**Script for**

**Achieving Financial Security: A Community Forum Panel**

**Date**

**Hosting Organization**

**City, State**

***Church official opens with a prayer and introduce Moderator.***

**Moderator:** Thank you for that kind introduction. Thank you to (church officials and church family for hosting).

I am honored to share the stage with a distinguished panel of financial professionals who will share insight, wisdom and information with us today.

 **Introduce panel**

Panel, thank you all for giving your time and sharing your expertise with us today.

 **Let’s discuss a bit about how this day will go:**

We will begin today by listening to two letters written to me by characters in our case study. We will then watch a short video about that family that had the issues and questions. We will then turn to our panel of experts for guidance and answers. The panel will share their wisdom with you, not only to solve this family’s problems, but also to discuss what could have been done years before to avoid the issues they face today. We are not going to cover everything in the video today, but if there is enough interest and you’d like to hear more, we may be able to have more programs like this one.

First: You are free to ask questions during the session. We have microphones located around the room. If you have a question please raise your hand. I may delay you for a bit if a speaker is in the middle of a topic. When you are ready, please step up to the mic and ask your question. We may answer your question, tell you that the answer is coming later in the presentation or ask you to speak privately to one of the professionals.

Note that the information provided during this Community Forum is for general educational purposes. It should not be deemed legal, accounting or financial advice and should not be acted upon without prior consultation with appropriate professional advisors. The bottom line is that none of us are providing anyone with personalized advice for their unique situations. If you need that kind of help, please consult an advisor when this session is done.

OK, let’s begin by hearing two letters read by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. We will then watch the interview with the Simmons Family.

Letters read

**Moderator:** As I mentioned before, we do not have the time to cover every one of this family’s issues. Today, we will try to help (names of characters). (Put Family Tree on screen or refer to Family Tree in handout). During this session, the professionals will focus on issues that touch the lives of those who have anyone age 18 through 34 in their home.

The second session in the series will be held on January 14, 2017across the street at the Bethel A.M.E. Church. During this session, the professionals will focus on issues that touch the lives of those who have anyone age 35 through 50 in their home.

The final session in the series will be held later in 2017across the street a church in Bloomfield. During this session, the professionals will focus on issues that touch the lives of those who have anyone over the age of 50 in their home.

***The rest of the script is set roughly in age order, youngest to oldest. Let’s start by looking at issues related to those age 18 to 35. Walter has a son turning 18. Let’s start with him.***

**WALTER’S SON TURNING 18**

**MODERATOR:** So Estate Planning Professional, Walter’s son is turning age 18. Tell us one thing that Walter should do when his son turns 18?

**Estate Planning Professional:** Health care proxy discussion and why it is important

* Power of attorney for age 18 son - HIPPA release, Medical Power of Atty., what could happen
* Written directives concept
* Storage of passwords
* Beneficiary designations

**MODERATOR:** Walter’s oldest son, Bobby, is a senior in high school. He starts college next year. His three top choices for schools are NYU, Notre Dame and UConn. The costs of the schools are as follows:

|  |  |  |
| --- | --- | --- |
| School | Tuition Room and Board Costs | Why He Likes the School |
| New York University | $71,000 | He likes New York City |
| Notre Dame | $67,000 | Great sports teams |
| University of Connecticut | $28,000 (with in-state tuition) | Good basketball team |

Financial Advisor, what discussion should Walter be having with his son Bobby regarding his choice of colleges? Investment Advisor, what advice would you give to Bobby as a young person making an important decision regarding college?

**Financial Advisor and Investment Advisor:**

**Answer:**

Walter-Bobby Considerations

* $200,000 gift from Mimi to be split between two boys
* That is $100,000 per boy, $25,000 per year to pay for four years
* Don’t want to go through all the money in one year, so that Bryon cannot return in future years

Bobby Considerations:

* College is fun but it is also preparation for life
* By looking at school now seriously can prepare you for a career where you can make money doing what you like to do
* Looking at college costs seriously now can keep you from creating debts that will really burden you in your 20s and 30s

**MODERATOR:** Bobby listened to you and said “Notre Dame is my dream school. I should be able to follow my dream. Why can’t I just borrow the money for college? That is what everybody else is doing.” Even Walter said he is thinking about borrowing the money. Banker, please give us some background regarding student loans and the advice you would give to Bobby and Walter. Focus on Bobby today. In the next session you will focus on Walter.

**Banker (answer):**

Federal loan which Bobby can take out directly without credit history or parent signature; $5,500 limit for dependent students in 2016.

Private student loan which Bobby can take out with credit history, likely requiring parent co-signature; limited by credit capacity of Bryon and Walter.

 The costs of Notre Dame loans broken out by Bobby and Walter are as follows:

|  |  |  |
| --- | --- | --- |
| Borrower | Loan Taken Each Year for $67,000 Costs/Notre Dame | Total Loan Balance Over 4 Years |
| Bobby | $5,500 in Federal Student Loans | $22,000 |
| Bobby with Walter Co-signing | $61,500 in Private Student Loans | $246,000 |

Advice to Walter and Bobby. Focus on Bobby. “Do you want your Dad on the hook for $246,000 of your loans?”

**Moderator**: This presents the issue of maturity and the willingness of a mature young person to look beyond their own desires and consider the impact that their decisions have on the lives of their family and those around them. Estate Planning Professional, please describe the thinking of this mature young person. Investment Advisor you may want to jump in as well.

**Estate Planning Professional and Investment Advisor**: (answer)

Moderator: **Accountant**, can interest on student loans be deducted?

**Accountant**: (answer) Yes

Moderator: **Accountant**, are there tax credits available people who pay college expenses, either by borrowing the money or paying the money directly.

**Accountant**: (answer) Yes

**Moderator:** Are there any tax consequences related to getting a scholarship?

Accountant: (answer) Yes

**Moderator:** These are some hard choices for Walter and Bryon. Estate Planning Professional, what can parents with very young children do in advance to help themselves when their children reach college age?

**Estate Planning Professional:** (answer) 529 plans

**Moderator**: Are there drawbacks when it comes to uniform gifts to minors plans and 529 when children reach age 21?

**Estate Planning Professional:** (answer) large sums of money are in the children’s control with UGTM account

Moderator: **Accountant**, are there tax benefits related to investing in 529 plans?

**Accountant**: (answer)

**Moderator**: OK, Walter’s sons both have a checking or savings account at their local bank. Both of them just use a debit card. Neither of them ever ordered checks for their account. Banker, please talk to us about setting ourselves up at a bank. Should young people know how to use written checks?

**Banker:** (answer) go through benefits and drawbacks of ATMs vs. written checks. Do a written check example.



* Pay to the Order – write across so no one can insert “or *their name*’
* 2nd line - the legal line; the bank will cash the written amount, not the number in the box
* Signature – anyone on your account can sign your check; even if their name and address not on your check
* Date line – in Connecticut banks can cash post dated checks
* Endorsing checks – either signature or “for deposit only” works to deposit checks; don’t put your account number on the back side of somebody’s check

**Moderator**: Banker, young people can sometimes run into scam artists who try to take advantage of them using their checking account. Let me give you an example. Byron, Walter’s son, was selling something online. A buyer agreed to buy it for the full sales price of $200. The buyer then sends Bryon a check for $1,200. The buyer asked Bryon deposit the check into his account, immediately write a check from his account for $1,000 and mail his check to somebody Bryon never heard of in another state. What is going on? What should Bryon do?

**Banker**: (answer)

**Moderator**: Finally Banker, give us some pointers regarding how avoid identity theft schemes involving our bank accounts.

**Banker**: (answer)

**Moderator**: OK, let’s go to a topic that is near and dear to the heart of young people from teens on up—driving a car. Property Casualty agent, please talk to us about auto insurance. How can Bryon, either by himself or with his father Walter, get the best deal on auto insurance. What should they look for? What should they be doing?

**Property Casualty agent:** (answer)

**Moderator:** Now let’s turn to a topic that young people never talk about: dying. Financial Advisor, why should a young person have life insurance? They are probably not going to need it for a long time.

**Financial Advisor**: (answer)

**Moderator:** OK, let’s close by looking ahead in Walter’s boy’s life. They are going to get older want eventually want to move out of Walter’s house. Investment Advisor, what type of things should they have in place when they begin living in their own apartment?

**Investment Advisor: (answer)**

* Emergency funds – things breaks
* Life insurance
* Renter insurance
* Auto insurance
* Identity theft insurance – lifelock; they can work on your behalf

**Moderator:** Accountant, any tax advice for young person who is leaving their parent’s home and moving into an apartment?

**Accountant:** (answer)

Additional exemptions

If the young person is working with a steady income a Roth 401(k) or Roth IRA may make sense. (Explain tax-deductibility difference between Roth and regular 401(k) or IRAs; note the fact that these young people likely will not have a major immediate tax impact if their Roth contribution is not deductible today, but can because accumulating an amount they can access income tax free at a later date.)

**Moderator:** Finally, let’s talk about young couples. Walter’s sons may meet wonderful young ladies, get married and have a family of their own. Financial Advisor, what type of things should they have in place when they begin to start their families?

**Financial Advisor:** (answer)

* Will
* Emergency funds
* Life insurance
* Employee benefits 401k with matches
* 529 for college

**Moderator:** Accountant, any tax advice for young couples who want to settle down and start a family?

**Accountant:** (answer) If the couple is renting now, there are advantages to buying a home:

* Itemized deductions for mortgage interest and property taxes can lower tax liability
* People who do not have to pay as much tax as before because they now itemize should consider taking more money out of each paycheck rather than waiting until the following spring to get a tax refund. You need to be disciplined and use that money to increase your savings.
* If you buy a home which is your primary residence you will not have to pay capital gains tax unless you make a profit of more than $250,000 if you are single or $500,000 if you are married. You may have to pay some tax if you use part of your home for your business, but if you just live in the home, that gain will be tax free.
* Child tax credit
* Day care costs

**Moderator:** Social Security Expert, let’s close by saying a word about social security. Many young people hear that social security is in trouble. Some young people sitting here do not expect to be collecting social security when they retire. Please speak to them. In our opinion, will social security continue to be around.

**Social Security Expert:** (answer)

**Moderator:** Panel, thank you for doing a superb job today. I would like each of you to take 2 minutes to speak to the audience from your heart and give us any final thoughts. General, please go first.

Each Panelist **(answer)**