

# Making the most of your tax refund



**HARVARD UNIVERSITY  
EMPLOYEES CREDIT UNION**



# Meet the Hosts



Jen Fries

Community Engagement Manager



Ty Robinson

Community Engagement Specialist

# Not-For-Profit Banking for the Harvard Community



## Community Focused

HUECU exclusively serves the Harvard community and all Harvard affiliates. Once a member, always a member, even if you leave your job. When you join membership extends to all family members.



## Products & Services

Free access to ATMs nationwide. Credit cards with cash back rewards. Home loans for purchases and refinancing, student loans and refinancing options, auto loans and more.



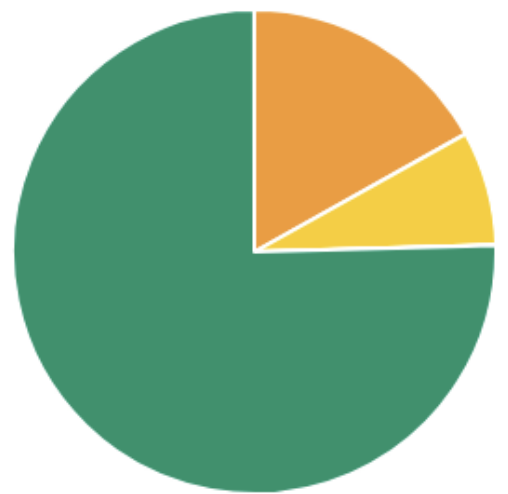
## Access Anywhere

Convenient locations and Online Banking. Mobile Banking and Digital Wallet ready. Access to the nationwide CO-OP Shared Branching Network.

# Why am I getting a refund?

Check your paystub or your W-2

Gross Paycheck		\$3,333
● Taxes	16.92%	\$564
DETAILS ^		
Federal Income	12.33%	\$411
State Income	4.60%	\$153
Local Income	0.00%	\$0
● FICA and State Insurance Taxes		
DETAILS v		
● Pre-Tax Deductions	0.00%	\$0
DETAILS v		
● Post-Tax Deductions	0.00%	\$0
● Take Home Salary	75.43%	\$2,514



# Not just tax refunds

---

Pay raises/COLA

Money gifts for special events

Decreased expenses

- Paying off a loan
- Child care expenses





# Define Your Financial Goals

---

Write down your financial goals.

- Reduce the stress of being in debt
- Save for a wedding
- Pay for higher education
- Own a home
- Buy a car
- Visit your family abroad

# Agenda

---

1

## First steps

What are the first steps toward financial wellness?

2

## Intermediate Steps

What next?

3

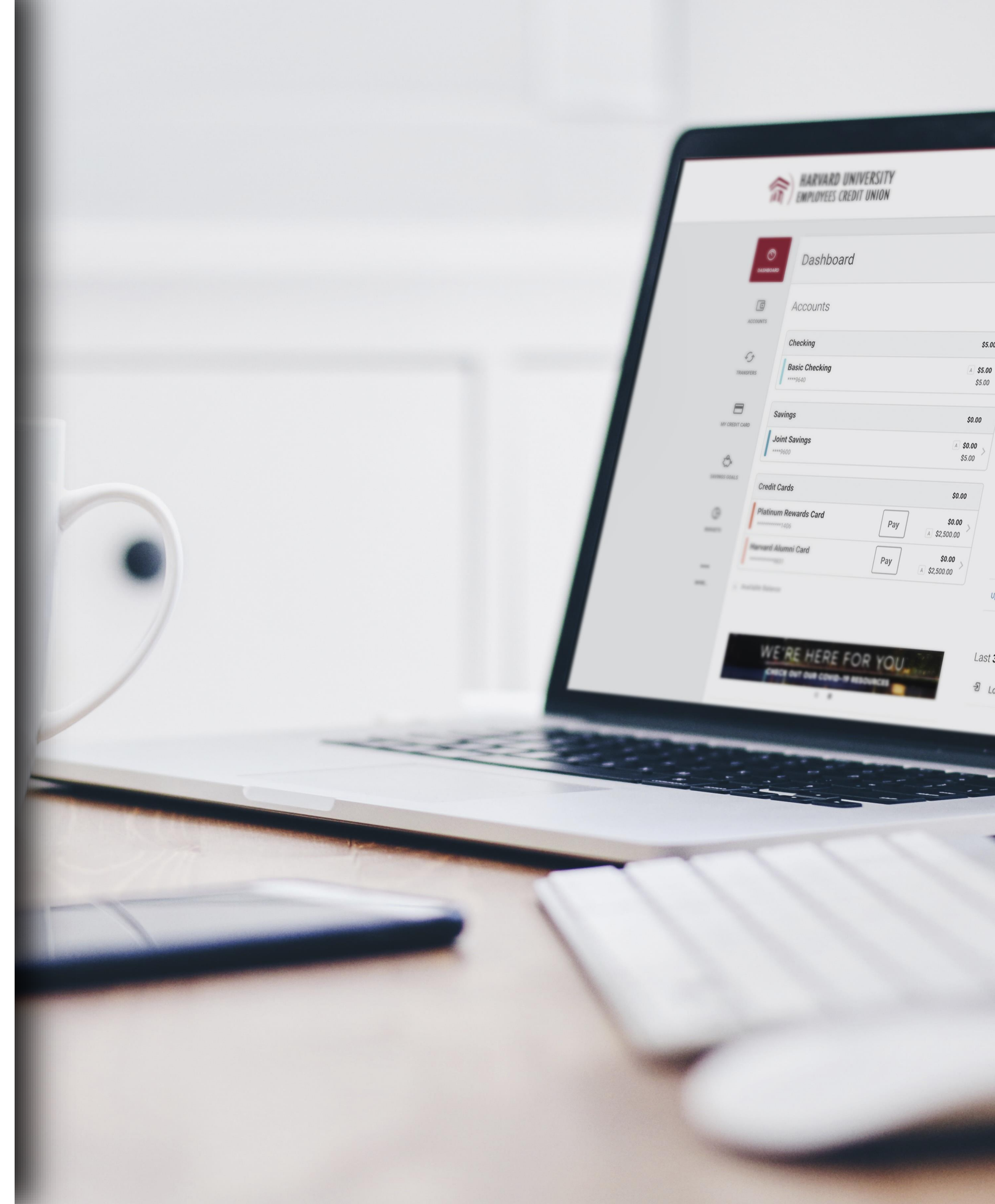
## Advanced Steps

**You've been working hard on your financial wellness – what more can you do?**

# First steps

## Best Use

- ✓ Cover monthly expenses
- ✓ Build a small emergency fund: \$1000 or one month's rent
- ✓ Max out employer-sponsored matches
- ✓ Pay down high-interest debt
- ✓ Increase emergency fund to 3-6 months expenses





HARVARD UNIVERSITY EMPLOYEES CREDIT UNION  
**HUECU BUDGETING WORKSHEET**

**TOP 3 FINANCIAL GOALS**  
 Where do you want to be financially in the next few months or even in the next few years and what steps will you take to achieve these goals?

1

2

3

**CREDIT SCORE**

ASSETS		VALUE
Property		
Retirement (401k, etc)		
Savings		
Other		
Other		
<b>TOTAL ASSETS</b>		

OUTSTANDING DEBTS		BALANCE	INTEREST RATE
Auto Loan(s)			
Mortgage			
Student Loan(s)			
Other			
Other			
<b>TOTAL DEBT</b>			
<b>NET WORTH</b>			

<b>TOTAL EXPENSES</b>	
<b>NET</b>	
<b>TOTAL INCOME</b>	
<b>TOTAL EXPENSES</b>	
<b>OVER/UNDER</b>	

MONTHLY INCOME		CURRENT	PROPOSED
Job(s) after deductions			
Child Support/Alimony			
Government Payments			
Interest/Investment			
Rental Income			
Spouse's Job(s) after deductions			
Other			
<b>TOTAL INCOME</b>			

MONTHLY EXPENSES		CURRENT	PROPOSED
Rent(s)/Mortgage(s)			
Gas/ Electric			
Groceries			
House repairs/landscaping			
Insurance			
Internet/Cable/Satellite			
Property Taxes			
Telephone			
Water/Sewer/Garbage			
Other			

TRANSPORTATION		CURRENT	PROPOSED
Car Payment(s)			
Excise Tax (s)			
Fuel			
Insurance			
Maintenance/Repairs			
MBTA/Commuter Rail Passes			
Tolls/Parking			
Other			

OTHER		CURRENT	PROPOSED
Retirement			
Childcare			
Clothes			
Credit Card Payments			
Dining Out			
Dry Cleaners			
Emergency Savings			
Internet Subscriptions			
Membership (Gym, Clubs)			
Money Sent Home			
Prescriptions			
Student Loans			
Vacation			
Weekly Spending Money			
Other			

ASSETS		VALUE
Property		
Retirement (401k, etc)		
Savings		
Other		
Other		
<b>TOTAL ASSETS</b>		

HARVARD UNIVERSITY EMPLOYEES CREDIT UNION  
**HUECU BUDGETING WORKSHEET**

**TOP 3 FINANCIAL GOALS**  
 Where do you want to be financially in the next few months or even in the next few years and what steps will you take to achieve these goals?

1

2

3

**CREDIT SCORE**

MONTHLY INCOME		CURRENT	PROPOSED
Job(s) after deductions			
Child Support/Alimony			
Government Payments			
Interest/Investment			
Rental Income			
Spouse's Job(s) after deductions			
Other			
<b>TOTAL INCOME</b>			

MONTHLY EXPENSES		CURRENT	PROPOSED
Rent(s)/Mortgage(s)			
Gas/ Electric			
Groceries			
House repairs/landscaping			
Insurance			
Internet/Cable/Satellite			
Property Taxes			
Telephone			
Water/Sewer/Garbage			
Other			

TRANSPORTATION		CURRENT	PROPOSED
Car Payment(s)			
Excise Tax (s)			
Fuel			
Insurance			
Maintenance/Repairs			
MBTA/Commuter Rail Passes			
Tolls/Parking			
Other			

BALANCE		INTEREST RATE
Student Loan(s)		
Other		
Other		
<b>TOTAL DEBT</b>		
<b>NET WORTH</b>		

OTHER		CURRENT	PROPOSED
Card Payments			
Dining Out			
Dry Cleaners			
Emergency Savings			
Internet Subscriptions			
Membership (Gym, Clubs)			
Money Sent Home			
Prescriptions			
Student Loans			
Vacation			
Weekly Spending Money			
Other			
Other			
<b>TOTAL EXPENSES</b>			
<b>NET</b>			
<b>TOTAL INCOME</b>			
<b>TOTAL EXPENSES</b>			
<b>OVER/UNDER</b>			

MONTHLY INCOME		CURRENT	PROPOSED
Job(s) after deductions			
Child Support/Alimony			
Government Payments			
Interest/Investment			
Rental Income			
Spouse's Job(s) after deductions			
Other			
<b>TOTAL INCOME</b>			

MONTHLY EXPENSES		CURRENT	PROPOSED
Rent(s)/Mortgage(s)			
Gas/ Electric			
Groceries			
House repairs/landscaping			
Insurance			
Internet/Cable/Satellite			
Property Taxes			
Telephone			
Water/Sewer/Garbage			
Other			

TRANSPORTATION		CURRENT	PROPOSED
Car Payment(s)			
Excise Tax (s)			
Fuel			
Insurance			
Maintenance/Repairs			
MBTA/Commuter Rail Passes			
Tolls/Parking			
Other			

OTHER		CURRENT	PROPOSED
Retirement			
Childcare			
Clothes			
Credit Card Payments			
Dining Out			
Dry Cleaners			
Emergency Savings			
Internet Subscriptions			
Membership (Gym, Clubs)			
Money Sent Home			
Prescriptions			
Student Loans			
Vacation			
Weekly Spending Money			
Other			

# Emergency Fund

---

## Start

- ✓ \$1,000
  - ✓ One month's rent/mortgage
- 

## Where to keep it

- ✓ High-yield savings
  - ✓ Liquid, insured
- 





Max out employer  
match

---



# Pay down high-interest debt

---

Snowball vs. Avalanche

# Emergency Fund

---

## Next step

- ✓ Build up to 3-6 months expenses
  - ✓ Automate contributions
- 

## Where to keep it

- ✓ High-yield savings
  - ✓ Liquid, insured
- 



# Intermediate steps

## Best Use

- ✓ Pay down moderate-interest debt
- ✓ Create sinking funds/set-aside funds
- ✓ Contribute to an IRA
- ✓ Increase your retirement savings





**Pay down moderate-  
interest debt**

---

**Snowball vs. avalanche**



# Sinking funds

---





# Contribute to an IRA

---



Increase your  
retirement savings

---

# Meet Iris & Lucas

Each invests \$100/month...but when they start matters.

	IRIS	LUCAS
TIME INVESTING	25 to 65 years old	35 to 65 years old
TOTAL YEARS INVESTING	40	30
TOTAL INVESTED	\$48,000	\$36,000
FUTURE VALUE	\$242,330	\$117,964

Using Nerd Wallet retirement calculator, assumes 6% return pre-retirement.



# Taxed Now or Taxed Later?

	TRADITIONAL 401(K) AND IRA	ROTH IRA AND 401(K)
INVEST	Pre-tax	Post-tax
TAX ADVANTAGE	Money is taxed when you withdraw funds.	Money grows and is withdrawn tax-free.*

\*penalties may exist for early-withdrawals as defined by your plan.



# Advanced steps

## Best Use

- ✓ Save for children's college funds
- ✓ Utilize out health savings accounts
- ✓ Max out allowable retirement contributions





Save for your  
child's college

---



## Utilize health savings accounts

---



## Max out retirement contributions

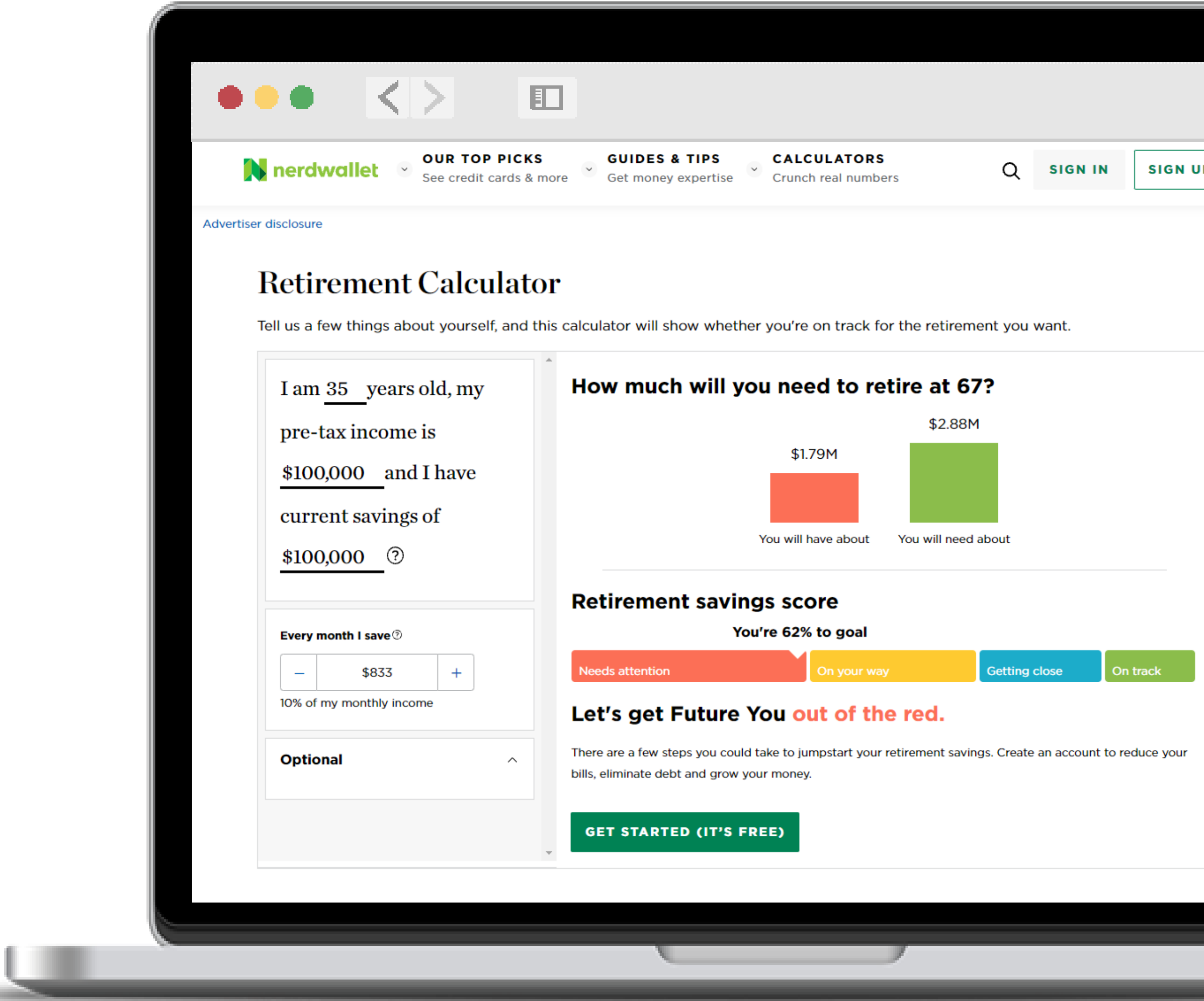
---



# Retirement Calculator

**NERDWALLET.COM**

NERDWALLET.COM/INVESTING/RETIREMENT-CALCULATOR



Website will have ads. Providing as a resource, not endorsement for any specific product.



# GreenPath

GreenPath Financial Wellness offers free credit, budget and COVID-19 counseling.

**[HUECU.ORG/GREENPATH](https://huecu.org/greenpath)**

# Disclaimer

This presentation is a general overview of principles you may want to consider. Only you can decide what is best for you. This presentation is educational in nature and is not intended to be, and should not be construed as tax, legal or investment advice. You should always consult a certified advisor for advice on your specific situation. The examples used in this presentation are for illustrative purposes only.

# Keep in Touch



[huecu@harvard.edu](mailto:huecu@harvard.edu)



[huecu.org](http://huecu.org)



[@myHUECU](https://www.instagram.com/myHUECU)

Find us on all social channels



104 Mount Auburn Street  
Cambridge, MA 02138



**HARVARD UNIVERSITY  
EMPLOYEES CREDIT UNION**

