

# Bank on DC

OSSE Adult and Family Education & UDC  
Mini-Professional Development Institute on Financial Literacy

March 1, 2023



GOVERNMENT OF THE  
DISTRICT OF COLUMBIA  
MURIEL BOWSER, MAYOR

# Housekeeping



PLEASE MUTE  
YOURSELF IF YOU  
AREN'T SPEAKING



USE THE CHAT FUNCTION TO  
ASK AND ANSWER  
QUESTIONS

Bank on DC Program  
Program Manager: Jazman Hicks



# Bank on

# DC

*Everyone is Welcome*



## Bank on DC Mission

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01

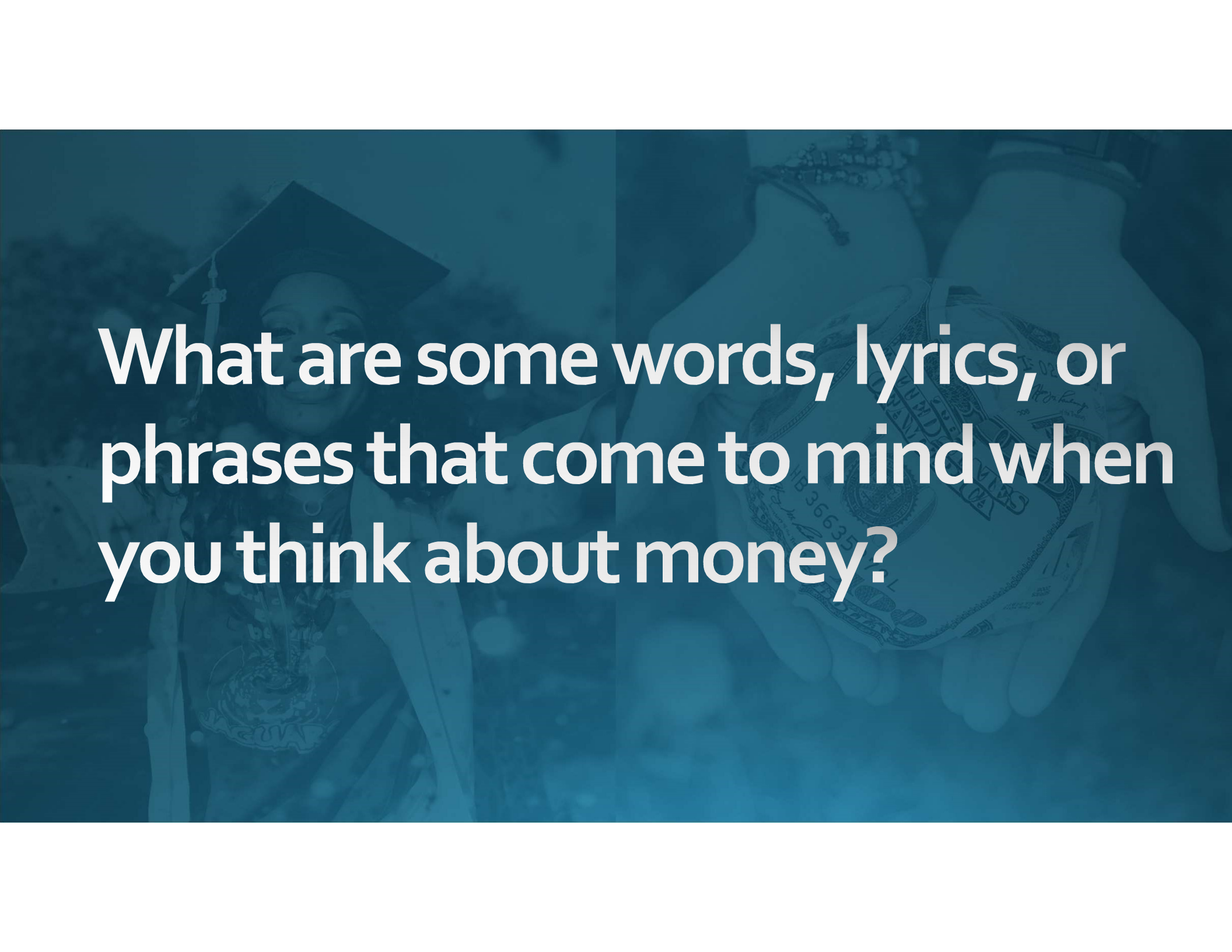
Provide thousands of **DC area residents** access to products and services that allow them to maximize opportunities to build assets and improve their financial stability.

02

Assist **financial institutions** in reaching unbanked and underbanked households within the District.

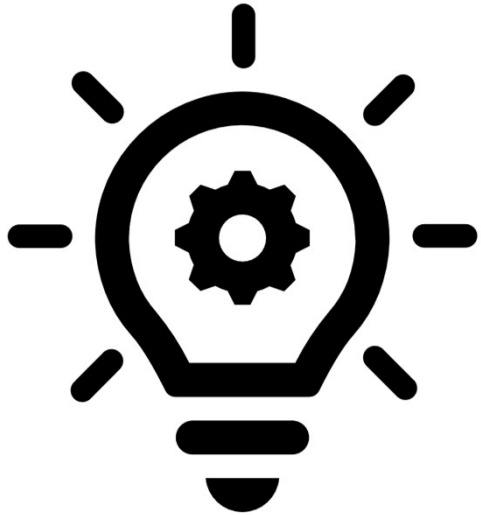
03

Better enable **community organizations** to deliver financial education among their target populations.



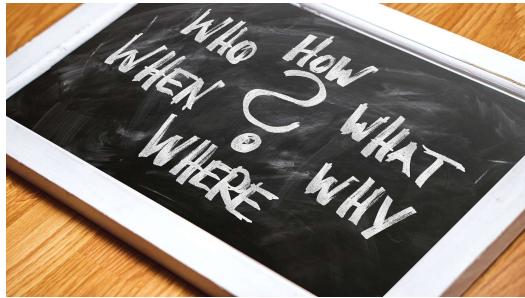
**What are some words, lyrics, or phrases that come to mind when you think about money?**

## Poll Question:



What is one of the first steps for turning your dreams into reality?

# S.M.A.R.T. Goals



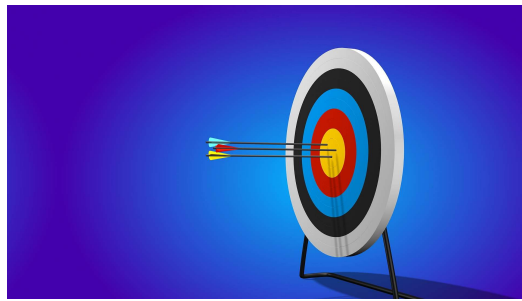
**S**pecific



**M**easurable



**A**ttainable



**R**elevant



**T**imebound

# Time to think and write

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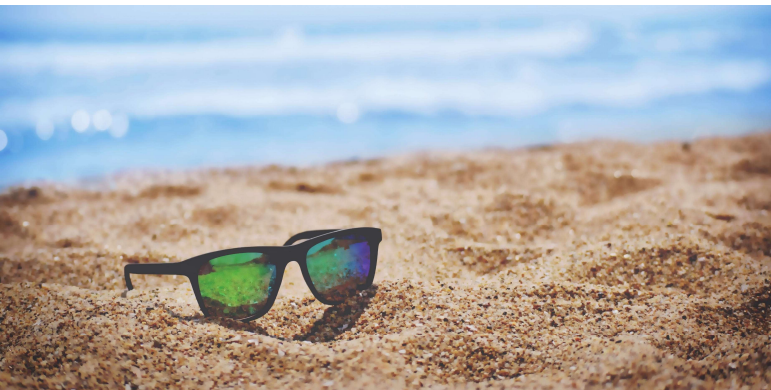
Write a financial  
goal using the  
S.M.A.R.T. method.





# Prioritize Your Spending!

- **Needs**  
Anything necessary for survival (food, shelter, and water)
- **Obligations**  
Something you agreed to uphold (utilities, subscriptions, credit cards)
- **Wants**  
Things that you may desire to have



# Save *First*, Spend what is *left*!

Foundation for a strong  
financial future

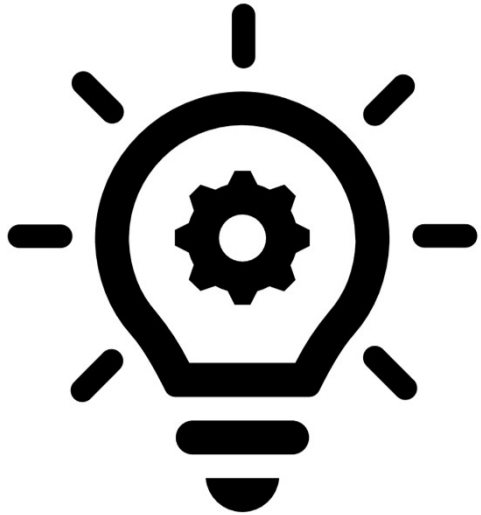


## Slide 10

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**GE(1**      **update photo**  
Gibbs, Ebony (DISB), 1/26/2021

# Poll Question:



What are some benefits of having a bank account?

# Reasons to put money in the bank

- **Safety** – insured and fraud protection
- **Convenience** – remote account opening and access, mobile app, direct deposit, remote deposit
- **Cost** – avoid check cashing fees
- **Security** – fraud protection and theft protection
- **Secure Financial future** – a relationship with a bank helps you build a better financial future



# Insured Financial Institutions

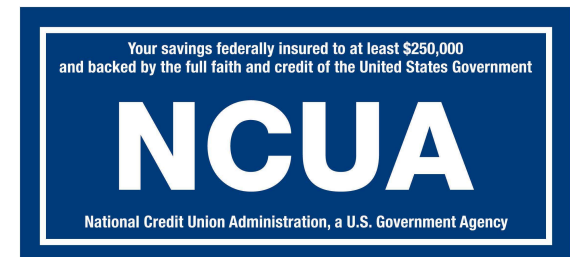
## Banks

- ▶ For-profit
- ▶ Anyone can join
- ▶ More accessible
- ▶ Shareholder Owned
- ▶ FDIC (\$250k)



## Credit Union

- ▶ Not for profit
- ▶ Membership required
- ▶ Less accessible
- ▶ Member Owned
- ▶ NCUA (\$250k)



# Types of Accounts

## Checking

*Where my cash is!*

- Spending Account
- Direct Deposit
- Your paycheck comes here



## Savings

- Emergency fund
- Lower rate of return



## Money Market

- Savings account
- Higher minimum balance
- Higher rate of return
- Check writing feature

## Certificate of Deposit

- Predictable goals
- Pledge your money
- Higher interest rate

# Opening and Maintaining a Bank Account



Open the account and go through account verification.



Make deposits and withdrawals.

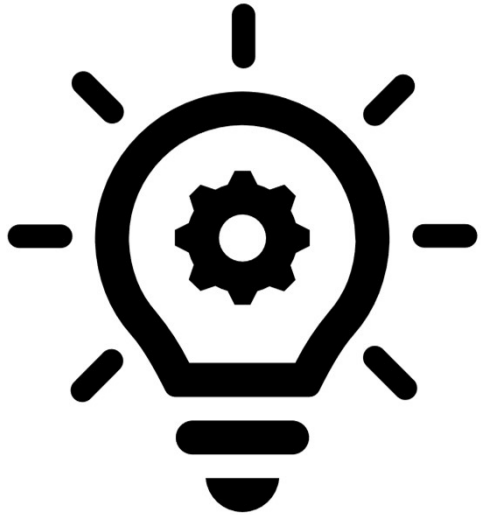


Record interest and fees.



Keep track of your account balance.

# Poll Question:



- What is the difference between gross and net pay?

# Gross Pay

Your earnings *before* taxes and other deductions.

- You might be paid on either a salary basis or hourly basis.

- **Gross Salary** = 
$$\frac{\text{Annual Salary}}{\text{\# of pay periods}}$$

- **Gross Hourly** = 
$$(\text{Hourly Rate}) \times (\text{\# of hours worked})$$

# Net Pay

- Your earnings *after* taxes and other deductions. Also known as your take home pay.

- *Federal Income Contributions Act (FICA)*

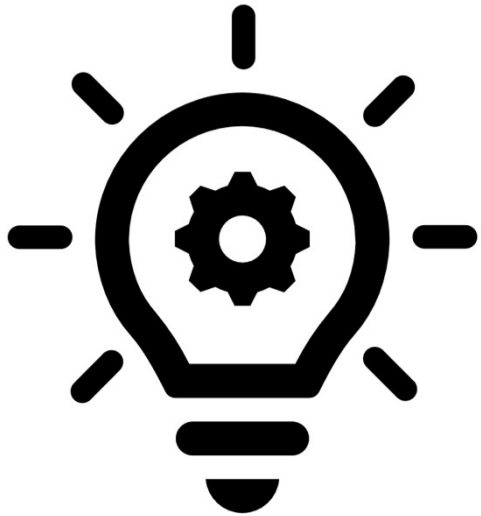
Social Security	6.20%
Medicare	1.45%
	<hr/>
	7.65%

- Step 1: Gross Pay – FICA = FICA tax amount

- Step 2: Gross Pay – FICA tax amount = Net Pay

- **Note:** Social Security's official name is *Old Age, Survivors, and Disability Insurance* (OASDI). You may see this acronym on your paycheck instead of "Social Security".

# Poll Question:



- Why is budgeting important?

# What is a **Budget?**

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A budget is a  
spending plan.



# Why is a Budget Necessary?

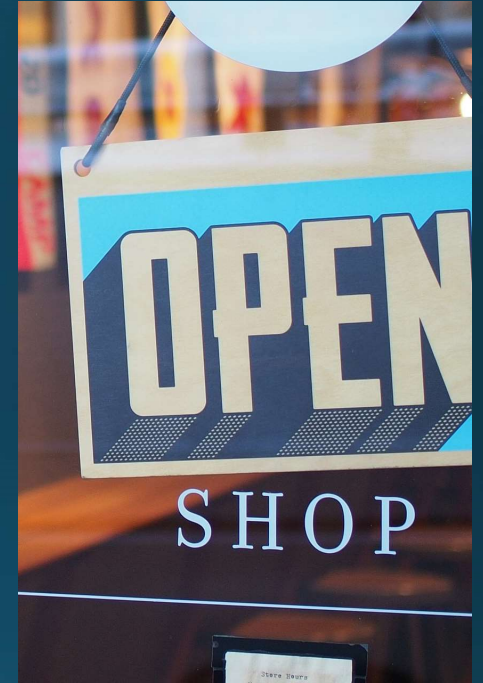
- Identify and define your financial goals
- Manage your money
- Direct your money flow
- Increase your savings
- Avoid spending money unnecessarily
- Achieve your personal goals



# How do I create a budget?

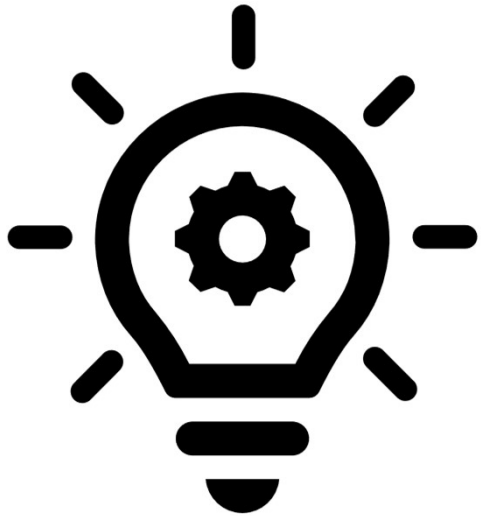


- **Step 1** - Where does my money come from?
- **Step 2** - Where does my money go?
- **Step 3** - What are all my bills and when are they due?
- **Step 4** - Create your working budget.



Why do you need to borrow money?

# Poll Question:



What is credit?

# What is Credit?



**The ability to borrow money**



**Sometimes called a loan**

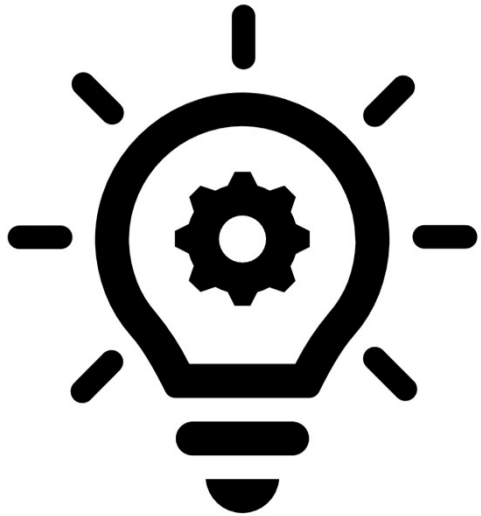


**A promise you make to pay back money**



**Paid back with interest**

# Poll Question:



Why is credit important?



# Why is Credit Important?

Is convenient  
when you do not  
have cash

Is useful in times  
of emergencies

Allows you to pay  
for purchases over  
time

Employment  
Housing  
Insurance



Scores >799	Exceptional
Scores 740-799	Very Good
Scores 670-739	Good
Scores 580-669	Fair
Scores <580	Poor

## Where does the credit report come from?

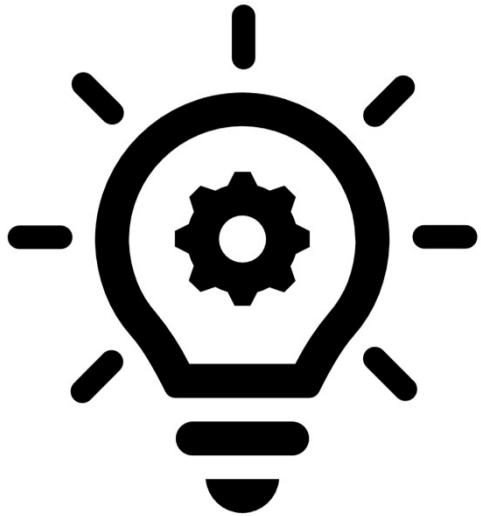
The largest nationwide agencies include:



## Getting free, annual credit reports

- **Online:** Get a free copy of your credit report at [AnnualCreditReport.com](http://AnnualCreditReport.com)
- **By mail:** Download and complete the [Annual Credit Report Request Form](#) and mail it to:  
Annual Credit Report Request Service  
P.O. Box 105281  
Atlanta, GA 30348-5281

# Poll Question:



What does wealth  
mean to you?

# 3 Pillars of Wealth

1. Start or own a successful business
2. Own Real Estate
3. Invest in the Financial Markets



# Where to Start Building

## Short Term

- Emergency Fund: 3 to 6 month expenses

## Mid-Term

- Acquire diverse assets

## Long Term

- Retirement
- Non-retirement investment portfolio

# Savings vs. Investments

## Savings

- Low risk
- Low return
- High liquidity

## Investments

- High risk
- High return
- Low liquidity

# Own a Successful Business

- Use your talents and abilities to fill a need in the market
- Ownership in a business, provides access to earnings of the business, however, you are also responsible for the cost and liabilities



# Own Real Estate

Ownership is Key!

Homeownership is usually the first step for many people.

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## Residential



## Commercial



## Land



# Types of Investments



**Stocks:** A portion of an ownership in a corporation. If you own stock, you own a share in the company. Buy and sell through a broker who trades on the Stock Exchange



**Bonds:** Issued by some large entity—a bank, the government, or a company. Pay out a specific amount at a specified time. Pays out less prior to that specified date



**Mutual Funds:** Operated by an investment company. Takes money from investors and buys several stocks, bonds, etc. Have a portfolio of accounts containing different types of investments

# Questions to Ask Before You Invest

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What's my financial objective?

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What's my risk tolerance?

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Am I ready to hold the investment for a while?

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Do I understand what I am buying?

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What's the outlook?

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Is this a good(or too good) price?

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What are the costs?

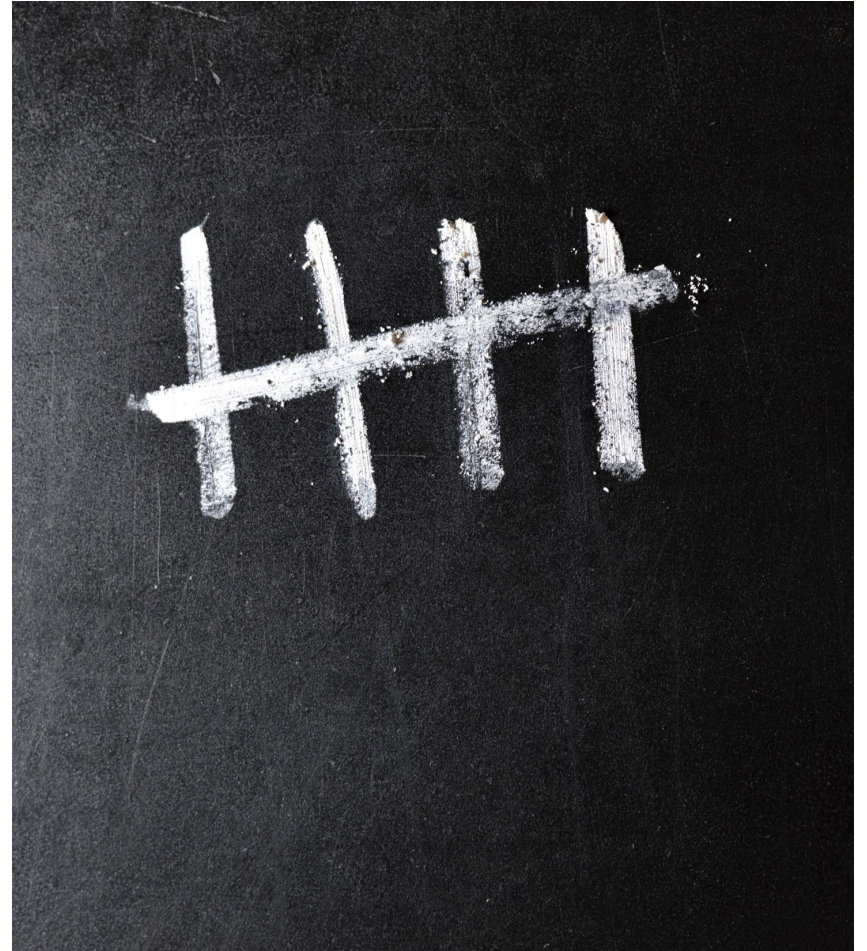
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Why am I buying it ?

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# Top 5 Tips

1. Save with a goal in mind
2. Write it down
3. Save the easy way...automatically
4. Prepare for the unexpected
5. Enjoy the journey



# Additional Resources

- [Bank on DC](#)
- [Budget Worksheet](#)
- [Credit Reports & Scores](#)
- [FDIC Consumer Resources](#)
- [Financially Fit DC](#)
- [Investing Resources](#)

# Additional Resources

- Bank on DC
  - 202-727-8000
  - [bankondc.org](http://bankondc.org)
  - [Disb.bankondc@dc.gov](mailto:Disb.bankondc@dc.gov)
- Department of Insurance, Securities and Banking
  - 1050 First Street NE, 801,  
Washington, DC 20002  
Phone: 202-727-8000  
TTY: 711  
Email: [disb@dc.gov](mailto:disb@dc.gov)



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## Q & A

Please use the  
chat function to  
ask questions.

