

# Money, Credit, and Retirement



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# Money

- “Economists define money as anything commonly accepted by people for the exchange of goods and services”
- Currency is believed to have first been created around 5000 B.C.
- Metal objects along with commodities such as animals and crops were used first as currency
- 700 B.C Lydians became the 1st Western culture to create coined money
- Paper money was first used in the United States in March 1862

# Forms of Money

- Liquid Cash
- Balances in accounts at commercial banks
- Paper Money and Coin
- Certificate of Deposits (CD)

# Credit

- “Credit is generally defined as a contract agreement in which a borrower receives a sum of money or something of value and repays the lender at a later date, generally with an interest rate.”
  - Creditworthiness
  - Credit History
  - Credit Score
- Liabilities and Assets
- Credit Cards

# Types of Credit

- Bank/ Financial Credit
- Trade Credit
- Revolving Credit
- Open Credit
- Installment Credit
- Mutual Credit
- Service Credit

# Retirement

- What is Old Enough?
  - Social Security Benefits
  - Full Benefits
- What Funds the SSA?
  - 6.2%
  - 12.4%



# Requirements

- **Be at least 62.08333333 Years Old**
- **Still Apply for Medicare**
  - **65 Years Old**



# Other Types of Retirement

- Defined Contribution Plans
  - 401(k)
- IRA Plan
  - Government Account with Tax Breaks
- Solo 401(k) plan
  - Business Owners
- Traditional Pensions
  - Work Continues to Pay
- Guaranteed Income Annuities (GIA)
  - Like a Prepaid Credit Card







## Other Types of Retirement

- The Federal Thrift Savings Plan
  - Government Employees
- Cash-Value Life Insurance Plan
  - Build Money while paying for life insurance
- Nonqualified Deferred compensation Plans
  - 401(k) plans for CEOs of Companies

*The Key*

*To*

*Happiness*



*Work Hard Now... Not Later*

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