

Financial Literacy and Employment in the Age of COVID- 19

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Hosted by



“Many folks think they aren’t good at earning money, when what they don’t know is how to use it.”

- FRANK A. CLARK, US STATESMAN



Personal Finance

Basics of Banking

1. What is a Checking Account?
2. What is a Saving Account?
3. What is a Money Market Account?
4. What is a Certification of Deposit?



Choosing a bank

1. Pick a bank that you have easy access to
2. Online vs retail bank; digital or physical
3. A bank charges fees for overdrafts, monthly service, or exceeding transaction limits
4. Not all banks are equal for use and experience
5. Local vs National banks



Plastic Cards: Friend or Enemy?



1. Plastic cards can be a gift card, debit card, credit card, reward card, or prepaid card
2. A plastic card is not money. It holds money
3. A debit/credit card is better than cash because if lost or stolen, you can get a replacement and block use of a lost/stolen card
4. A plastic card can make you think you have more money than you have

Credit Cards: BE CAUTIOUS



Credit cards allows you to borrow money to buy something, and then pay back later. It is a LOAN.

Credit cards may charge interest that adds to the balance due.

A debit card is less safe than a credit card. A debit is best for ATM use or cash back. A credit card is best for regular purchases.

Beware of LATE FEES! Consider automatic payments

Loyalty Credit Cards

Credit card with a company brand on it

Offers deals, rewards, discounts, or points

Brand company earns money by getting customer data, lower transaction fee, and direct promotions

Useful to get benefits if you use one brand often like United Airline, Uber, Costco, GAP



Cash vs Cashless



For every day, try to avoid carrying cash unless you plan to use cash on that day.

It is easy to replace cards than cash.

If stolen or lost, both credit cards and cash both come at a cost but cash has a higher cost

Cards mostly have fraud protection.
Cash does not.

Easy to track expenses with cards than cash because cards show transactions



Bad Debt

- Excessive credit card balances
- Excessive student loans
- Car loan for a car worth more than you can afford or not used for work
- Payday Loan
- Home Equity for personal spending
- Borrow money for risky personal investment

Good Debt

- House Mortgage
- Reasonable student loan for a degree that helps you get a job
- Small business loan to open or expand business
- Consolidate debt to one payment
- Renovation debt for future house value
- Credit card balances for a short time due to emergency

Investing

Purpose of investment

Options for investment

- Retirement Account - Self or with Employer
- Personal Investment with a brokerage - example: JP Morgan Chase
- Self run investment - example: Robinhood

Different kinds of Investments



What is the Risk in the investment?

Brief Summary on Stock Market:

- Buy & Sell
- Market Up, Down, and Steady
- Moods: Panic, Calm, Worry, Optimistic





JOBS!

COVID-19 Impact on Employment

- More than 40 million people have filed for unemployment benefits since the start of the coronavirus pandemic in mid-March
- Unemployment rate went from 4.4% in March to 14.7% in April 2020
- Increased Teleworking
- Stimulus Check

<https://www.nytimes.com/2020/05/28/business/economy/coronavirus-unemployment-claims.html>

<https://www.ncsl.org/research/labor-and-employment/covid-19-impact-on-employment-and-labor.aspx>

<https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/bls-hr-jobs-unemployment-april-2020-covid19-coronavirus.aspx>

Unemployment Insurance Benefit

For employees only (Exception for Pandemic Unemployment Benefit Program from CARES ACT 2020)

Employer pays unemployment tax for you to the state where you work at

If you are laid off, let go, or got less hours then you can apply for unemployment benefits. If you got fired because of your wrongful actions or you decide to quit job then you can not apply for unemployment benefit.

Apply at the state where you work not where you live

Need to meet minimum hours worked to get benefits. Each state has different rules

Unemployment benefit is federal taxable and sometimes state taxable

If have the benefit, then you must make the effort to find a new job and make a weekly claim

Paperwork for a job

Form W-4 Employee's Withholding Certificate OMB No. 1545-0044
Department of the Treasury Internal Revenue Service **2020**

► Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay.
► Give Form W-4 to your employer.
► Your withholding is subject to review by the IRS.

Step 1: Enter Personal Information

(a) First name and middle initial	Last name	(b) Social security number
Address		► Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213, or go to www.irs.gov .
City or town, state, and ZIP code		

(c) Single or Married filing separately
 Married filing jointly (or Qualifying widower)
 Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

Step 2: Multiple Jobs or Spouse Works

Complete this step if you (1) hold more than one job at a time, or (2) are married filing jointly and your spouse also works. The correct amount of withholding depends on income earned from all of these jobs.
Do only one of the following:
(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3-4); or
(b) Use the Multiple Jobs Worksheet on page 3 and enter the result in Step 4(c) below for roughly accurate withholding; or
(c) If there are only two jobs total, you may check this box. Do the same on Form W-4 for the other job. This option is accurate for jobs with similar pay; otherwise, more tax than necessary may be withheld

TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)

Step 3: If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):

W-4 is for employee job only

New W-4 Version for 2020 and future

Fill to decide how much income tax to pay

No more exemption counting

When to update W-4

How to fill out

How to fill W-4 Form

Step 1: Enter Personal Information

(a) First name and middle initial Last name (b) Social security number

Address

City or town, state, and ZIP code

(c) Single or Married filing separately
 Married filing jointly (or Qualifying widow(er))
 Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)

?- Who are you

? Marital status

Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See page 2 for more information on each step, who can claim exemption from withholding, when to use the online estimator, and privacy.

Step 2: Multiple Jobs or Spouse Works

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TIP: To be accurate, submit a 2020 Form W-4 for all other jobs. If you (or your spouse) have self-employment income, including as an independent contractor, use the estimator.

? If you have more than one job or spouse has a job

Complete Steps 3-4(b) on Form W-4 for only ONE of these jobs. Leave those steps blank for the other jobs. (Your withholding will be most accurate if you complete Steps 3-4(b) on the Form W-4 for the highest paying job.)

Step 3: Claim Dependents

If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):

Multiply the number of qualifying children under age 17 by \$2,000 ▶ \$ _____

Multiply the number of other dependents by \$500 ▶ \$ _____

Add the amounts above and enter the total here 3 \$ _____

Step 4 (optional): Other Adjustments

(a) **Other income (not from jobs).** If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income 4(a) \$ _____

(b) **Deductions.** If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here 4(b) \$ _____

(c) **Extra withholding.** Enter any additional tax you want withheld each pay period 4(c) \$ _____

? If you have a kid under 17 then count each kid then put the number

? Additional withholding if needed due to certain circumstances like have another income with no withholding

Step 5: Sign Here

Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.

Employee's signature (This form is not valid unless you sign it.) Date

? Sign your name

Employers Only

Employer's name and address First date of employment Employer identification number (EIN)

? Give to your employer to process

Paperwork for a job

Form W-9
Rev. October 2018
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/Form999 for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

4 Exemptions (boxes apply only to certain entities, not individuals; see instructions on page 3).

5 Address (number, street, and apt. or suite no.) See instructions.

6 City, state, and ZIP code

7 Last account number(s) here optional

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN, later.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person Date

W-9 is for a contractor job

Will get Form 1099-Misc if earned over \$600 from a person or company who pays you for a contract job

If you own a business and get payment, use W-9

Examples: Uber, Performing Artist, one-time job, independent consultant

No income tax withheld from your pay. You are responsible to make payments to IRS and state for withholding taxes

How to fill W-9 Form

- ❓ Who are you
- ❓ Name of business of your business if have one
- ❓ Type of business if applicable
- ❓ Where you live?
- ❓ Either SSN if use your name to get money or EIN (Employer ID Number) if you use your business name to get money
- ❓ Sign your name and give to who asks for W-9

Form **W-9**
Rev. January 2011
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Name (as shown on your income tax return)

Business name (disregarded entity name, if different from above)

Check appropriate box for federal tax classification (required): Individual/sole proprietor C Corporation S Corporation Partnership Trust/estate Exempt payee

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

Other (see instructions) ▶

Address (number, street, and apt. or suite no.)

City, state, and ZIP code

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see how to get a TIN on page 3.

Social security number

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.


Cat. No. 12221E Form **W-9** (Rev. 1-2011)

Employee vs Independent Contractor

Employee

1. Boss controls your hours and how you do your job
2. Boss decides how to pay you
3. Usually works for one employer
4. Get benefits from employer
5. Get paid a salary or hourly wage
6. Employer handles payroll taxes
7. Get lot of legal protections as a worker

Independent Contractor

1. Provide a service or consulting work
 2. Control hours and performance of work
 3. No benefits
 4. Works relatively independently
 5. Responsible for payroll taxes
 6. No worker's protection
- 



What to Do and Not to Do

Financial Advice

Money is not everything | People over profits

Don't ignore risk, understand the risk

If you earn more, it does not mean you should over spend

Pay attention to monthly expenses (with budget)

Research and ask around before making decisions (i.e. compare prices)

It is you who control the money



Social Security Spoofing Calls
Fake Phone Calls
Grandparent Scams
Fake Charity Natural Disasters
Fake Medicare Calls
Counterfeit Online Medicine
Anti-Aging Scams
Email Phishing
Videophone Scams
Lottery Scams
False or Incorrect Social Media Posts
Religion and Fraud
Multilevel Marketing



