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Every Classroom,  
Every Child

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# Financial Wellness & You: Taking the First Step

# Agenda

- 1 Introductions & Your Goals
- 2 Financial Wellness & Financial Literacy
- 3 Five Steps to Effective Budgeting
- 4 **NEW** **AI Tools for Financial Analysis**
- 5 Understanding Credit
- 6 Retirement Planning & Investing
- 7 Student Loan Indebtedness
- 8 HGSE iGrad · Your 3 Actions This Week · Q&A



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# Financial Wellness & Financial Literacy

*Section 1 · Definitions, distinctions, and your starting point*

Define financial wellness

Distinguish literacy from knowledge

Identify your starting point

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# What Is Financial Wellness?

## Financial Wellness — CFPB Definition

*A state of being wherein you have security and freedom of choice, both in the present and future.*

- ✓ Have control over day-to-day finances
- ✓ Can absorb a financial shock
- ✓ Are on track to meet financial goals
- ✓ Have freedom to make choices you enjoy

**Day-to-Day  
Control**

**Financial  
Resilience**

**Goal-Oriented  
Progress**

**Freedom  
of Choice**

*Four Pillars of Financial Well-Being — CFPB*

# What Is Financial Literacy?

*Financial literacy is the path to financial wellness — it combines knowledge AND the ability to act on it.*

## 01 Know When & How

Find reliable information to make sound financial decisions

## 02 Know How to Process

Analyze information to evaluate options and choose wisely

## 03 Know How to Execute

Act on decisions, adapt as needed, and stay on track

Financial literacy has an action component — knowing is not enough. You need the skills to put knowledge to use. — CFPB

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# Five Steps to Effective Budgeting

*Section 2 · A practical framework for taking control*

Needs vs. Wants

Set SMART Goals

Know Your Income  
& Expenses

Make a Spending  
Plan

Assess & Adjust

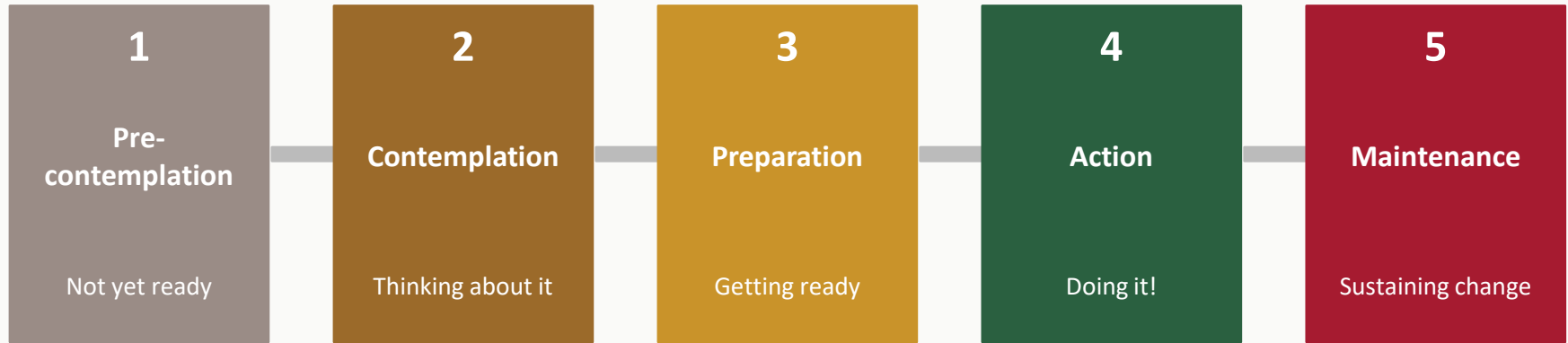
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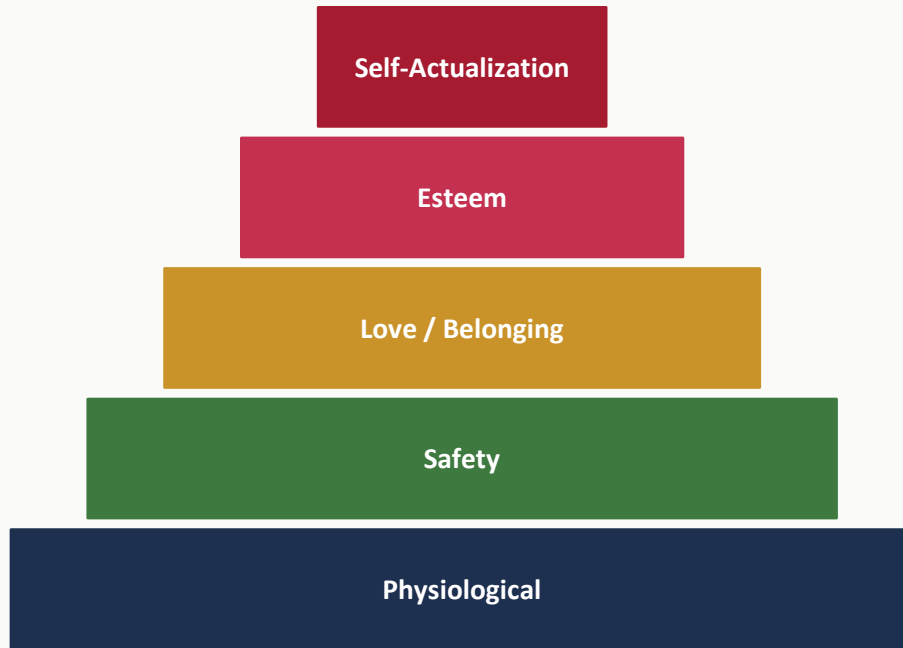
# Budgeting & The Stages of Change

*Knowing where you are on the readiness spectrum is step one — and determines which strategies will actually work for you.*



People not yet ready for change may withdraw if pushed too fast. Meet yourself — or your audience — where they are.

# Step 1: Needs vs. Wants



*Maslow's Hierarchy of Needs*

## Ask yourself when unsure:

**Q1** What need is this expense fulfilling?

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**Q2** Can I meet that need another way for less?

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**Q3** How important is it — would I really miss it?

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**Q4** Am I influenced by stress, FOMO, or peer pressure?

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**Q5** Will I feel the same about this in a week? A month?

## Step 2: Set SMART Goals

# S

### Specific

What exactly do you want to achieve?

# M

### Measurable

How will you know when you've reached it?

# A

### Achievable

Is it realistic given your resources?

# R

### Relevant

Does it align with your values?

# T

### Time-bound

What is your deadline?

Short-term: 1 week – 6 months | Intermediate: 6 months – 1 year | Long-term: Greater than 1 year

# Step 3: Know Your Income & Expenses



## Define a period

Two weeks, a month, or a semester. Avoid atypical periods (vacations, emergencies) when establishing your baseline.



## Track and analyze

Record ALL income and expenses. Were all needs met? Did you have surplus? Understand the why — not just the what.



## Stay flexible

A flexible budget needs a flexible document. Use iGrad's Daily Income & Expense Diary as your starting point.

## Step 4: Make a Spending Plan

The 50/30/20 Rule — a widely-used starting framework:

# 50%

### Needs

Housing · Food · Utilities · Transportation ·  
Minimum debt payments

# 30%

### Wants

Dining out · Entertainment · Travel ·  
Subscriptions · Shopping








# 20%

### Savings & Debt

Emergency fund · Retirement · Extra debt  
payoff · Investments

Rules of thumb are starting points — your income type, circumstances, and goals determine the right mix for you.

## Step 5: Assess & Adjust — Sample Budget

Category	Planned	Actual	Variance
 Housing	\$1,800	\$1,800	—
 Utilities & Internet	\$575	\$689	+\$114 ↑
 Transportation	\$1,250	\$1,150	-\$100 ✓
 Health & Medical	\$430	\$400	-\$30 ✓
 Groceries & Personal	\$1,725	\$1,225	-\$500 ✓
 Debt Obligations	\$315	\$200	-\$115 ✓
 Savings	\$300	\$300	— ✓
 Goal Planning	\$115	\$200	+\$85 ↑
<b>TOTAL INCOME \$7,500   PLANNED EXPENSES \$6,495   ACTUAL \$5,864   NET SURPLUS +\$1,636</b>			

# When You Review Your Plan — Ask Yourself:

**How well did you stick to the plan?**

*Were your goals actually realistic?*

**What changes are needed?**

*Adjust the plan, not the ambition*

**Where did you struggle — and why?**

*A one-time event or a recurring pattern?*

**Does the plan still serve you?**

*Life changes — remain flexible*

**Where did you succeed?**

*What habit or choice made the difference?*

Remember: Self-Reflection is Crucial. Reflect Often — Remain Flexible.

# Do You Know Your Financial Personality?

Your financial personality shapes every money decision. It's built from upbringing, role models, and personal experience.



## Understand the Why

Learn the root cause of your money decisions and behavioral patterns



## Leverage Your Strengths

Use your natural tendencies as assets in financial planning



## Address Challenges

Identify your blind spots before they become costly mistakes



## Personalized Strategies

Tools tailored to your specific money personality type

Try iGrad's Money Personality Assessment at [hgse.igrad.com](https://hgse.igrad.com) — free with your HGSE email

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# AI Tools for Financial Wellness

*Section 3 · NEW in 2026–27 — AI-powered analysis, budgeting, and long-term planning*

Upload statements for instant analysis

Build a personalized budget in  
minutes

Simulate long-term financial scenarios

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# AI as Your Financial Thinking Partner

Generative AI democratizes access to personalized financial analysis — once available only through paid advisors.

## What AI Does Well

- ✓ Categorize spending from uploaded statements
- ✓ Apply budgeting frameworks to your own data
- ✓ Generate personalized saving strategies
- ✓ Simulate compound interest & retirement scenarios
- ✓ Explain financial concepts in plain language

## Use Wisely — Know the Limits

- ! Cannot access your real accounts directly
- ! Always verify calculations — AI can err
- ! Never share SSNs, full card numbers, or passwords
- ! Not a licensed financial advisor
- ! Treat output as a starting point, not a final plan

Free tools: [Claude \(claude.ai\)](https://claude.ai) · [ChatGPT \(chatgpt.com\)](https://chatgpt.com) · [Gemini \(gemini.google.com\)](https://gemini.google.com)

# Demo 1: Analyzing a Credit Card Statement

## 1 Upload Statement 1

### Statement 1: Alex Rivera — Credit Card

Period:	February 2026
New charges:	\$2,187.44
Late payment fee:	<b>\$35.00</b>
Credit utilization:	<b>37.3% (target: &lt;30%)</b>
Top categories:	Dining · Subscriptions · Clothing

## 2 Enter Your Prompt

### Try This Prompt

*"I've uploaded my credit card statement. Please:*

- 1. Categorize my spending into groups*
- 2. Identify my top 3 problem areas*
- 3. Show the annual cost if late fees/interest continue*
- 4. Suggest 3 specific changes I can make this month"*

## 3 Review AI Analysis

Statement 1 (Alex Rivera) is available as a practice PDF in today's session materials

# Demo 2: Building a Budget on a Grad Stipend

## Statement 2: Jordan Kim — Bank Checking

Monthly income:	<b>\$2,820 (stipend)</b>
Rent alone:	<b>\$1,450 = 51% of income</b>
Monthly savings:	<b>\$28.48 (just 1%)</b>
Emergency fund:	<b>\$312 of \$8,460 goal</b>
Parental loan:	<b>\$315/month informal</b>

## Try This Prompt

*"I've uploaded my bank statement. My income is \$2,820/month as a grad stipend. Please:*

- 1. Apply the 50/30/20 rule — show where I stand vs. targets*
- 2. My rent is 51% of income — what are my realistic options?*
- 3. How long to save 3 months of expenses at my current rate?*
- 4. Suggest one change to meaningfully increase my savings"*

Key discussion: How do standard rules apply when rent alone exceeds 50% of income? What trade-offs matter most on a fixed stipend?

# Demo 3: Long-Term Planning with AI

## Statement 3: Sam & Morgan Taylor

Household income:	<b>\$6,944/month</b>
Monthly savings:	<b>\$1,040 (15%) ✓</b>
Roth IRA:	<b>\$1,000/mo contributed</b>
Emergency fund:	<b>\$18,920 (45% of goal)</b>
Est. net worth:	<b>~\$202,849</b>

## Long-Term Planning Prompts

*"If we contribute \$1,000/mo to our Roth IRAs at 7% return, what will we have at 65?"*

*"How long until we fully fund our 6-month emergency fund at our current rate?"*

*"We're over budget on dining. What is the 12-month impact on our savings goals?"*

*"Create a 5-year net worth projection based on our income and savings habits."*

This household is on track — AI helps them see it clearly, plan the next milestone, and stress-test scenarios before major decisions.

# Your AI Prompt Starter Kit

Upload your statement and try one of these tonight:

## Spending Analysis

*"Categorize my spending and rank my top 5 categories. Flag any over 15% of income."*

## Debt Strategy

*"I have a credit card at 24% APR. Should I pay minimum, aggressively, or in between? Show the math."*

## Budget Creation

*"Based on my income and expenses, build a budget using the 50/30/20 rule."*

## Retirement

*"If I contribute \$200/month to a Roth IRA starting at 28, what will I have at 65 at 7% return?"*

## Savings Goal

*"I want a 3-month emergency fund. How long at my current rate — and what single change cuts that in half?"*

## Big Decision

*"Leasing at \$450/mo vs. buying used for \$280/mo + \$3,000 down — which fits my budget better?"*

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# Understanding Credit

*Section 4 · Build it, protect it, and use it strategically*

What credit is and why it matters

How FICO scores are calculated

Monitor and protect your credit

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# What Is Credit & Why Does It Matter?

*Credit is your borrowing capacity — the level of trust a lender assigns based on your financial history.*



## Renting an apartment

Most landlords check credit before approving an application



## Financing a car

Your score determines your rate — 100 pts can mean thousands of dollars



## Getting a job

Some employers (especially in finance) review credit as part of hiring



## Phone & utility plans

Providers may require deposits or deny service without established credit



## Buying a home

Your score is the single biggest factor in mortgage approval and rate



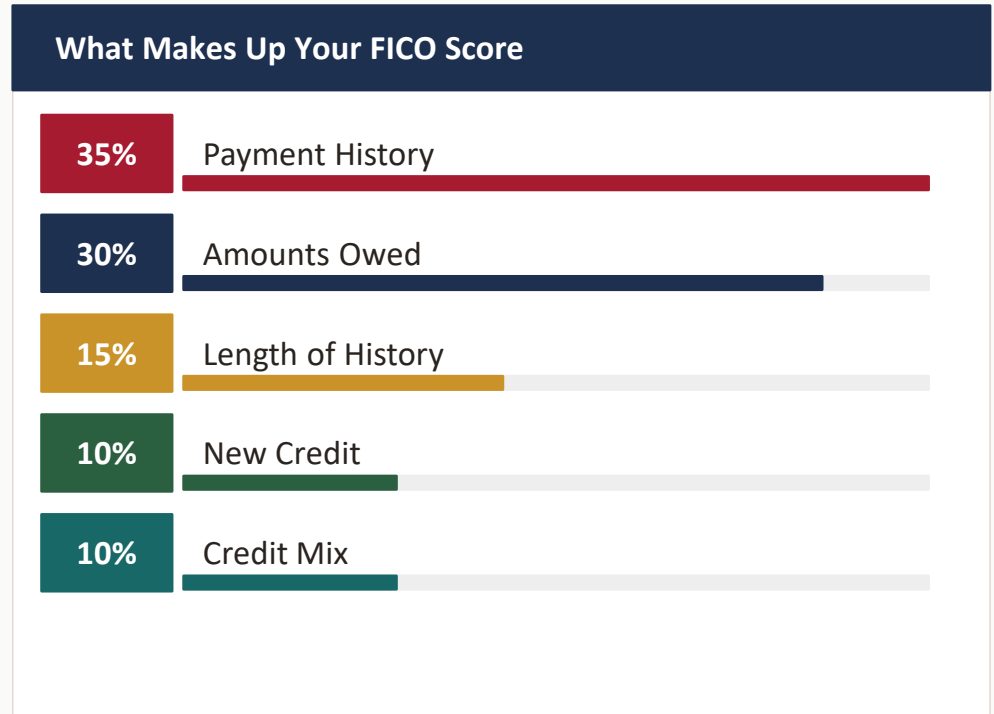
## Student loans

Private loans require a credit check; most federal loans do not

# Your FICO Score — What Moves the Needle



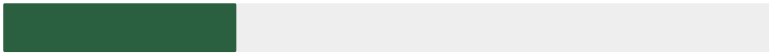
Scores 300–850 · Higher is better



# Keep Your Credit Healthy

## Credit Utilization — The 30% Rule

Credit limit: \$1,000



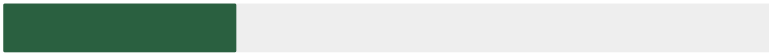
Spend no more than \$300

Credit limit: \$5,000



Spend no more than \$1,500

Credit limit: \$8,000



Spend no more than \$2,400

*Higher utilization = lower score. Pay in full monthly.*

## Monitor & Protect Your Credit



### Free credit report

One free report per bureau annually. Visit [AnnualCreditReport.com](https://AnnualCreditReport.com) — the official source.



### Monitor for errors

Errors are common. Dispute directly with Equifax, Experian, or TransUnion.



### Fraud or identity theft?

Contact all 3 bureaus immediately. Place a fraud alert. Report to [IdentityTheft.gov](https://IdentityTheft.gov).

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# Retirement Planning & Investing

*Section 5 · Start early, diversify, and let compound interest work for you*

Why starting early matters most

How much you'll need

Account types & investment basics

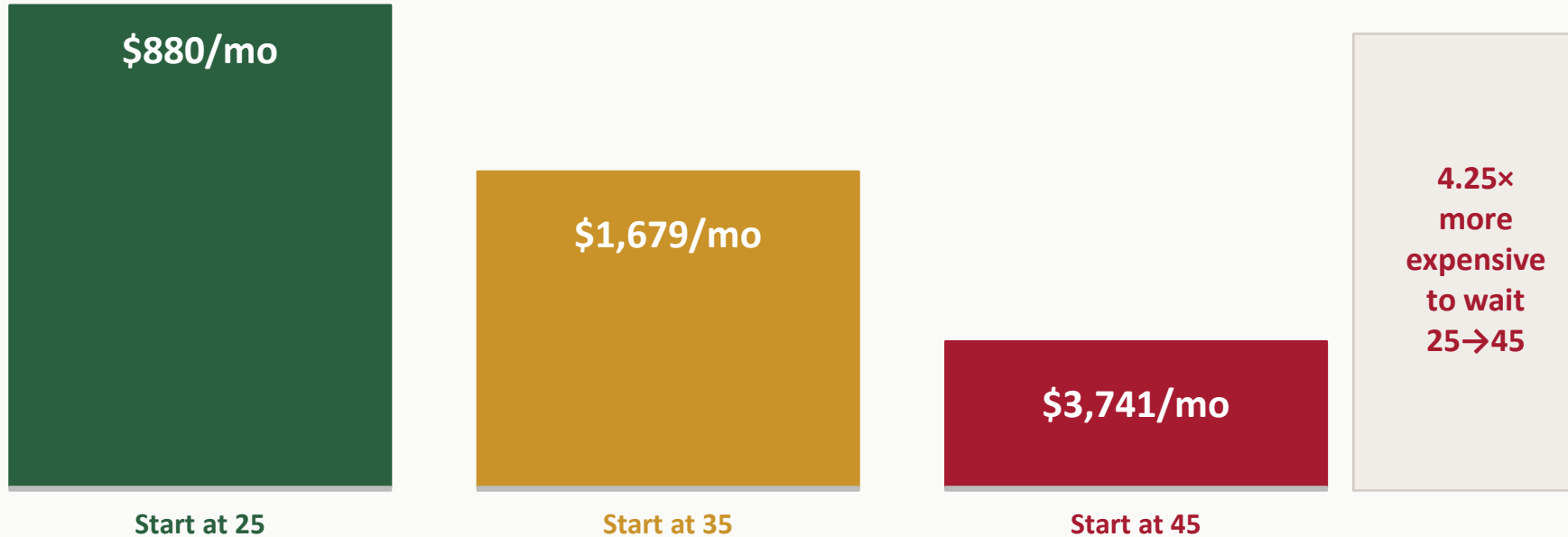
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# Why Starting Early Changes Everything

Compound interest rewards those who start early — and dramatically penalizes those who wait.



Goal: \$1,000,000 by age 60 · Assumes 5% constant annual return

# How Much Will You Need in Retirement?

Two foundational rules of thumb — adjust based on your lifestyle, inflation, and other income sources.

# 80%

of pre-retirement income

The minimum most people need annually to maintain their lifestyle in retirement

# 4%

annual withdrawal rate

Safe withdrawal rate for those who retire around age 65, adjusted for inflation

Example: Age 30 · \$50K income · Retire at 65 · Live to 90 · 80% replacement · 6% return · 3% inflation → \$1,437/month needed.  
Calculate at iGrad.

# Retirement Account Types — Know Your Options

## 401(k)

Employer

Pre-tax contributions; taxes at withdrawal. Always get the full employer match — it's free money.

## 403(b)

Nonprofit/Edu

Like a 401(k) for nonprofits, schools, and government. Lower admin costs — relevant for HGSE staff.

## Traditional IRA

Individual

Tax-deductible contributions; taxed at withdrawal. Best if you expect a lower bracket in retirement.

## Roth IRA

Individual

After-tax contributions; withdrawals in retirement are entirely tax-free. Ideal for younger earners.

## Social Security

Federal

Funded through FICA taxes. Designed to supplement — not replace — personal savings. Collect at 62–70.

## Keogh Plan

Self-Employed

Tax-deferred pension for self-employed individuals. Higher contribution limits than standard IRAs.

# Invest Wisely: Diversify and Rebalance

## Cash & Equivalents

### Lowest Risk · Lowest Return

Checking, savings, CDs. Safe and liquid — but often grows slower than inflation.

## Fixed Income (Bonds)

### Low Risk · Modest Return

Lending to governments or companies. Predictable income; modest but steady growth.

## Equities (Stocks)

### Higher Risk · Higher Return

Ownership in a company. Variable income, but historically outpaces inflation over time.

**Diversification:** Mix asset types to manage risk. **Rebalancing:** Adjust your allocation periodically. Target-date funds in most 401(k) plans do this automatically as you age.

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# Student Loan Indebtedness

*Section 6 · Borrow wisely — explore every alternative first*

Non-repayable alternatives first

Federal vs. private differences

Repayment options & forgiveness

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# Explore Non-Repayable Options First

Only borrow what you need — seek these sources before taking on loan debt:



## Scholarships

Monetary gifts by merit, need, or criteria. Always free to apply — never pay.



## Federal Work Study

Part-time campus employment. Apply through FAFSA.



## Assistantships

Teaching or research assistance — most common at grad level. Contact your department.



## Fellowships

Merit-based awards from your school or professional organizations.



## Sponsorship

US and international government programs for academic exchange.



## Employer Assistance

Tuition advance or reimbursement. Ask your HR department — many offer this.

# If You Borrow: Federal vs. Private Loans

Feature	Federal Loans	Private Loans
<b>Credit check?</b>	No (except PLUS loans)	Yes — may need co-signer
<b>Interest rates</b>	Fixed, set by Congress annually	Fixed or variable; based on credit
<b>Repayment options</b>	Standard, IDR, PSLF available	Varies — limited flexibility
<b>Forbearance / Deferment</b>	Available by law	May or may not be offered
<b>Forgiveness programs</b>	PSLF and IDR forgiveness	Generally not available
<b>Recommendation</b>	Exhaust these first	Last resort only

Track federal loans at [StudentAid.gov](https://studentaid.gov) · Use the [Loan Simulator](#) to compare repayment options · Import directly into iGrad

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# HGSE iGrad

*Section 7 · Your free, lifetime financial wellness platform*

Free with your HGSE email

Budgeting tools, calculators & loan tracking

Money Personality Assessment

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# What Is HGSE iGrad?

A free, web-based financial literacy platform — free for life with your HGSE email at [hgse.igrad.com](https://hgse.igrad.com)



## Budgeting Tools

Daily expense diary, worksheets, and a flexible budget builder



## Calculators

Investment projections, savings future value, retirement planning



## Loan Management

Import from StudentAid.gov. Compare PSLF, IDR, and all repayment options



## Money Personality

Behavioral assessment to discover your money type and get tailored strategies



## Videos & Webinars

Tutorials on budgeting, credit, retirement, and investing



## Scholarship Search

Built-in database — free to search, never pay to apply

# Getting Started with HGSE iGrad

- 1** Go to [hgse.igrad.com](https://hgse.igrad.com) Visit the HGSE-specific portal from any browser, anytime
- 2** Click 'Get Started' Create your free account using your HGSE email address
- 3** Complete your profile Enter basic financial info — this personalizes your dashboard
- 4** Take the Money Personality Assessment Discover your financial personality type and get tailored recommendations
- 5** Connect your student loans Import from StudentAid.gov to see all repayment options in one place

# Your 3 Actions This Week

*Meaningful change starts with a single step. Do these three things before next week.*

**1**

## **Pull your free credit report**

Visit [AnnualCreditReport.com](https://AnnualCreditReport.com) and download reports from all 3 bureaus. Look for errors.

*10 minutes. Free. No strings.*

**2**

## **Track one full week of spending**

Starting today — every dollar in a notes app, spreadsheet, or iGrad's expense diary.

*No judgment. Just data.*

**3**

## **Open your HGSE iGrad account**

Go to [hgse.igrad.com](https://hgse.igrad.com) with your HGSE email. Take the Money Personality Assessment.

*Free for life. 5 min setup.*

# Resources — Save & Share

All resources are free. Start at [hgse.igrad.com](https://hgse.igrad.com) — it links to most from your personalized dashboard.

## HGSE Platform

- [hgse.igrad.com](https://hgse.igrad.com)
- [gse.harvard.edu/financial-aid](https://gse.harvard.edu/financial-aid)

## Federal Resources

- [studentaid.gov](https://studentaid.gov)
- [consumerfinance.gov](https://consumerfinance.gov)
- [annualcreditreport.com](https://annualcreditreport.com)

## Credit & Investing

- [myfico.com](https://myfico.com)
- [investor.gov](https://investor.gov)
- [sec.gov](https://sec.gov)

## Financial Guidance

- [ftc.gov](https://ftc.gov)
- [debt.org](https://debt.org)
- [financialeducatorsCouncil.org](https://financialeducatorsCouncil.org)
- [bls.gov](https://bls.gov)

# Questions & Answers

