THE POWER OF FINANCIAL PLANNING IN 2018

When it comes to setting yourself up for financial success, planning is key. With 2018 upon us, now is the perfect time to create a plan and set goals for budgeting, retirement and charitable giving. It’s never too early or too late to begin taking steps toward your personal definition of financial success. I would love to help you get started!

Inside this issue you’ll find financial tips and advice that are relevant to your stage of life, whether you’re a young adult new to the working world, in your 40s or 50s navigating new financial priorities, or quickly approaching retirement age.

I hope that this information will equip you to make smart, confident financial decisions in the new year. When you consider your financial and philanthropic goals for 2018, think about how Wofford fits into the picture.

As always, please contact me if you have questions about gift planning or achieving your charitable giving goals through support of Wofford.

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FINANCIAL PLANNING TIPS
FOR YOUR 20s AND 30s

1. CREATE (AND STICK TO) A BUDGET
This tip is first on our list for a reason! Without a budget, you risk overspending and under-saving. Start thinking in terms of differentiating your needs, wants and dreams. There are tons of online tools and apps that can help you track and manage your budget and spending. See below for a recommended budgeting framework:
• Needs: Budget about 50 percent of your income for monthly expenses such as rent, food, electricity, etc.
• Wants: Budget about 30 percent of your income for variable expenses such as eating out, entertainment, hobbies, gym, clothing, etc.
• Dreams: Budget about 20 percent of your income for long-term goals such as buying a house or car, retirement, funding a dream vacation, etc.

2. EVALUATE YOUR LIFE INSURANCE NEEDS
Your need for life insurance changes as your life circumstances do, so re-evaluate every three to five years. Check and, if necessary, update your beneficiaries for life insurance and retirement assets regularly, particularly after major life events such as marriage, divorce or the births of children. Consider a baseline of life insurance coverage recommendations:
• If you are young and single, provide enough funds to pay off any debt and cover burial costs.
• If you are married, provide your salary for a few years.
• If you are married and own a house, provide enough funds to pay off your mortgage for your spouse.
• If you have children, cover living expenses and college educations.

3. BUILD AN EMERGENCY FUND
Hopefully you’ll never have to use it, but having a “rainy day fund” serves as an added precaution in case your car dies, you lose your job or encounter a significant home expense. Most experts recommend having three to six months of expenses saved in an easy-to-access savings account. Contributing to this fund should be a priority in your budgeting.

4. START SAVING NOW FOR RETIREMENT
It may seem like retirement is a lifetime away, but saving now is imperative. Think of saving for retirement as making automatic payments to your future self. Here are a few tips for saving for retirement:
• Because of the power of compound interest, the sooner you start saving, the better. Visit wofford.edu/supportwofford/giftplanning for a visual about the power of compounding interest.
• ALWAYS participate in and max out your employer’s matching program. This is the easiest money you will ever earn. What’s more, your contributions can be deducted from your paycheck before taxes.
• Consider investing in a Roth IRA when you are young. Because you pay taxes on the money before it’s invested, you owe no taxes on the earnings when you cash out in retirement. Over time, this can add up to a significant tax savings.

Consider making Wofford the owner and beneficiary of a life insurance policy. You receive an income tax deduction in the amount of the present value of the policy and recognition as a member of the Benjamin Wofford Society in your lifetime. Wofford ultimately gets the death benefit, and you have the chance to make a gift that is significantly larger than you could from current assets.
5. CREATE A WILL

It is estimated that 50 to 70 percent of American adults do not have a will. Many people falsely believe that it is necessary to have a will only if you are older or very wealthy. The truth is that everyone can benefit from planning for the unexpected.

- A durable power of attorney allows you to choose someone to handle your affairs if you pass away or become incapacitated. This is particularly important for singles.
- A healthcare directive allows your chosen representative to make health-related decisions if you are incapacitated.

6. ELIMINATE DEBT AND USE CREDIT WISELY

For many young people, between student loans and credit cards, debt is an unfortunate reality. When making a debt repayment plan, pay off high-interest loans like credit cards first. Remember that meeting only the minimum payment can drastically change the true cost of the item. Credit cards can provide financial rewards if you pay off the balance each month; but be sure to establish and stick to a budget to take control of your spending.

7. ORGANIZE YOUR KEY FINANCIAL DOCUMENTS

Put all your important documents in a secure place, such as a safe, and inform someone you trust about their location. Be sure to include your personal identification information — birth certificate, social security card and marriage certificate — and gather details on any funds or accounts your parents may have set up for you. Also include a list of your banking and investment accounts (and any online usernames and passwords), insurance information and your original will, power of attorney and healthcare directive. Other documents to keep in mind are your car registration and title as well as home lease or purchase documents.

Including a charitable bequest in your will is an easy way to leave a legacy for an important cause — Wofford, for example. Visit wofford.edu/supportwofford/giftplanning for different ways in which you can do this, as well as sample wording to share with your attorney.
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IN 2018

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IMPACT STORY:

ELENA HELMERS-WEGMAN ’19

The Charles E. Daniel Endowed Scholarship Fund is the reason that Elena Helmers-Wegman ’19 is a student at Wofford. Homozel Mickel Daniel established the Charles E. Daniel Endowed Scholarship Fund in the 1970s at Wofford in memory of her husband, who died in 1964. Mrs. Daniel added $2.5 million to this fund through a bequest in her will. In total, she bequeathed over $13 million to Wofford and more than $55 million to charitable organizations across the state of South Carolina. Charles E. Daniel Scholars are among some of the nation’s finest students, chosen based upon academic merit, character and leadership.

To Helmers-Wegman, her scholarship, which is funded by a planned gift, represents a legacy that she is proud to uphold. “I have been given such a gift, and I am determined to honor the Daniel family by doing everything I can to leave my mark on Wofford and to graduate as a changed, challenged, well-rounded individual who is prepared to take on the world,” she says.

Helmers-Wegman is double majoring in biology and English and is eager to find intersections between the two as she advances in her academic career. She’s also an active leader in Greek life, co-founder of the Gender Equality Committee, a member of the Honor Council, a Wofford Ambassador, an Orientation Staff leader and a small-group leader in the Purple Scarf Society (a professional development group for Wofford women). Helmers-Wegman spent her fall semester in the IES Abroad Writers Program in Dublin, Ireland, exploring her voice, honing her craft and finding inspiration in the city of writers such as Oscar Wilde and James Joyce.

Planned gifts are a crucial source of support for Wofford College. Documenting your bequest by providing details such as the amount and designation of the gift authorizes it to count toward fundraising goals, provides you with recognition in the Benjamin Wofford Society and assists the college’s long-term planning efforts. Keep in mind that documentation does not make your gift binding or irrevocable — you may revise your estate plan if your circumstances or priorities change.

Become a member of the Benjamin Wofford Society today. Fill out and return the enclosed response card or visit wofford.edu/supportwofford/giftplanning.