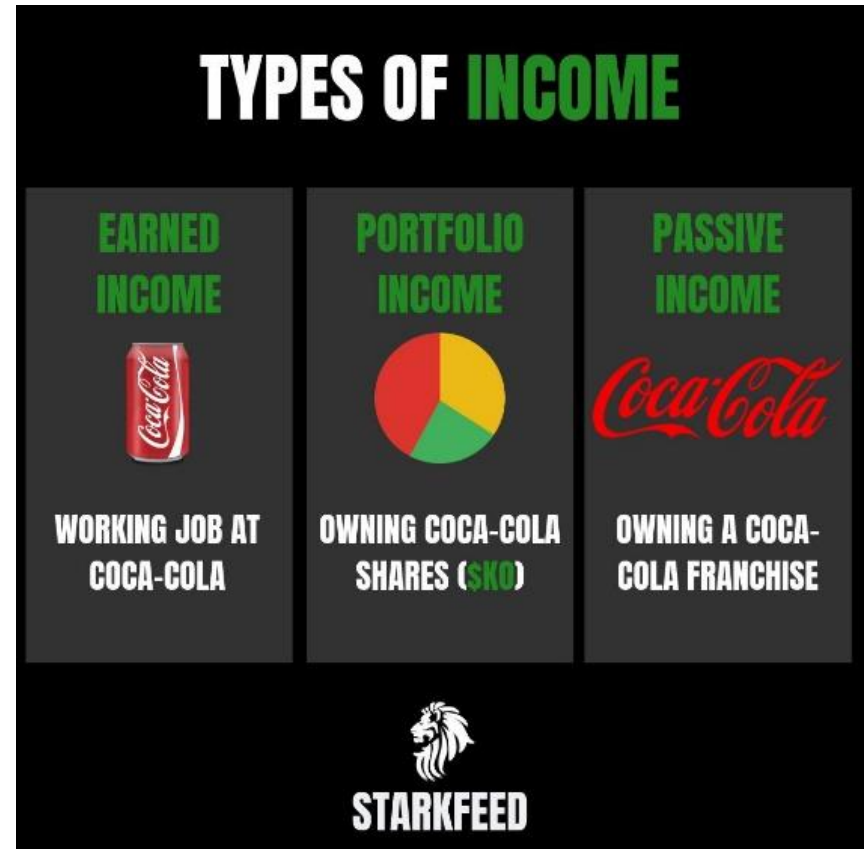


- Better to live within your means
- Save and invest and grow your wealth
- How you live affects your ability to save
- Spending on needs vs desires
- When going into debt (for education, housing, a car, etc.), consider what it will cost you in the long term vs what you gain



Types of Income

- Earned Income: what you receive for working at a job
- Portfolio Income: from your money working for you (i.e. interest from stocks)
- Passive Income: generated by your assets without you working for it actively





Diversification

- The more you diversify sources of income or investments, the more likely you'll increase your income
- Portfolio & Passive Income aren't tied to what you can do or how much you can work
 - You have to have \$ to invest it
 - Growth isn't guaranteed
 - Tax system favors investors
- If one source turns sour, you still have other sources of income





Check On Understanding



1. What's the difference between gross income and net income?
2. From the Top 25 highest paid occupations, what field do most of the careers fall in?
3. What are three ways to fund your required education for a high-income career?
4. Which of the following is NOT one of the three types of income?
 - a) Portfolio
 - b) Interest
 - c) Earned
 - d) Passive
5. Which method counters the risk of investing?
 - a) Diversification
 - b) Consolidation



Taxes

OBJECTIVES:

DESIRED OUTCOME (Leadership)

The desired outcome of this unit is for Cadets to be able to prepare for their financial future.

Plan of Action:

3. Identify types of taxes and examples of them.
4. Differentiate between progressive and regressive taxes.
5. Describe the basic process of paying income taxes, including forms, dates, deductions, and tax credits.

Essential Question:

What are our responsibilities regarding taxes as US Citizens?



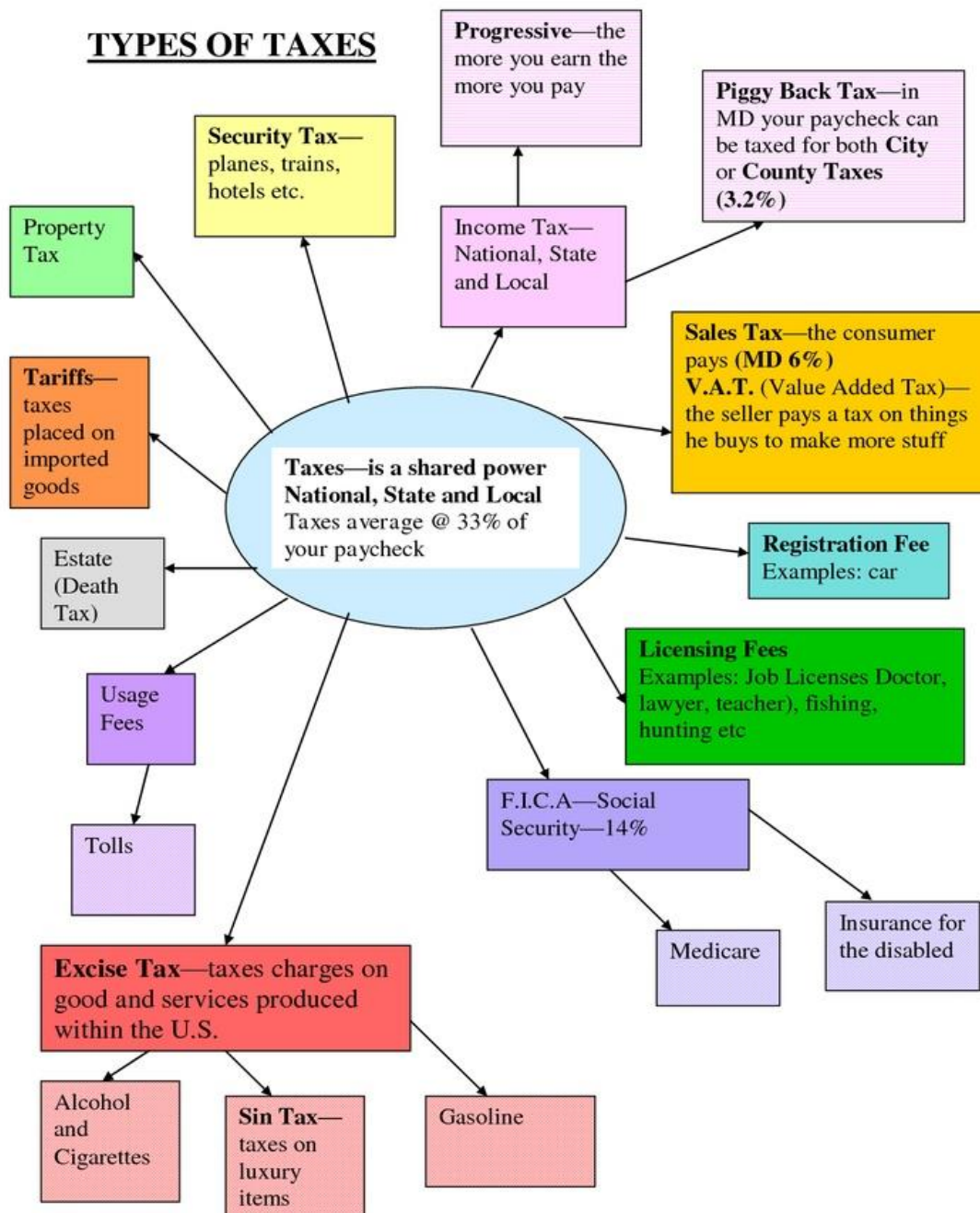
Types of Taxes



- **Direct:** paid directly to the government by an individual or organization
- **Indirect:** collected by someone in the supply chain (i.e. a producer or retailer) and then paid to the government
 - The consumer essentially pays the tax by paying more for a product, since the tax is added on top of the price
 - Examples: Consumption taxes (liquor, fuel, import duties, cigarette)



TYPES OF TAXES



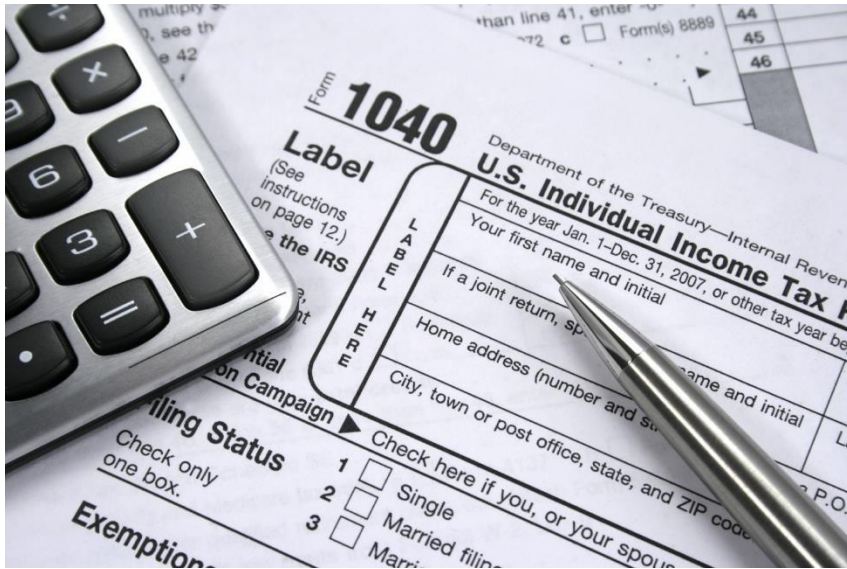
Choice

- Do you have a choice to pay taxes (legally)?
- No choice: from wages earned or income received
- Choice: For things taxed indirectly, you can choose not to purchase the good or service, so theoretically it's a voluntary tax





Types of Taxes: Income Tax



- Paid by an individual based on their taxable income during the financial year
 - Levied by federal, state, and local governments
 - Progressive – those who earn more pay higher %
 - Ways to lower liability: charity, IRAs, loopholes
- Employees usually have taxes deducted from their paycheck, and companies pay on a quarterly basis
- Best to pay an accurate estimate so you don't owe a lot at the end of the year



Types of Taxes: Entitlement

- Collected by the federal government in order to pay for social programs such as Medicaid, Medicare, Social Security, etc.
- Deducted directly from an individual's paycheck – grouped into "Federal Insurance Contributions Act (FICA) payments
- Self-employed people and companies must also pay entitlement taxes in their quarterly tax payments





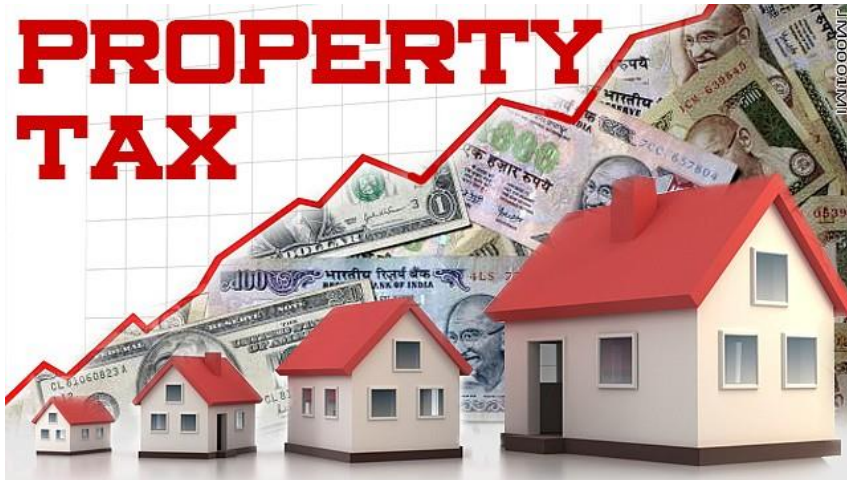
Types of Taxes: Transfer Tax

- Paid when ownership of property is passed from one person to another without money changing hands
- Federal, state, and local governments
- Examples:
 - Gift taxes
 - Estate taxes
- Tax code sets minimum value of property to incur tax; may have exemptions





Types of Taxes: Property Tax



- Paid to state and local governments
- Pays for local public services
 - Police
 - Fire Departments
 - Schools
 - Libraries
 - Roads
- Based on the size of the land or building



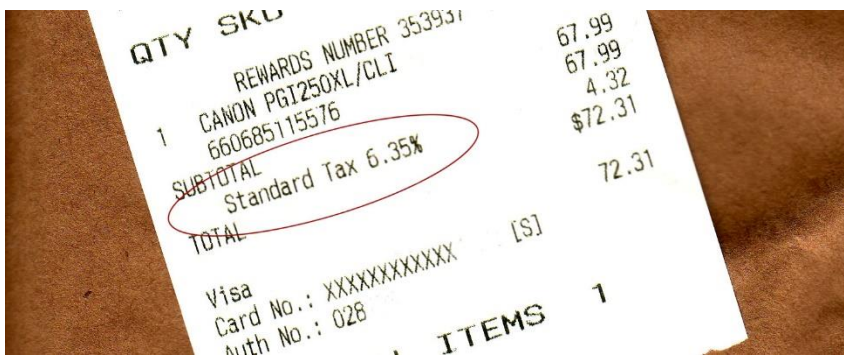
Types of Taxes: Capital Gains

- Collected when assets (i.e. real estate, artwork, stocks, etc.) are being sold
- Calculated based on the price of the item when it was first bought and the price at the time of sale
- Takes into account inflation
- Seller benefits from Capital Loss





Types of Taxes: Sales Tax



- Set by local and state governments
- Used for different programs and projects
- Paid for most sales. Food is often exempted. Larger sales (homes, vehicles) are taxed
- Usually qualify as a direct tax
 - If imposed as a Value Added Tax during production, they are indirect



Types of Taxes: Customs Tax

- Imposed on imported and exported products
- Includes finished products or raw materials
- Customers are often unaware of them
- Raises the prices of goods

Customs duty





Types of Taxes: Fuel Tax

- Indirect tax hidden in the price per gallon of fuel
- Sometimes used as an “ecotax” to promote ecological sustainability
- In California in 2018, fuel tax was 55¢ per gallon – one of the highest in the US





Types of Taxes: Excise Tax

- Paid when purchases are made on specific goods
- Indirect tax
- Added to price of goods
- Examples:
 - Gasoline
 - Tobacco
 - Alcohol

Products covered by SSB excise tax under TRAIN:



Sweetened juice drinks



Sweetened tea

Other beverages:

All carbonated beverages with added sugar, including those with caloric and non-caloric sweeteners



Flavored water

Energy drinks



Sports drinks

Other powdered drinks not classified as milk.

Cereal and other grain beverages



Other non-alcoholic beverages that contain added sugar

KEY EXEMPTIONS: 3-in-1 coffee, milk, 100% natural juice

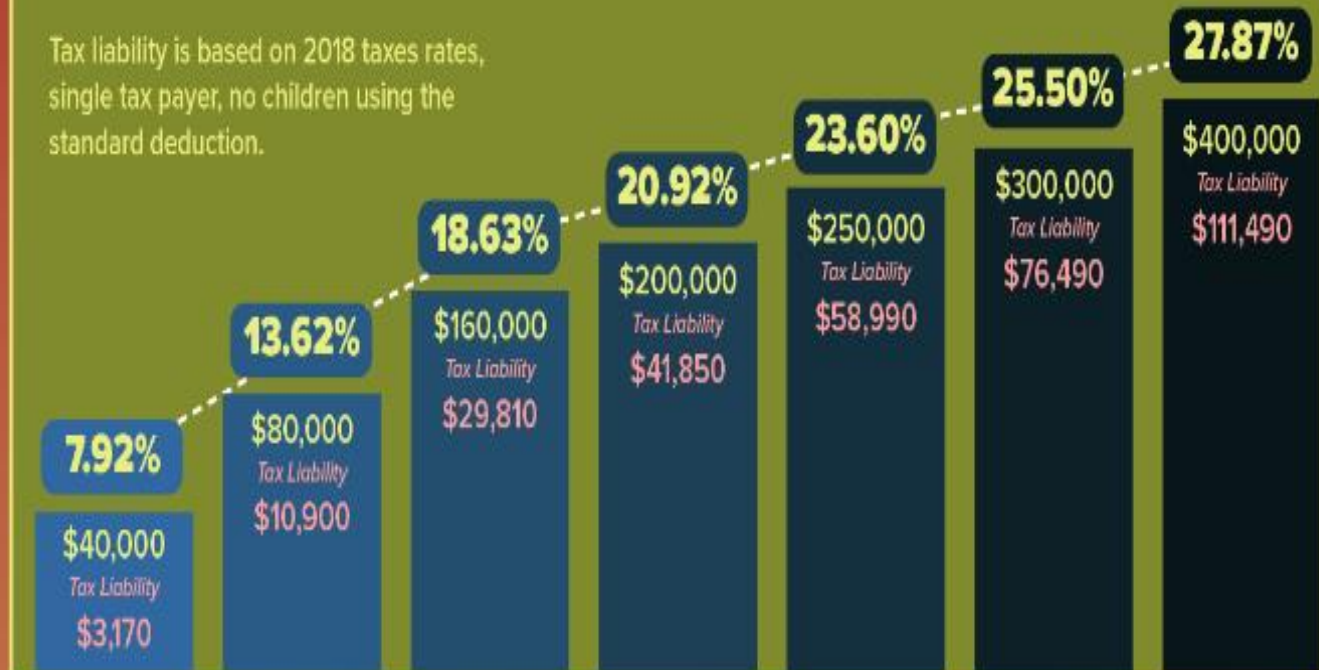


Progressive Taxes

PROGRESSIVE TAXES

Effective tax burden is greater for higher income levels.

Tax liability is based on 2018 taxes rates, single tax payer, no children using the standard deduction.

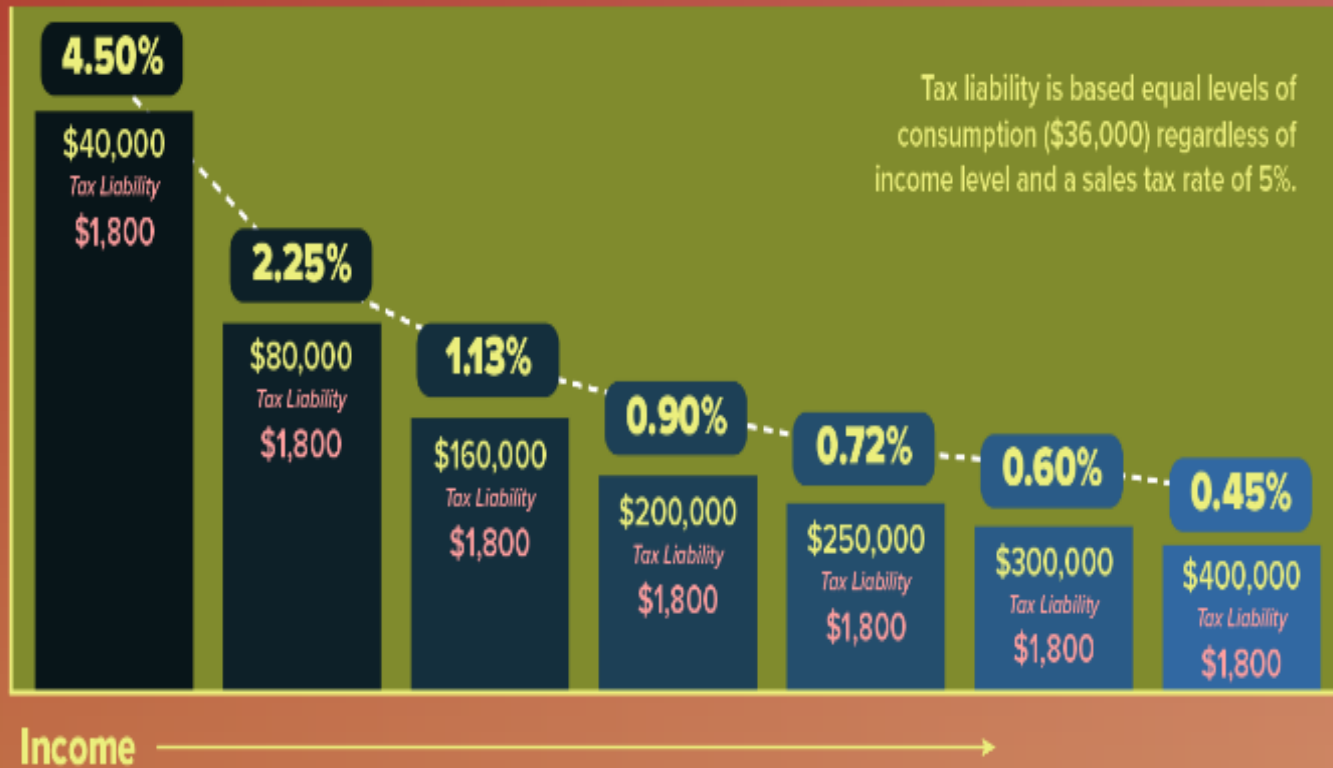


Income →

Regressive Taxes

REGRESSIVE TAXES

Effective tax burden is lower for higher income levels.





Pigovian Tax

- Tax that seeks to protect the environment, improve health, or reduce social problems
- Example:
 - If there's a health epidemic due to over-consumption of sugar and sugar-like chemicals, a country may impose a tax on extremely sugary products in an attempt to reduce consumption
 - i.e. Cigarette Taxes
- Regressive because the lower your income, the higher the % of income you're likely to spend on items such as food and products targeted by Pigovian taxes
- Ecotaxes are Pigovian taxes





- Example:

- [illegible]



Other Tax Reform Ideas



- Reducing tax breaks and lowering the rate
 - Make it less complex
- Have a National Sales Tax (Value Added Tax)
 - Scrap corporate & individual income taxes, estate & gift taxes, and payroll taxes, implement 30% sales tax for retail sales
 - Modify the income tax and supplement it with a National Sales Tax of about 6.5%
 - State/local Sales Taxes still apply
- Smaller VAT on retail goods, repealing the corporate income tax, replace it with 8.5% tax on business consumption
- These spread out the tax base, and lower income people pay much more of their income in taxes



Paying Taxes

- Find information online at IRS and Franchise Tax Board websites
- If your taxes are simple (just your job, no big deductions or complicated situations), pay with EZ forms
- File online
- Receive refund direct to your bank account





Tax Documents

Documents you'll need to file your taxes:

- W-2 from your employer
- Forms proving status of your credits or deductions
- Forms from investments or dividends
- Forms showing other income and losses
- Form 1040 or 1040EZ for federal taxes
- Form 540 or 540EZ for California taxes

22222		Valid <input type="checkbox"/>	* Employee's social security number 123-45-6789		For Official Use Only OMB No. 1545-0074
b Employer identification number (EIN) 12-1234567			1 Wages, tips, other compensation 50,000.00		
c Employer's name, address, and ZIP code Readle 795 Folsom Street San Francisco, CA 94107			2 Federal income tax withheld 1,111.00		
d Control number R3D1			3 Social security wages 35,000.00		
e Employer's first name and initial Nikita V			4 Social security tax withheld 1,111.00		
f Employer's address and ZIP code 123-123-1234			5 Medicare wages and tips 45,000.00		
15 State			6 Medicare tax withheld 1,111.00		
16 State wages, tips, etc. 50,000			7 Social security tax 123.45		
17 State income tax 1,535			8 Allocation tax 123.45		
18 Local wages, tips, etc. 50,000			9 Verification code C		
19 Local income tax 750			10 Dependent care benefits 123.45		
20 Locality name CLEVELAND			11 Nonqualified plans 123.45		

W-2 Wage and Tax Statement 2019

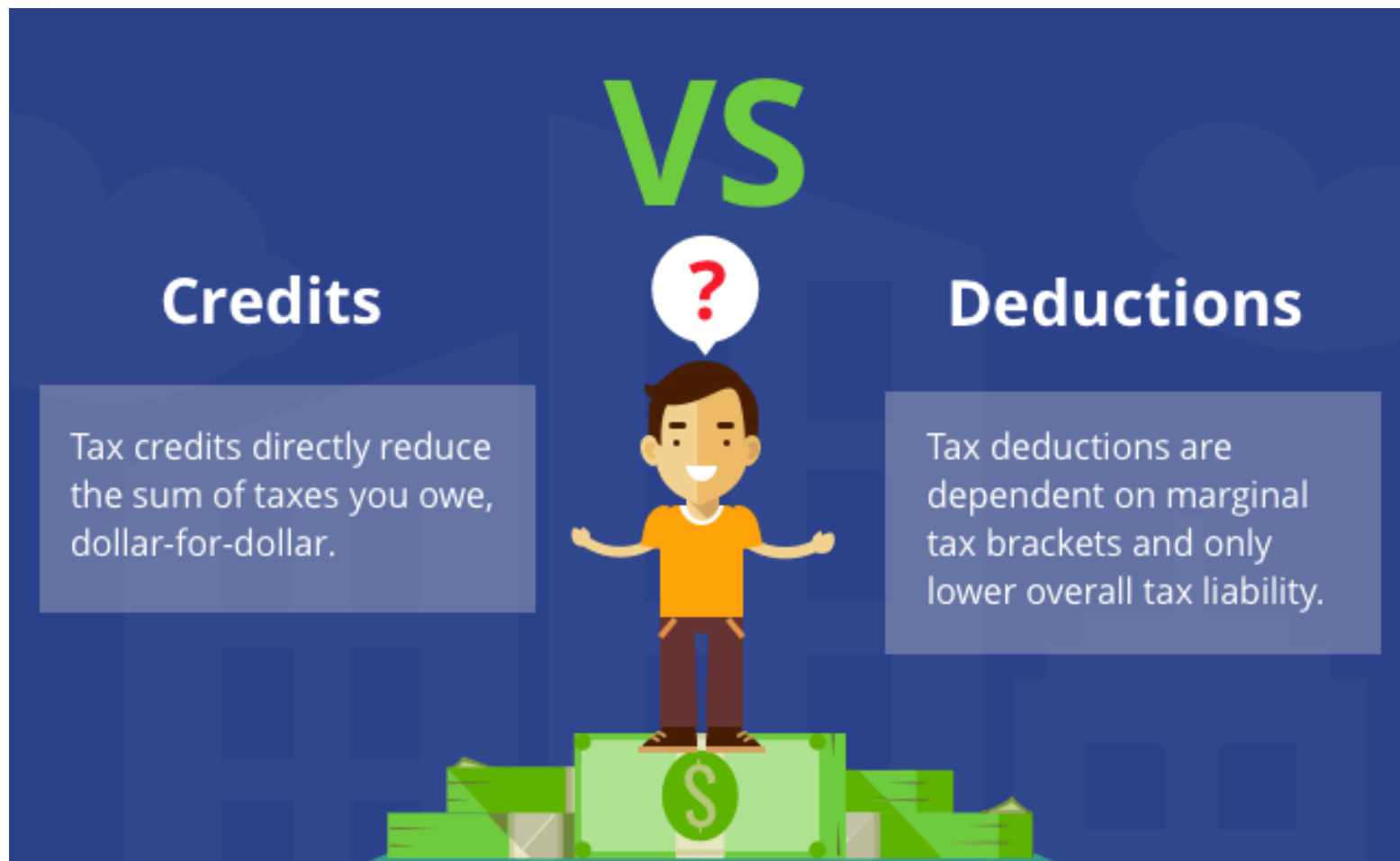
Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.
Cat. No. 10134D

Form 1040		Department of the Treasury—Internal Revenue Service		(99)	2019	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
Filing Status <input type="checkbox"/> Single <input type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately (MFS) <input type="checkbox"/> Head of household (HOH) <input type="checkbox"/> Qualifying widow(er) (QW) Check only one box. If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶							
Your first name and middle initial		Last name		Your social security number			
If joint return, spouse's first name and middle initial		Last name		Spouse's social security number			
Home address (number and street). If you have a P.O. box, see instructions.						Apt. no.	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not charge your tax or refund. <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Spouse
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).							
Foreign country name		Foreign province/state/country		Foreign postal code		If more than four dependents, see instructions and ✓ here ▶	
Standard Deduction <input type="checkbox"/> Someone can claim: <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent <input type="checkbox"/> Spouse itemizes on a separate return or you were a dual-status alien							
Age/Blindness You: <input type="checkbox"/> Were born before January 2, 1955 <input type="checkbox"/> Are blind <input type="checkbox"/> Spouse: <input type="checkbox"/> Was born before January 2, 1955 <input type="checkbox"/> Is blind							
Dependents (see instructions):							
(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) ✓ If qualifies for (see instructions):	Child tax credit	Credit for other dependents	
					<input type="checkbox"/>	<input type="checkbox"/>	
					<input type="checkbox"/>	<input type="checkbox"/>	
					<input type="checkbox"/>	<input type="checkbox"/>	
					<input type="checkbox"/>	<input type="checkbox"/>	
					<input type="checkbox"/>	<input type="checkbox"/>	
1 Wages, salaries, tips, etc. Attach Form(s) W-2							
2a Tax-exempt interest		2a		1b Taxable interest. Attach Sch. B if required.		2b	
3a Qualified dividends		3a		1c Ordinary dividends. Attach Sch. B if required.		3b	
4a IRA distributions		4a		1d Taxable amount		4b	
c Pensions and annuities		4c		d Taxable amount		4d	
5a Social security benefits		5a		b Taxable amount		5b	
6 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>							
7a Other income from Schedule 1, line 9							
b Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income ▶ 7b							
8a Adjustments to income from Schedule 1, line 22							
b Subtract line 8a from line 7b. This is your adjusted gross income ▶ 8b							
9 Standard deduction or itemized deductions (from Schedule A) 9							
10 Qualified business income deduction. Attach Form 8995 or Form 8995-A 10							
11a Add lines 9 and 10							
b Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0-							

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 113305 Form **1040** (99) 2019



Credits & Deductions





Tax Deductions

Lower your taxable income and reduce your tax liability

- Charitable donations
- Student loan interest
- Medical expenses
- Mortgage interest
- Gambling losses
- IRA contributions
- 401 (k) contributions
- Health Savings Account contributions
- Self-Employment expenses
- Home Office expenses
- Educator expenses





Standard Deductions

- Anyone can take the standard deduction
 - Flat-dollar, no questions asked reduction in AGI*
 - Amount depends on filing status

Filing Status	2020 Tax Year	2021 Tax Year
Single	\$12,400	\$12,550
Married, filing jointly	\$24,800	\$25,100
Married, filing separately	\$12,400	\$12,550
Head of Household	\$18,650	\$18,800

AGI: Adjusted Gross Income – the final amount you owe taxes on



Itemized Deductions

- Allows you to cut your taxable income (AGI) by taking any of the hundreds of available tax deductions you qualify for
- If your itemized deductions add up to more than the Standard Deduction, you pay less
- Deductions usually involve you paying for something, or giving to charity
- Your tax paperwork becomes more complex
 - May need a tax accountant (at cost)



Tax Credits

- Dollar-for-dollar reduction in your tax bill.
- Some are refundable (you get a check for the difference), others just reduce your bill
 - Lifetime Learning
 - Child and Dependent Care
 - Saver's credit
 - Residential energy credit

WHO QUALIFIES FOR THE EARNED INCOME TAX CREDIT?

QUALIFYING CHILDREN	If your income is less than this amount...		...you could qualify for a credit up to this amount.
	SINGLE OR HEAD OF HOUSEHOLD	MARRIED FILING JOINTLY	MAXIMUM CREDIT AMOUNT
None	\$15,270	\$20,950	\$519
1	\$40,320	\$46,010	\$3,461
2	\$45,802	\$51,492	\$5,716
3 or more	\$49,194	\$54,884	\$6,431



When to Pay Taxes

- Tax Day is April 15th or the Monday after April 15th if it falls on a weekend
- If you're due a refund, file early
- If you owe, wait to pay
- Due means postmarked or electronically filed
- There are penalties for filing late
 - Filing Penalties are more than Paying Penalties
- You can file your taxes on time, but pay late
- You can file an extension, which gives you more time to get things together to file
 - Still have to pay on time or pay penalty





Check On Understanding



1. For each tax listed, tell whether it's Direct or Indirect:
 - i. Income Tax
 - ii. Fuel Tax
 - iii. Capital Gains Tax
 - iv. Sales Tax
 - v. Entitlement Tax
 - vi. Property Tax
2. Is Income Tax progressive or regressive?
3. You have a very simple tax situation.
 - i. What form do you use: 1040 or 1040EZ?
 - ii. When do you have to file by?
 - iii. Do you take the Standard or Itemized deductions?



Investments

OBJECTIVES:

DESIRED OUTCOME (Leadership)

The desired outcome of this unit is for Cadets to be able to prepare for their financial future.

Plan of Action:

6. Describe why retirement planning and goal-setting are important to consider when you're young.
7. Differentiate between a traditional and a Roth IRA.

Essential Question:

What are the steps to retirement planning and investing, and when should I take them?



Retirement Planning

- I'm young – I won't retire for 50 years!
Why even think about this now?
- Most people don't.
- In their 50's they wake up and start saving
 - They miss out on years of investment potential
 - They have to push off their retirement date
 - They don't have enough \$ to live comfortably
- It's not just for retirement, but identifies other goals you need to save for





Investments

- This lesson is on Investments, not Retirement Planning? Why bring that up?
 - They're connected
 - Investments are a big part of Retirement Planning
 - It's the big, long-term picture
- Investments are what you do to plan and get ready for retirement
- You may use your investments, or some of the money you get from them, for other needs



How to adjust your retirement plan as you age

- Start saving early
- Choose an asset allocation to reach your goals
- Never compromise on contributions
- Use catch-up contributions to speedup savings
- Devise an income strategy to outlast your retirement reserves



20's

Start an IRA account

- Bag any matching contributions by your employer with a 401k plan
- In the absence of a 401k, establish an IRA account.
- Solo 401k for self-employed or owner-only business



30's

Plan asset allocation

- Choose an asset allocation as per your risk tolerance.
- Contribute towards a Roth IRA if you expect higher tax rates during retirement.
- Choose alternative investments with Self-directed IRAs.



40's

Stay on-course with contributions

- Treat retirement savings as expenses & contribute throughout this decade.
- Don't let your child's college education or a new home compromise your retirement savings.



50's

Go all in with catch-up contributions

- Speedup your retirement savings with catch-up contributions.
- Catch-up limits for regular IRA: \$1,000
- Catch-up limits for 401k plans: \$6,000



60's

Prepare an income strategy

- Talk to a financial expert & prepare an income strategy for the next 20-30 years.
- Choose conservative investments such as bonds.
- Keep reserves for unplanned expenses.



Goal-Based Investing

- Several major life events to save for
 - College / Trade Education
 - Travel
 - Marriage
 - Children
 - Home ownership
 - Children's education
 - Retirement income
- Determine your needs early
- Have a plan
- Work toward your goal





Your Potential Life

Age 1-22

- Supported by your parents
- Growing
- Learning
- Developing
- Setting Goals

Age 23-70

- Prime earning years
- Support your family
- Set your kids up for success
- Save for retirement

Age 71-90+

- Enjoy retirement
- Care for grandchildren
- Travel
- Slow down
- Nest egg for your heirs?

The Ages are Changeable based on your Goals/Desires



Practical Exercise

- Plot out what you think lies in your future. Think ideally – reality can wait! List major life events:
- In your 20's:
- In your 30's:
- In your 40's:
- In your 50's:
- In your 60's:
- In your 70's:
- In your 80's:



Goal-Based Investing

- Helps you save money in a disciplined way over a period of time
- Focus on your life goals to identify how much \$ you need
- Plan how you'll save and invest your savings to grow to meet those needs
- Use your plan to make key decisions
- Carefully manage your debt





Key Decisions

- What college to attend
 - How to pay for it
- Size and type of wedding
 - How to pay for it
- When to have children & how many
- Dual-working couple, or stay-at-home mom/dad
- Cool car or reasonably priced car
- Where to live
 - Size, location, and cost of housing
- Travel
 - International jet-setting or car camping with the kids





IRAs

Individual Retirement Accounts

- **Traditional IRAs:** Invest pre-tax money (lowers your taxes now), pay taxes when you withdraw it. Has minimum distributions after age 70.5. Reduces your taxes owed.
- **Roth IRAs:** Post-tax money (pay your tax now), tax-free when you withdraw it. Has no minimum distributions. No tax breaks.

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.



Job with Pension

GOODBYE TENSION
HELLO PENSION!

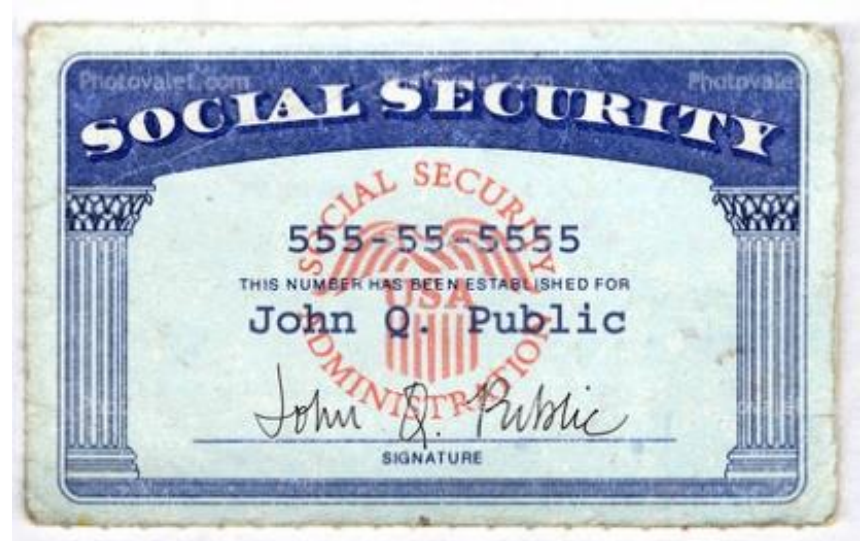


- Few employers offer pensions anymore
- Government/Military jobs still do
- You pay into a pension fund
- You receive a lifetime pension when you retire
- Check the plan – you still need to save (often the pensions don't match your needs)
- May make the job worthwhile



Social Security

- Pay into the fund
- Receive a small monthly payment at 62
- Not designed to be a full retirement
- The government has siphoned off the funds for years. The system will likely be bankrupt before you collect. What will the gov't do?
- Don't count on receiving it
- Understand your options (age to withdraw)





Safe Investing Options

- Stocks & Bonds
 - Individual Purchases (generally a bad idea)
 - Mutual Funds
- Real Estate
 - Be careful of the market you buy into
- Online Banks vs Local Banks
 - Higher interest rates
- CDs
 - Low risk
 - When you're young, take bigger risks to grow your \$
- 401 (k)
- Matching-fund offers from your employer
- Diversify!





Key to Growing Your \$



- Save Money every month
- If possible, pull it from your monthly salary before you see it (direct deposit)
- Never stop
- Take advantage of matching funds, good interest rates, bull markets, etc.
- Take risks when you're young & can recover
- Don't take bad risks



Don't Lose Your \$

- How do you know where to put your savings so you won't lose it?
- Stick with established companies
- Sounds too good to be true? It is!
- Recommend a mutual fund like Vanguard or Fidelity
- Diversify your holdings within the fund
- Once you've built capital, consider real estate





Check On Understanding



1. Why should you start retirement planning now?
2. Name 5 life events you think you'll have.
3. What's the difference between a Traditional and a Roth IRA?
4. Which is a good first investment?
 - a) Buy a house
 - b) Mutual Fund
 - c) Buy Gold
 - d) Buy stocks in a start-up company



Money and Relationships

OBJECTIVES:

DESIRED OUTCOME (Leadership)

The desired outcome of this unit is for Cadets to be able to prepare for their financial future.

Plan of Action:

8. Describe how to avoid having money problems cause relationship problems.

Essential Question:

How do you avoid letting money problems cause problems within your marriage or relationship?



Money & Relationships

- Money is the number one issue married couples fight about
- It's the second leading cause of divorce (behind infidelity)
- Merging your lives (and your money) can be hard
- You may have two very different views on money!





Keep a Joint Bank Account

- Think the answer is to keep separate checking accounts? Nope!
- Combine your money
- Lead life as a couple
- Talk daily or weekly with your spouse about money





Discuss Your Lifestyle Choices

- Differences start being a problem if they affect your bottom line
- i.e. One spouse values saving, the other likes to splurge on luxury items
- Compromise wins the day!
- Find ways for both to be happy
- Spending must match your actual income, not what you want it to be

YOU
ALWAYS
HAVE A
CHOICE



Recognize Your Personality Differences

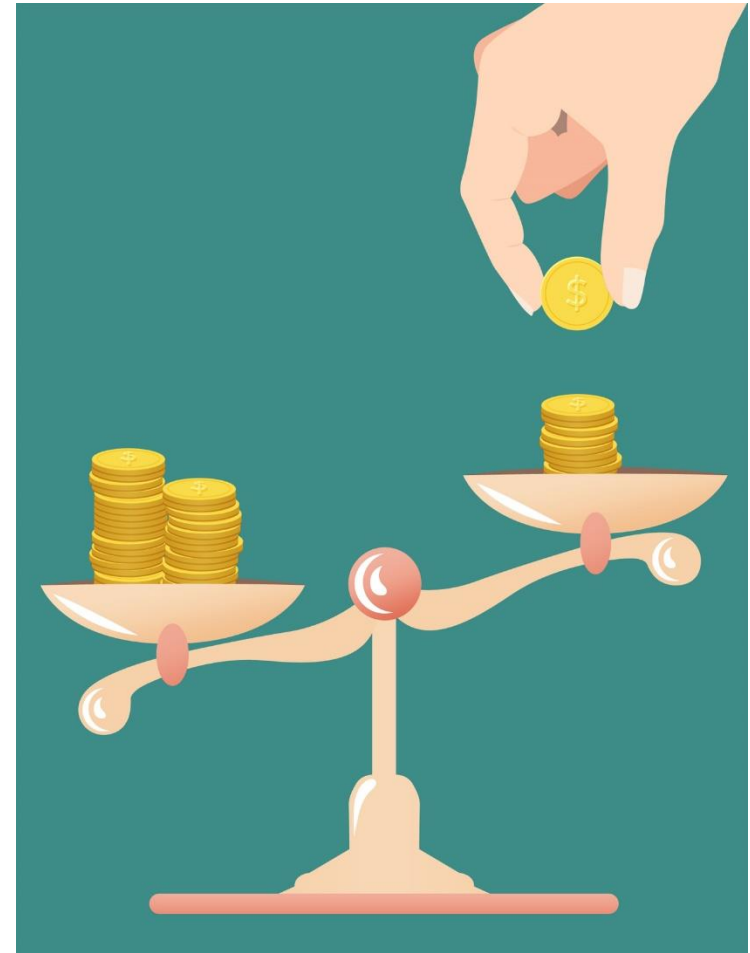


- When one spouse likes to manage money and the other doesn't
- Try to keep both involved, or at least aware
- Continue to discuss money status
- Work on the budget together
- It's still a team



Don't Let Salary Differences Come Between You

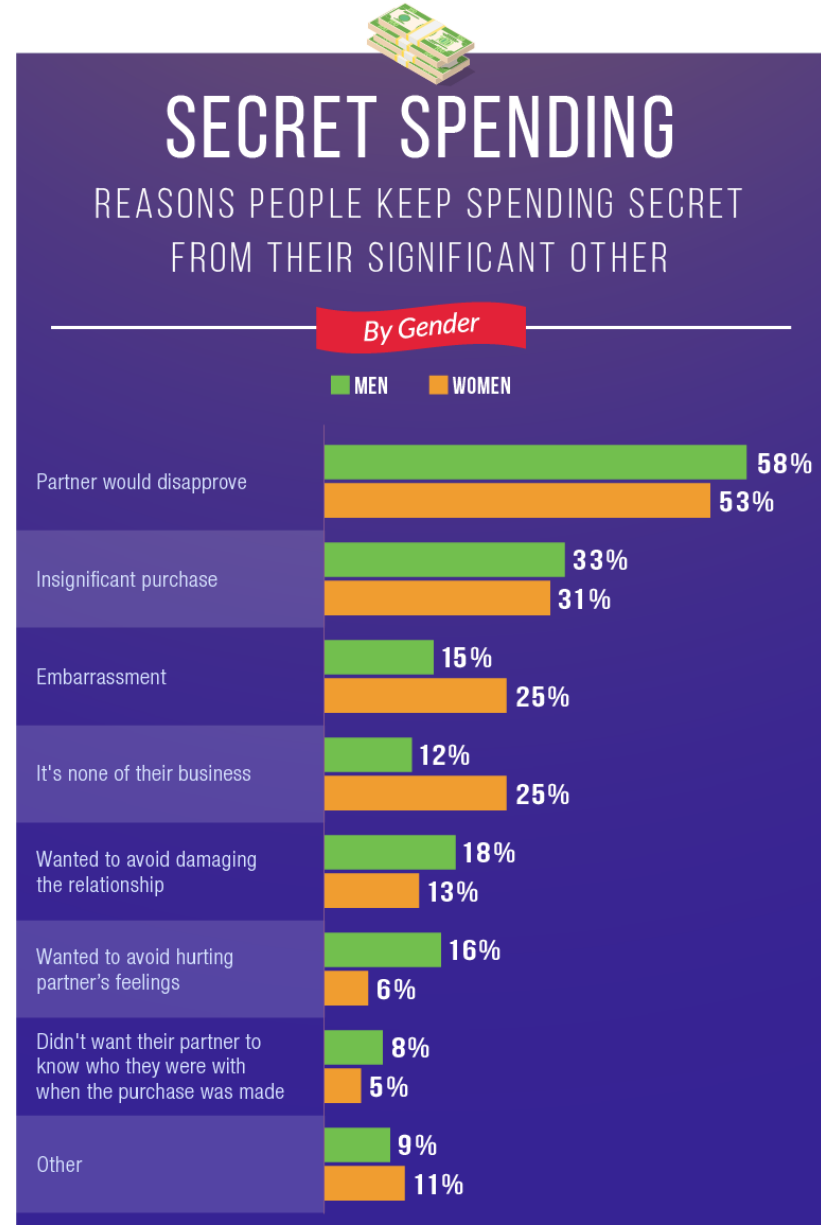
- It's likely one spouse will make more money than the other
- You're a team
- There's no leverage by the higher earner
- Not yours or mine - ours





Keep Purchases Out in the Open

- Honesty is always the best policy
- Don't keep hidden separate accounts
- Don't make hidden purchases
- If it happens, own up, address it, and recommit to the family plan/budget





Set Expectations Together



- Unmet expectations can cause a lot of conflict
- Reality sometimes hurts
- There are no rules about what has to happen in a marriage (i.e. buying a house or having kids)
- Stop worrying and comparing with what others have or what you want
- Get your money in order *now* so that *later* you can make your dreams a reality



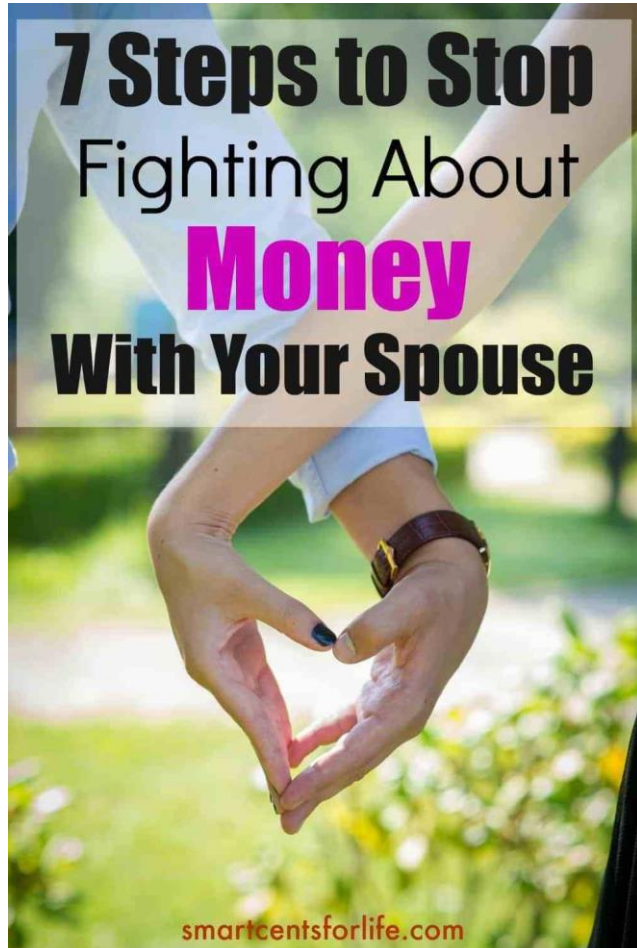
Don't Let the Kids Run the Show

- How you treat your children can be a major difference in a marriage
- Come together and talk about it
- Make a plan
- Decide how to budget for children's needs
- Get children to work for what they want
- Above all, present a united front





Money and Marriage



- A solid marriage takes time and work
- Work together to discuss finances
- If necessary, get financial or budgeting assistance
- Books on managing your money
- Helps you be a team



Check On Understanding



1. Select the best option regarding money in a relationship:
 - a) Keep separate accounts
 - b) Discuss your money issues routinely
 - c) Split your money based on the % each earns
 - d) Always splurge on your kids
2. T / F It's a major problem if you have expectations your budget can't meet. Likely your marriage won't survive.
3. T / F Hiding purchases from your spouse isn't common.



Giving

OBJECTIVES:

DESIRED OUTCOME (Leadership)

The desired outcome of this unit is for Cadets to be able to prepare for their financial future.

Plan of Action:

9. Discuss facts and statistics about giving of your time and money, and the business of charity in the United States.
10. Define generosity.

Essential Question:

How do I give of myself to benefit other people or worthy causes?



Generosity

- Giving of yourself to those who need you
- It's better to give than to receive
- Giving makes you feel good about yourself
- Helping others helps define who you are
- It's not about money – giving your time or attention or empathy is just as important





Generosity

- Americans are by far the most generous nation
- Annual private philanthropy in the US is 1.44% of the country's gross domestic product
- Some other countries:
 - Canada .77%
 - UK .54%
 - Korea .50%
 - Singapore .39%
 - Italy .30%
 - China .03%
 - Australia .23%
 - Japan .12%
 - Germany .17%



Tribute



- About 1/3 of the people who donate to charity give tribute gifts
- This is a gift in someone's name – usually when they're deceased or sometimes as a gift (for a wedding, birthday, graduation, etc.)
- Memorials are the top at 43%



Cost of Raising Money



- Less than 70% of all money raised goes to charity
- About 33% is used for fundraising costs
- Charity Navigator and similar organizations rate charities and publish information on how much of the money they raise actually goes to the cause
- Be aware of the organization you're giving to
- It's suggested you give to organizations that charge 20% or less for the fundraising



Facts About Giving

- Over 90% of high-income families give to charities
- Almost 40% of all charitable donations go to religion
- Nearly 1/3 of annual giving in the US arrives in December
- Individual contributions represent the largest share of charity donations in America (\$292B)



Tithes and offerings



Facts About Giving



- Even with all-time high donations, public charities make most of their money from charging fees. They organize events, sell used clothes, provide expertise, and more. This earns them 72% of their total revenue
- Private contributions represent 13%
- Other input comes from endowment investments (7%) and government grants (8%)



Facts About Giving

- Americans don't donate money only but also their time and effort
- Americans who make the most money also donate the most money to charitable causes
- Americans living in Utah donate the largest percentage of their income





Facts About Giving



- Almost 30% of American schools earn over \$75K a year from fundraising
- Environmental and rights nonprofits saw the highest growth in online donations
- Total online donation revenue has been continually growing



Facts About Giving

- The average online donation is just under \$130
- Nonprofits received, on average, \$42 per 1000 fundraising emails sent
- Giving Tuesday remains a popular global event
- Facebook is the top social medium for inspiring charity giving



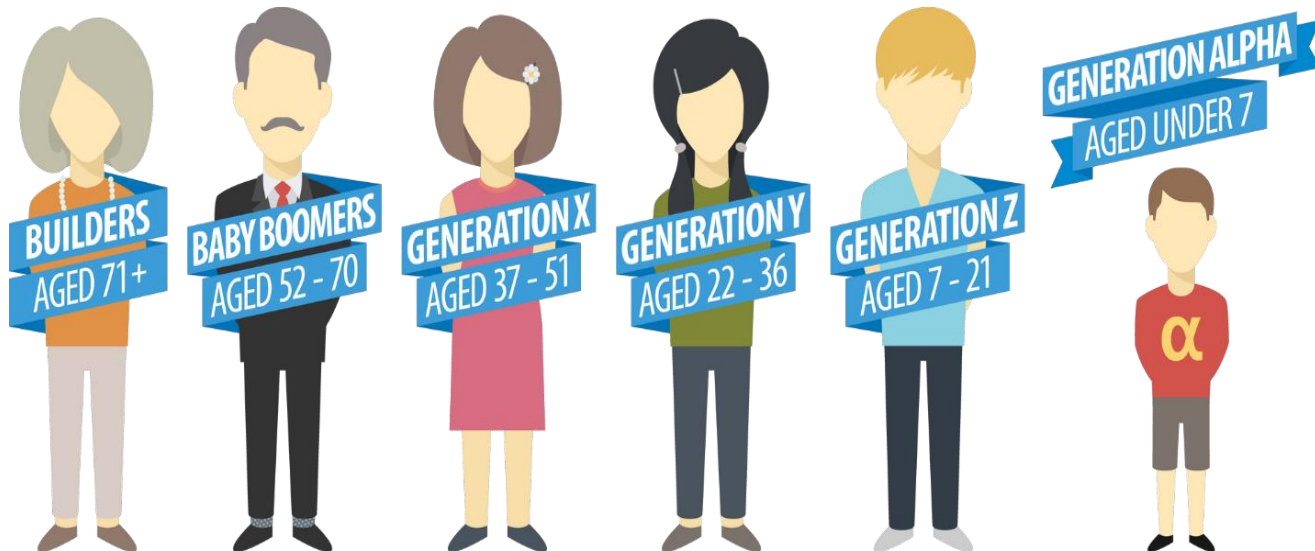
#GIVING
TUESDAY





Facts About Giving

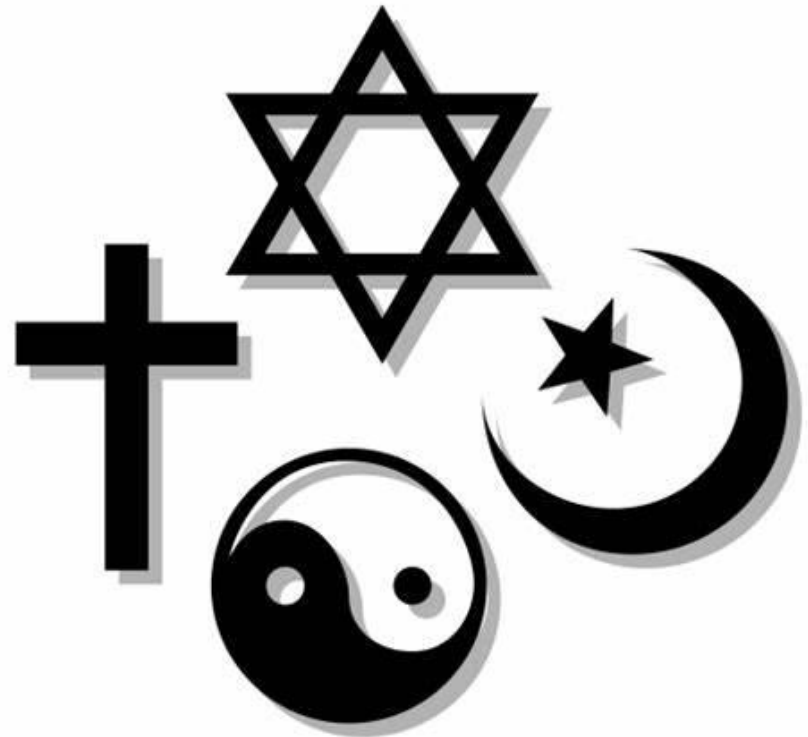
- Millennials contribute 11% of all donations
 - 84% of Millennials give to charity
- 50% of Gen Xers donate monthly
- 72% of Baby Boomers give to charity
- The Silent Generation give more than others
 - Their donations are 26% of all contributions





Facts About Giving

- Jewish, Christian, and Muslim donors contribute more to monthly giving programs than Buddhist and Hindu donors
- 45% of Christians donate monthly
- 39% of Buddhists donate monthly
- 36% of Hindus donate monthly
- 50% of Jews donate monthly
- 45% of Muslims donate monthly





Final Facts About Giving



- Charity trends are changing
- Online giving continues to grow
- Religion is still top cause
- Environment & human rights growing
- Social media, esp. Facebook flourishing to reach new contributors, raise more money



Check On Understanding



1. Giving of yourself to those who need you is
 1. Miserliness
 2. Liberality
 3. Generosity
 4. Munificence
2. Which country gives most to charity?
3. Name a growing trend in giving to charity.
4. What charity category receives the most donations?