



**Harvard**  
FEDERAL CREDIT UNION

# The Gen Z Guide to Wealth Building

# Today's Webinar

## Reducing Background Noise

We've muted all attendees to help with audio quality.

## Using the "Q&A" Feature

Submit questions at any point. Let's test it!

## Presentation & Recording

This presentation is being recorded and will be posted on our YouTube channel to re-watch.

## Post-Workshop Survey

Take our post-workshop survey and let us know how we did.

# Meet Your Hosts



**Ty Robinson, CCUFC**  
Community Engagement  
Specialist



**Jen Fries, CCUFC**  
Community Engagement  
Manager



**Terrence Bazile, CCUFC**  
Community Engagement  
Specialist

# Not-For-Profit Banking at Harvard FCU



## Community Focused

Harvard FCU is dedicated to empowering our community at Harvard and beyond. 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.

# Meet the Presenter

## Raj Bhanshali

Investment Advisor  
Representative, CUSO Financial  
Services, L.P., Harvard Federal  
Credit Union



# Gen Z Snapshot

Over 2/3 of Gen Z rate their financial situation as “fair” or worse.



## Income shortage

According to the Bank of America Better Money Habits Research Report, 52% of Gen Zers say they don't make enough money to live the life they want due to the cost of living.

## Confidence Shortage

39% of Gen Z fear making the wrong choices with their money.

## Hard Work. On the Grind.

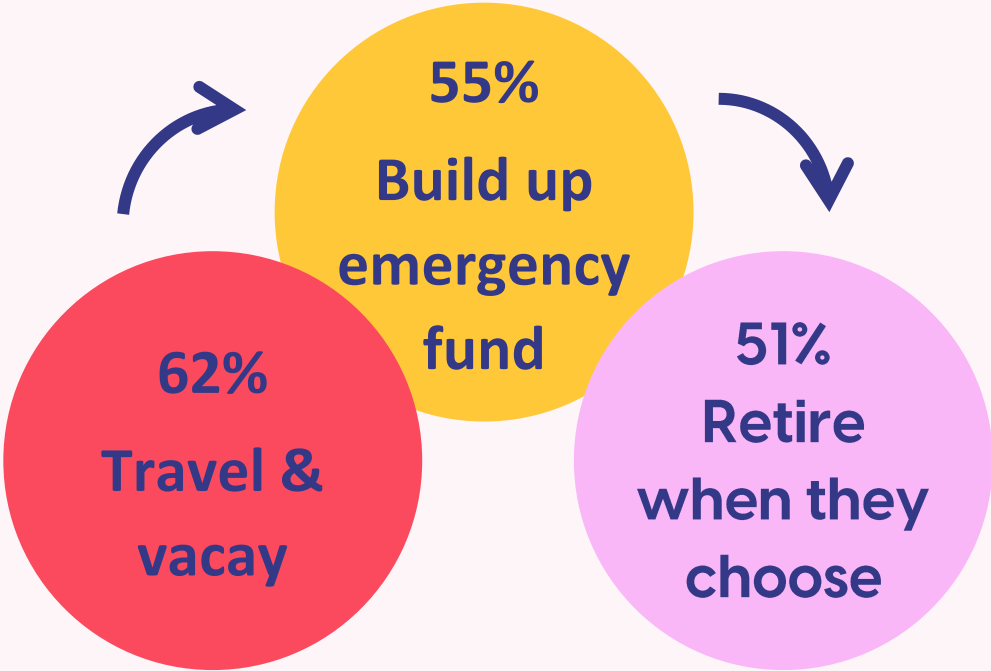
Nearly 40% of Gen Z hold both a job and a “side hustle” to make ends meet.

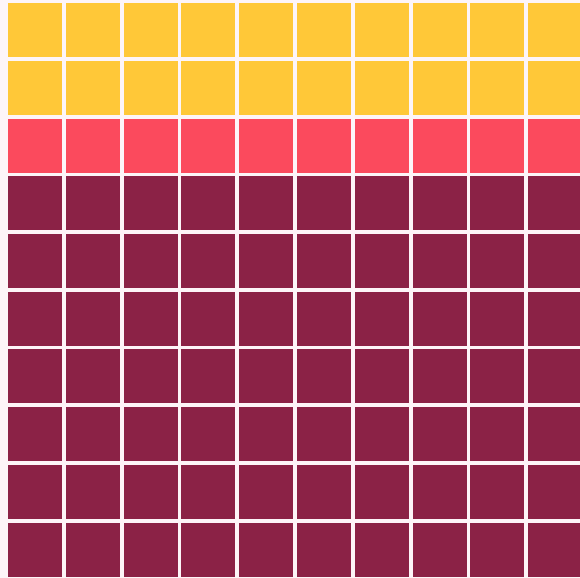
## Debt Regret

1 in 5 of Gen Z regret taking on too much in student loan debt, and 19% cite the same regret about credit card debt.

# Gen Z Financial Goals

According to FINRA Investor Education Foundation





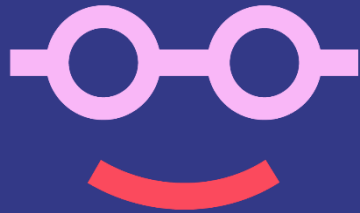
We suggest trying to live on

**70%-80%**

Of your current  
salary while saving  
for goals.



# Defining a Financial Goal



What are  
you saving  
for?

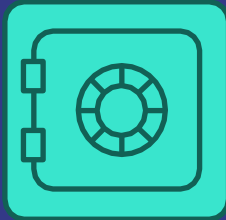


When do you  
want to buy  
it?



How much will  
it cost at that  
time?

# Achieving a Financial Goal



How  
much to  
save?

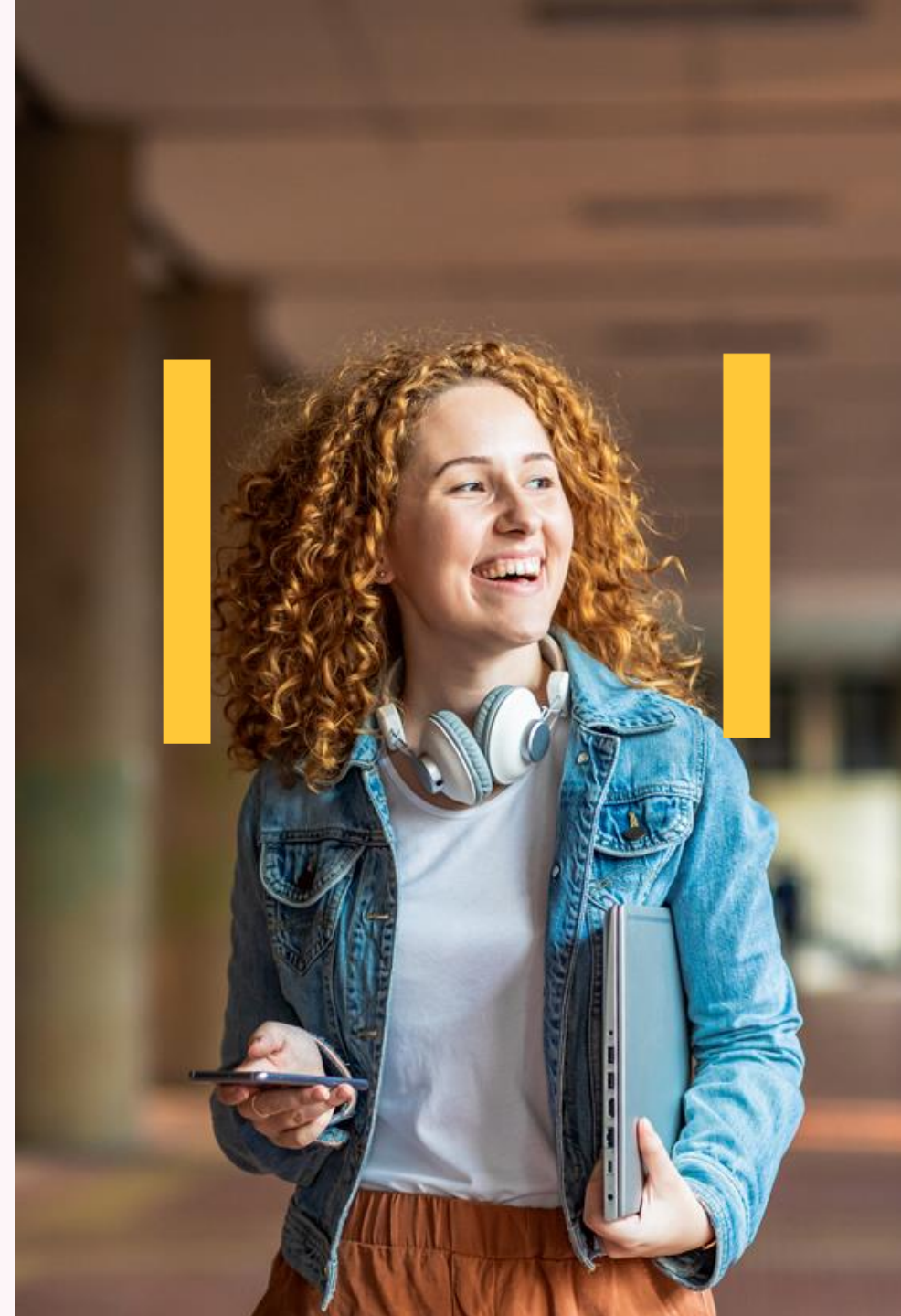


What  
account  
to use?



Investment  
strategy

# Competing Priorities



# Competing Priorities

## Debt Repayment

Make a plan to repay your debt. If interest rates are high, you will want to pay more than the minimum payment. If your rates are low, you may want to only pay the minimum.

## Emergency Savings

Start slowly and consistently add to your emergency savings until you reach at least 3 months of expenditures in a high-yield savings account.

## Automate Your Life

Automate your payments to your savings account—sometimes called “pay yourself first.” You can also automate debt payments.



## Retirement Plans

Once you are working at a job with a retirement plan, contribute at least the amount to qualify for your employer match. That is free money!

## Other Savings Goals

You can have more than one savings account, so open that vacation account and start contributing.

## Small Amounts Add Up

Building wealth takes time and consistency. Don't give up! Setbacks are normal.

# Competing Priorities: Considerations

If possible – keep saving for retirement!

## Retirement vs. Emergency Reserve

- Consider reducing retirement savings to the minimum (maximizing the company match)
- Build emergency reserve over one to two years
- Consider increasing retirement savings back toward 15%

## Retirement vs. Debt

- Consider reducing retirement savings to the minimum (maximizing the company match)
- Pay down credit card debt within three years
- Consider increasing retirement savings back toward 15%

## Emergency Reserve vs. Debt

- Consider reducing retirement savings to the minimum (maximizing the company match)
- First build emergency reserve over one to two years
- Then pay down credit card debt within three years
- Consider increasing retirement savings back toward 15%

## Retirement vs. College Savings

- Confirm that you are on track for retirement
- If close to recommended benchmarks, consider reducing retirement savings
- Contribute toward college down payment



# Emergency Reserves

# Emergency Reserves

Adequate savings can prevent the need to use credit cards or raid retirement accounts



Set aside



Build over time



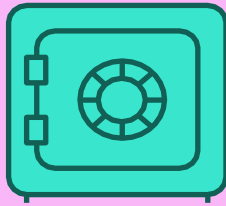
**3 to 6**

**Months of expenses**

**20%**

**Of income**

# Which Accounts to Use



Emergency savings should be in a high-yield savings account.



For retirement and college/grad school savings, a **tax benefit** can be received if the savings are directed to certain qualified accounts.





# Managing Debt



# Managing Debt

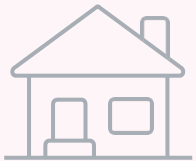
If debt payments are prohibiting your ability to save for retirement



Target  
debt



Set a  
timetable



Continue  
payments



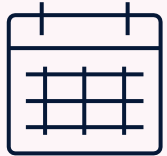
Target high-interest debt  
(credit cards) and accelerate  
payments

# Managing Debt

If debt payments are prohibiting your ability to save for retirement



Target  
debt



Set a  
timetable



Continue  
payments

Target high-interest debt  
(credit cards) and accelerate  
payments

Set a timetable (for  
example, one to three  
years)

# Managing Debt

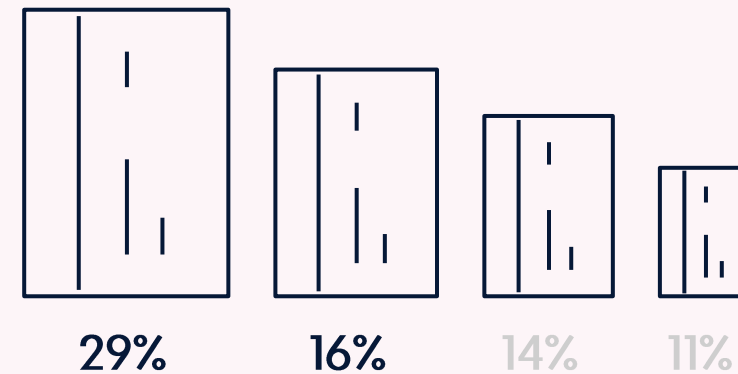
## Behavioural approach

- Tackle lowest balances first and accelerate payments



## Economic approach

- Target highest-interest cards first and accelerate payments



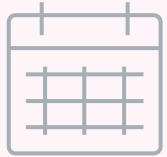
Once a card is paid off, reallocate payments to the next card you plan to tackle.

# Managing Debt

If debt payments are prohibiting your ability to save for retirement



Target debt



Set a timetable



Continue payments

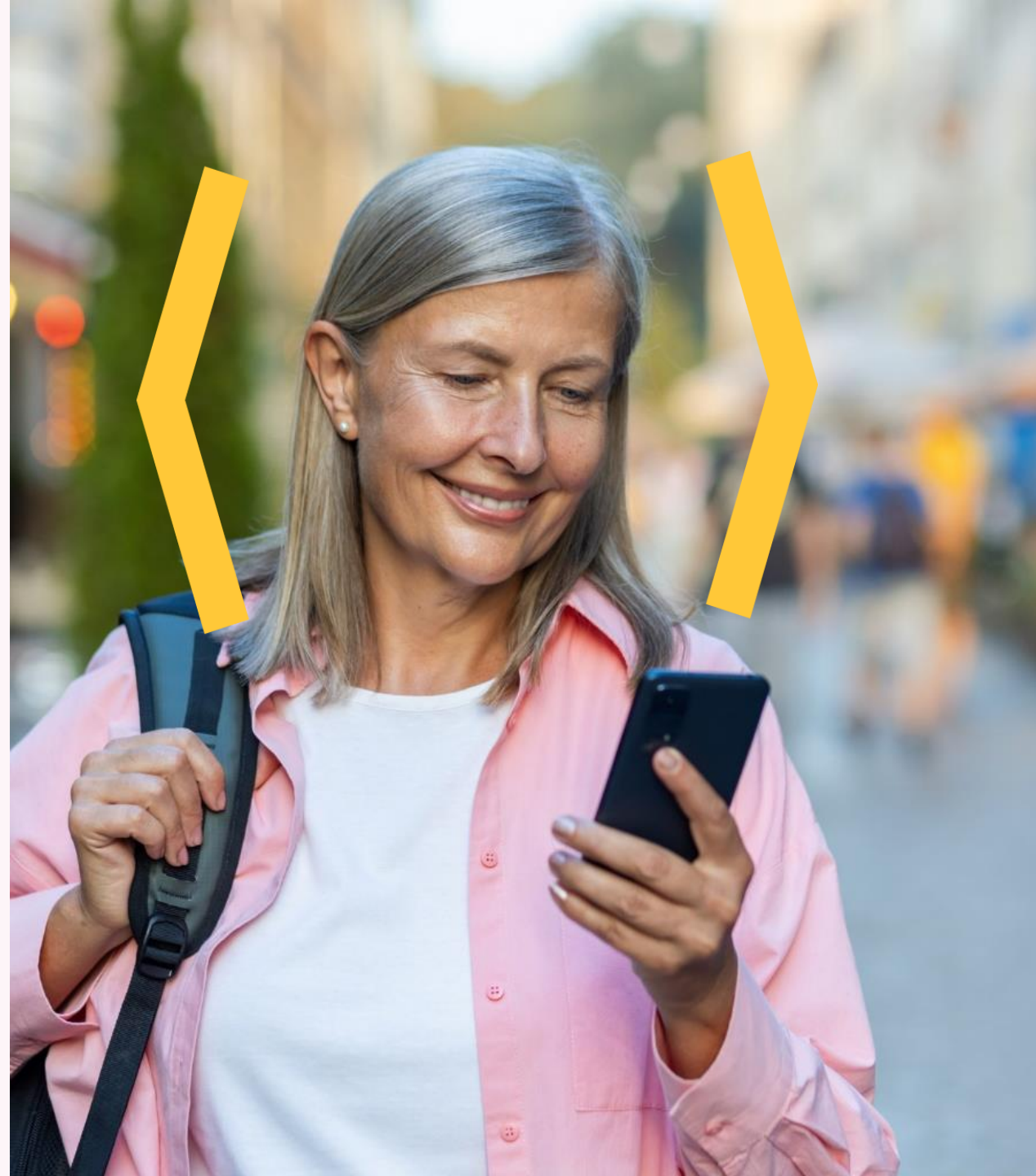
Target high-interest debt (credit cards) and accelerate payments

Set a timetable (for example, one to three years)

Continue making regular payments on other kinds of debt, like student loans and mortgages

Once debt is eliminated, consider increasing retirement contributions toward 15%.

# Retirement planning





# Time is on your side

One of the greatest investment adages is that “Time in the market beats timing the market.” For Gen Z, time is on your side.

Small amounts invested now can compound and grow by the time you want to retire.

# Retirement Savings Goals

## Minimum

Try to contribute enough to get your employer match.

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Aim for a minimum contribution of 6% to start.

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Gradually increase your contributions as you get raises.

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A 4% raise could be 2% more to retirement, 2% to current needs

## Target

Will vary depending on your goals.

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15% of your income to retirement is a suggested baseline.

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People who are aiming to “FIRE” will contribute more.

**FIRE = Financial Independence, Retire Early**



# Retirement Savings: How Much Should I Have?

Investor's Age:	Savings Benchmarks:
30	half of salary saved today
35	1x to 1.5x salary saved today
40	1.5x to 2.5x salary saved today
45	2.5x to 4x salary saved today
50	3x to 5.5x salary saved today
55	4.5x to 8x salary saved today
60	6x to 11x salary saved today
65	7x to 13.5x salary saved today



# Invest Wisely

## Three Fundamental Principles

1. Diversification
2. Asset allocation
3. Dollar-cost averaging

# Taxable Investments



Stocks



Bonds



Cash  
Alternatives

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## Mutual Funds and ETFs

Mutual funds and exchange-traded funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, is available from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.



# Diversification

Investing in different investment vehicles in an attempt to **limit exposure to losses** in any one sector of the market.

# Asset Allocation

A systematic approach to diversification that determines an **efficient mix of assets** for a given investor.



# Personalizing Your Investment Strategy

1. Investment Goal(s)
2. Time Frame
3. Risk Tolerance

\*Some investors also  
prioritize ESG or Social  
Impact Investing

# Conservative Asset Allocation Model

Time frame

20 years

Primary goal:

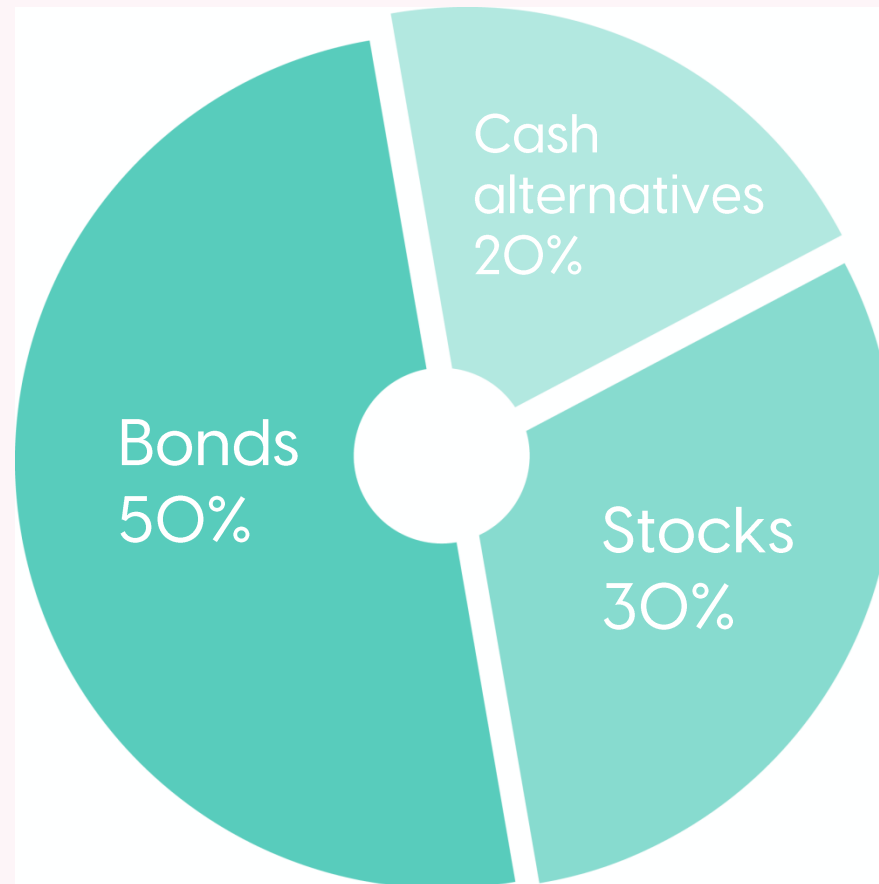
minimize volatility

## 2004–2023 Performance

Best year 20.22%

Worst year -15.76%

Avg. annual 6.19%



Source: London Stock Exchange Group, 2024. This hypothetical example is used for illustrative purposes only. Past performance is not a guarantee of future results. The returns shown do not include taxes, fees, and other expenses. Actual results will vary.

# Aggressive Asset Allocation Model

Aggressive investor

Time frame

20 years

Primary goal:

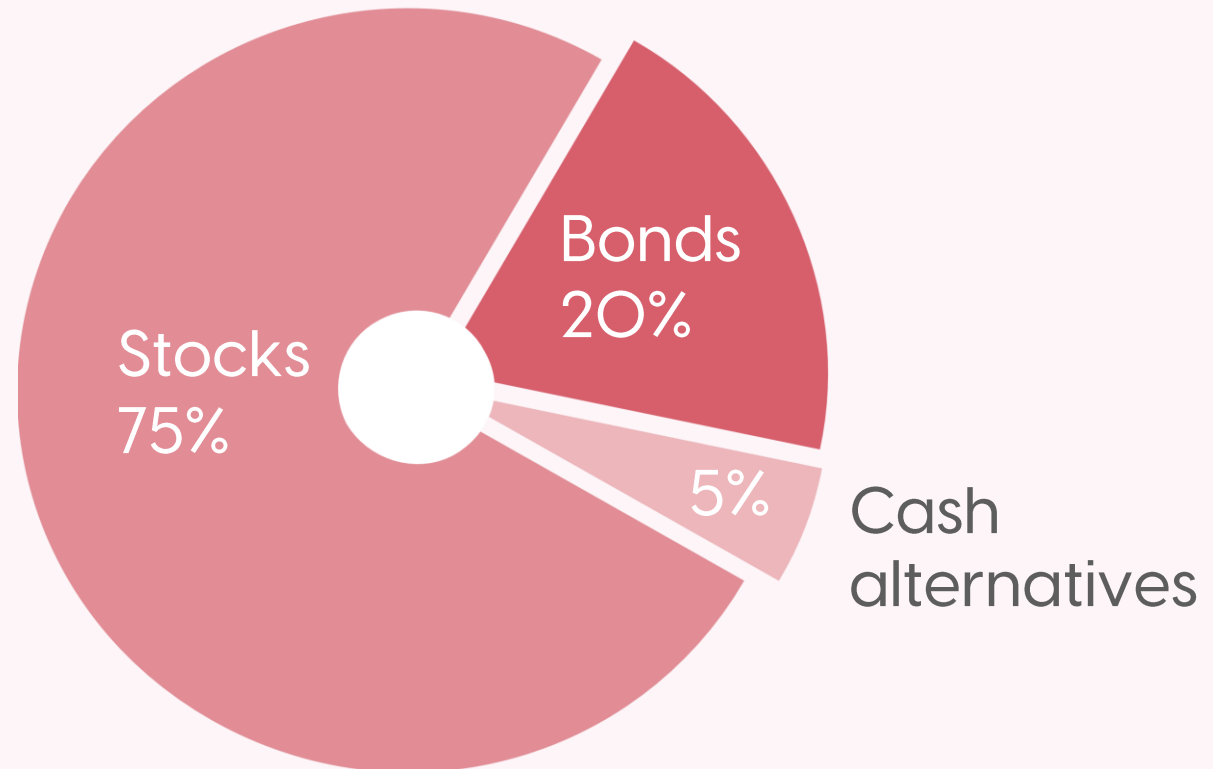
pursue growth

## 2004–2023 Performance

Best year 28.33%

Worst year -29.65%

Avg. annual 8.70%



Source: London Stock Exchange Group, 2024. This hypothetical example is used for illustrative purposes only. Past performance is not a guarantee of future results. The returns shown do not include taxes, fees, and other expenses. Actual results will vary.



# Dollar-Cost Averaging

A strategy that **involves investing a set amount of money at regular intervals** on an ongoing basis.

# Dollar-Cost Averaging Example

	Regular Investment	Market Price/Share	Shares Acquired
Month 1	\$100	\$6.00	16.7
Month 2	\$100	3.00	33.3
Month 3	\$100	4.00	25.0
Month 4	\$100	8.00	12.5
Month 5	\$100	5.00	20.0
Total	\$500	\$26.00	107.5

Average price per share:  $\$5.20$  ( $\$26 \div 5$ )  
Average cost per share:  $\$4.65$  ( $\$500 \div 107.5$ )

This hypothetical example is used for illustrative purposes only.  
Actual results will vary.

# Periodic Portfolio Reviews and Maintenance

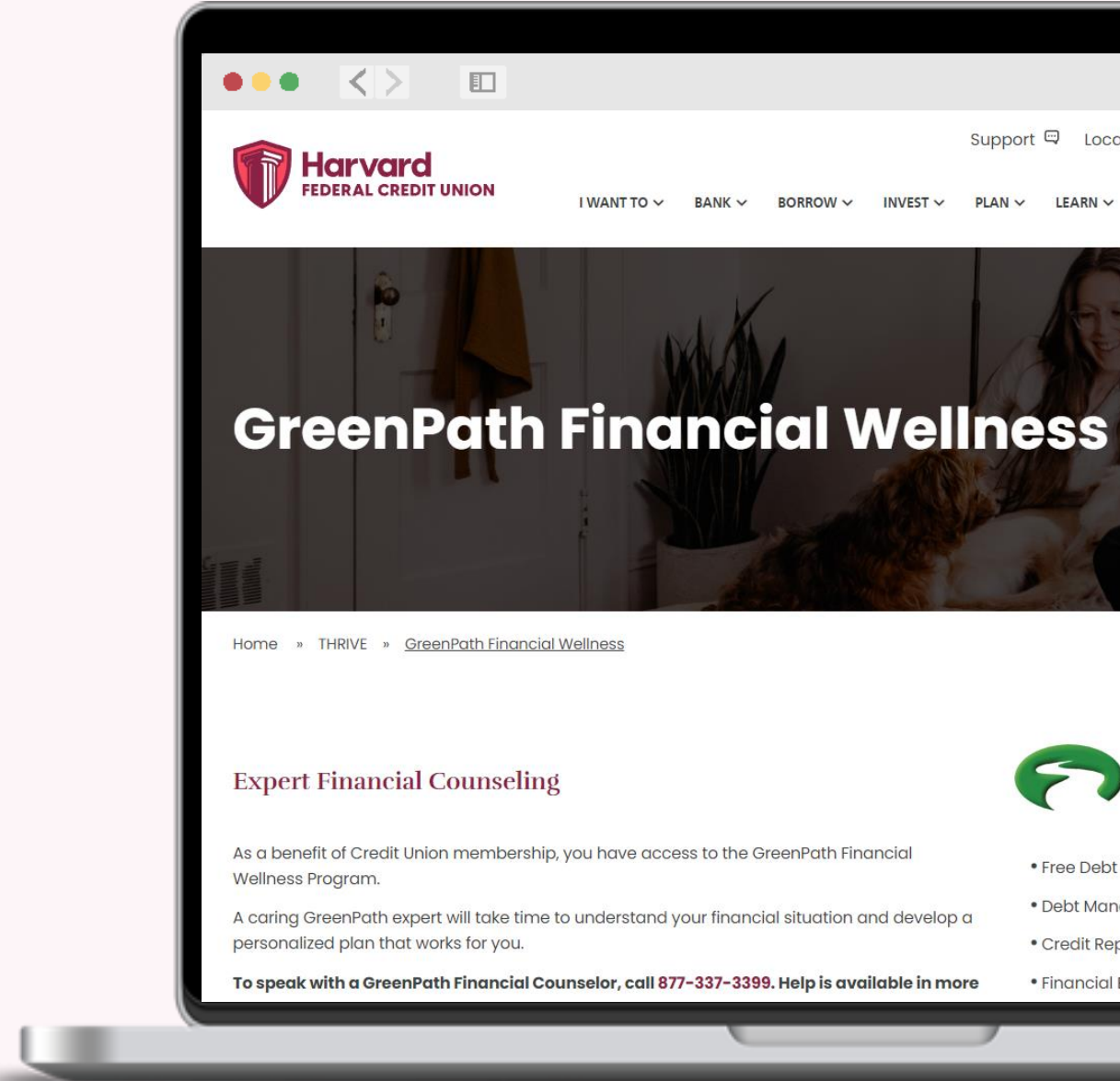
- Typically, at least once a year
- After a major lifestyle change
- As the result of a change in your investing outlook



# Free Financial Counseling

GreenPath Financial Wellness offers free credit, and budget counseling

[HarvardFCU.ORG/GREENPATH](https://HarvardFCU.ORG/GREENPATH)



**Questions?**



# 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.

# Let's keep in touch!

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