

# **Ballin on Budget**

**Money Management/Life 101**

**AKARI Muhisani 5-26-2020**

# Agenda & Goals

## Agenda

- Who is Akari
  - Personally
  - Professionally
- Stock Investing 101
- Ballin on a Budget
  - Money Management 101

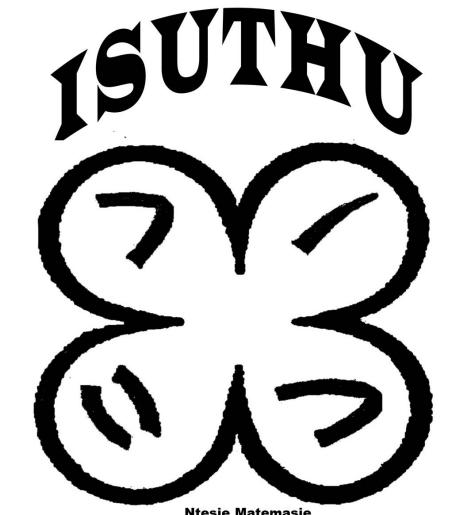
# Personal



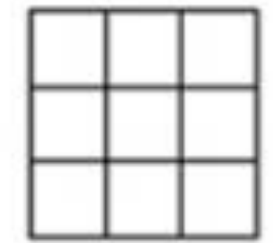
**serato** DJ Pro



**CHICAGO**  
HALF MARATHON/5K



**NTSIE MATOMASIE**  
(I heard it and kept it)  
**rites of passage**  
**MINISTRY**  
TRINITY UNITED CHURCH OF CHRIST  
Rev. Dr. Olu T. Moss III, Senior Pastor  
Rev. Dr. Jeremiah A. Wright Jr., Pastor Emeritus



**SOHO HOUSE**



# Professional



# Time & Compounding

What would you rather have, a million dollars today or a penny doubled for 30 days?

# **Stock Investing 101**

**Why You Should Invest In the Stock Market**

**P&G**

**VISA**



**Google**



**Walmart** 



**amazon** 

**NETFLIX**

**TARGET**

# 3 Types of People

## Producers

*(A person who creates economic value or produces goods and services)*

- Business Owners
- Inventors
- Consultants
- Entrepreneur

## Consumers

(A person or organization that uses a commodity or service.)

### Types of Goods & Services

- Shoes
- Barber/Hair Salons
- Eating at Restaurants
- Movies Theater

## Investors

(A person that allocates capital with the expectation of a future financial return.)

### Types of Investments

- Stock
- Real Estate
- Bonds

***Which one are you?***



# What is a Stock?

- Sometimes Referred to as Equity or Equities
- Are Issued by Companies to Raise [capital](#) in order to Grow the Business or Undertake New Projects.
- Stock Holders Do not *Own* Corporations; They Own Shares Issued by Corporations.

# Dow Jones Industrial Average

Company	Symbol	Year Added
3M	MMM	1976
American Express	AXP	1982
Apple Inc.	AAPL	2015
Boeing	BA	1987
Caterpillar Inc.	CAT	1991
Chevron Corporation	CVX	2008
Cisco Systems	CSCO	2009
The Coca-Cola Company	KO	1987
Dow Inc.	DOW	2019
ExxonMobil	XOM	1928
Goldman Sachs	GS	2013
The Home Depot	HD	1999
IBM	IBM	1979
Intel	INTC	1999
Johnson & Johnson	JNJ	1997

Company	Symbol	Year Added
JPMorgan Chase	JPM	1991
McDonald's	MCD	1985
Merck & Co.	MRK	1979
Microsoft	MSFT	1999
Nike	NKE	2013
Pfizer	PFE	2004
Procter & Gamble	PG	1932
The Travelers Companies	TRV	2009
UnitedHealth Group	UNH	2012
United Technologies	UTX	1939
Verizon	VZ	2004
Visa Inc.	V	2013
Walmart	WMT	1997
Walgreens Boots Alliance	WBA	2018
The Walt Disney Company	DIS	1991

# Time & Compounding

What would you rather have, a million dollars today or a penny doubled for 30 days?

Day 1: \$.01  
Day 2: \$.02  
Day 3: \$.04  
Day 4: \$.08  
Day 5: \$.16  
Day 6: \$.32  
Day 7: \$.64  
Day 8: \$1.28  
Day 9: \$2.56  
Day 10: \$5.12  
Day 11: \$10.24  
Day 12: \$20.48  
Day 13: \$40.96  
Day 14: \$81.92  
Day 15: \$163.84

Day 16: \$327.68  
Day 17: \$655.36  
Day 18: \$1,310.72  
Day 19: \$2,621.44  
Day 20: \$5,242.88  
Day 21: \$10,485.76  
Day 22: \$20,971.52  
Day 23: \$41,943.04  
Day 24: \$83,886.08  
Day 25: \$167,772.16  
Day 26: \$335,544.32  
Day 27: \$671,088.64  
Day 28: \$1,342,177.28  
Day 29: \$2,684,354.56  
**Day 30: \$5,368,709.12**

# **Ballin on Budget**

**Money Management/Life 101**

## **Ballin' on a Budget**

- You are a 26-year-old young professional who just moved back to Chicago for a new job. After graduating from college three years ago making \$42,000 a year, you took a new job making \$60,000.
- Goal - Come up with a monthly budget in order to live.

# Ballin on a Budget

## Objective

1. Calculate your Gross and Net Pay.
  - Gross Pay – Your pay before taxes and deductions.
  - Net Pay – Your pay after taxes and deductions.
2. Calculate a budget for the following
  - Personal Savings
  - Rent
  - Car payment
  - Car Insurance
  - Gasoline (Car)
  - Electricity
  - Cable
  - Cell Phone bill
  - Food
  - Personal Care
  - Kicking It Money

## Help Hints

You get paid Bi-weekly

You have \$240 a month student loan bill.

Where are you going to live?

# Ballin on a Budget

## Taxes

Federal Income Tax: 22% Tax Bracket

Illinois State Income Tax: 4.95%

Social Security: 6.2% on your first \$118,500 of wages

Medicare: 1.45% on all your wages

## 2020 Federal Tax Rates

**10% on income between \$0 and \$9,875**

**12% on the income between \$9,876 and \$40,125;**

**22% on the income between \$40,126 and \$85,525;**

24% on the income between \$85,526 and \$163,300;

32% on the income between \$163,301 and \$207,350;

35% on the income between \$207,351 and \$518,400;

37% on the income over \$518,400;

# Ballin on a Budget

## 2020 Federal Tax Rates

\$60,000 (No 401k contribution, Pre Tax Deduction )

26 paychecks

**Gross Pay - \$2,307.69**

### **Taxes**

\$245.00 - Federal

\$109.99 - State

\$143.08 – Social Security

\$33.46 – Medicare

**\$532.00 = Total Taxes**

**Net Pay - \$1,776.16**

Mentees have to budget **\$3,552.32** a month.

(Will have 3 paychecks for 2 months in a year)

## 2020 Federal Tax Rates (With 401K Contribution)

\$54,000 (10% 401k contribution, Pre Tax Deduction )

26 paychecks

**Gross Pay = \$2,076.92**

### **Taxes**

\$195.69 - Federal

\$98.57 - State

\$128.77 – Social Security

\$30.12 – Medicare

**\$453.15 = Total Taxes**

**Net Pay - \$1,623.77**

Mentees have to budget **\$3,247.55** a month.

(Will have 3 paychecks for 2 months in a year)