

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the frame, creating a modern, dynamic feel. The central area is a plain white space where the text is placed.

How to be a Millionaire

With Zain Nensey



What are the odds?

One in 130 Million!

P O W E R BALL[®]
POWERPLAY[™]

What are the odds?

One in 292 Million!

So if the odds are this high, how do we actually become Millionaires?

- ▶ Today, we'll talk about the following topics
 - ▶ Zero-Based Budgeting
 - ▶ Selecting a major
 - ▶ How to pay for college
 - ▶ How long will it take YOU to become a millionaire?

Zero-Based Budgeting

The best way to budget every year.

Tests every expense

Does not rely on the prior year budget-only on where you are now.

Assigns a responsibility for every dollar

Most Effective way to determine where your money is going

Zero-Based Budgeting-Steps

Start

Start with your income from all sources (wages, dividends, etc.)

Review

Work through your financial statements to find recurring expenses.

Decide

Make decisions on which expenses to keep and eliminate.

Allocate

Allocate your income among your expenses.

- Charity and retirement
- Household bills
- Fun time
- Debt service

Your Zero Based Budget

	Monthly	Annual
Wages	\$604.17	\$7,250.00
Student Loans	\$534.17	\$6,410.00
Expenses		
Rent/Mortgage	\$967.50	\$11,610.00
Utilities	\$0.00	\$0.00
Groceries	\$0.00	\$0.00
Cell Phone	\$50.00	\$600.00
Entertainment	\$0.00	\$0.00
Eating Out	\$0.00	\$0.00
Student Loan Payments	\$0.00	\$0.00
Travel	\$0.00	\$0.00
401k	\$0.00	\$0.00
Charity	\$0.00	\$0.00
Auto Expenses	\$0.00	\$0.00
Total Expenses	\$1,017.50	\$12,210.00
Basic Cash Flow	\$120.83	\$1,450.00
Taxable Income	\$604.17	\$7,250.00
Taxes (25%)	\$0.00	\$0.00
Net Cash Flow	\$120.83	\$1,450.00

Q&A #1

Discuss Between Yourselves!



Test your expenses in the spreadsheet.
Use the ZBB-Student tab.



How much money will you need to live
on a monthly basis?



Name three expenses which are a must
for you. Are there free substitutes?



Would you delay your graduation to
graduate debt free?

Selecting a Major



Not all majors have the same value!



Select a major that fits your situation the best.



Alternatives

Trade School
Majors that will take less time to complete
Community College

Lifetime Value of Your Major

Major	Salary	Annual Free Cash Flow	Monthly Cash Flow
Accounting	<input type="text" value="\$73,614.00"/>	\$9,328.11	\$777.34
Your current age	31		
Your retirement age	65		
Expected Rate of Return	9.80%		
Funds at retirement	\$2,533,628.26		

Discuss Between Yourselves!



Test your career in the spreadsheet. Use the “Major Value tab.



How much are you willing to save on a monthly basis?



How many years of school will your career require?



How much cash will you have at age 65?

Q&A #2

Paying for College



Student Loans

Unsubsidized Loans
Subsidized Loans



Scholarships



Grants



Family Members

Selecting a University

- ▶ Public vs. Private
 - ▶ Public schools
 - ▶ In State
 - ▶ Out of State
 - ▶ Private Schools



Cost of College-USF

Cost of Student Loans

Your University	Full Cost of Attendance	Tuition	Cost of Living	Federal Student Loan Amount
University of South Florida	\$18,020.00	\$6,410.00	\$11,610.00	\$25,640.00

Loan Amount	Rate	Years	Monthly Payment	Total Interest Paid
\$25,640.00	4.53%	10	\$265.10	\$6,171.89
\$25,640.00	4.53%	15	\$195.80	\$9,603.73
\$25,640.00	4.53%	20	\$162.02	\$13,243.65
\$25,640.00	4.53%	25	\$142.41	\$17,084.43

Total Amount to be Repaid: \$31811 in ten years

OR: You can pay \$42,724 over 25 years. Which would you prefer?

Cost of College-University of Miami

Cost of Student Loans

Your University	Full Cost of Attendance	Tuition	Cost of Living	Federal Student Loan Amount
University of Miami	\$64,334.00	\$50,226.00	\$14,108.00	\$57,500.00
Loan Amount	Rate	Years	Monthly Payment	Total Interest Paid
\$57,500.00	4.53%	10	\$594.51	\$13,841.01
\$57,500.00	4.53%	15	\$439.10	\$21,537.22
\$57,500.00	4.53%	20	\$363.33	\$29,700.07
\$57,500.00	4.53%	25	\$319.38	\$38,313.38

Total Amount to be Repaid: \$71,341 in ten years

OR: You can pay \$95,813 over 25 years. Which would you prefer?

Q&A #3

Discuss Between Yourselves!



Test your favorite in the spreadsheet using the “Cost of Financing” tab.
What’s the cost for your dream university?



Is the career you want to pursue achievable at a state school like Florida or USF?



Will your career require graduate school?



What non-debt sources of funds will you have available to you?



Congratulations!
You've Graduated!

▶ Now what?

Budgeting and Savings

401k

Paying off Your Student Loans

Charity

Investments

- Setting your rate of return
- Stock Market
- Saving for your next goal
- Avoiding Bad Debt

What are the different types of debt?

- ▶ Credit Card Debt
- ▶ Car Loans
- ▶ Home Loans
 - ▶ Fixed Rates vs ARMs
 - ▶ 15 year vs 30 year mortgage
 - ▶ 20% Rule

The Dangers of Credit Card Debt

Amount of Debt	Rate	Years	Monthly Payment	Total Interest Paid
\$20,000.00	11.49%	10	\$278.41	\$13,409.28
\$20,000.00	15.49%	15	\$283.01	\$30,941.21
\$20,000.00	17.49%	20	\$296.51	\$51,163.28
\$20,000.00	19.49%	25	\$322.21	\$76,661.95

So when will YOU
become a
▶ Millionaire?

When will You Become a Millionaire?

Cash Flow	\$1,299.32			
Your Current age	31			
Rate of Return	9.80%			
Current Debt	\$25,640.00			
Amount to save	\$1,000,000.00			

How Many Years?

		19		

Discuss
among
yourselves!

Use the “ZBB-Pro” and “Millionaire timeline” tabs for your career.

What happens if you change your rate of return on investments?

What problems could you see yourself facing?

How long will it take if you take on \$20,000 in credit card debt?

Q&A #4