



1-1 Discussion: Personal Financial Planning

Introduce yourself to the class by telling a little bit about yourself, your degree, anticipated graduation date, etc. Tell us your experience in finance and other coursework or real-life experience. What do you hope to learn in this class and how do you think it will apply towards your academic and professional goals? Finally, share one or two personal things about yourself (hobbies, etc.).

This discussion will consider lessons learned from the most recent financial crisis and recession.

The year 2008 ushered in one of the most challenging economic periods in U.S. history. The effects of prolonged unemployment and reduced asset values for homes and personal wealth continue to affect people's potential to realize their personal wealth objectives.

- ▶ Identify two concerns that individuals should address in developing their own personal financial plan related to lessons learned from the risks identified during the most recent U.S. financial crisis. What approaches should be included in a personal financial plan to address and minimize future risks with respect to these concerns?

In responding to your peers, explain whether you agree or disagree with their chosen approaches, and why?

To complete this assignment, review the [Discussion Rubric](#) document.

Rubrics

 [Discussion Rubric: Undergraduate](#)

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Personal Financial Planning Discussion

Cole Stoker posted Oct 25, 2020 8:50 PM [☆ Subscribe](#)

Hello there! My name is Cole and I am in the Game Art & Development program, with an expected graduation time of August 2021. I do not actually have much history in finance at all, so this course will largely serve as my introduction to it. I had an accounting course in High School which went over writing checks and general business upkeep (which has since been largely forgotten) but beyond that I have not been in a situation of financial independence so my knowledge is lacking (I am 20).

I hope to learn within this course how to properly manage my assets and bills, as I hope to become independent shortly. Learning how to properly save money and to manage my expenditures, as well as how to properly interact with the market are key information I am looking for. This course will allow me confidence in my professional life I am lacking otherwise, and if I decided to create a start-up business for a creative line of work, this class would give me realistic expectations for how or if it should be done.

The 2008 financial crisis hit my family like a bag of bricks, toppling our financial security due to trusting the wrong investors. The major concerns are a loss of jobs, as layoffs are common during a financial crisis, and a loss of money of course. In addressing a financial plan for preparing for possible catastrophe's like the 2008 crash, one must have their assets in different forms in a secure place. My father for example references the depreciation of the US dollar, hence why he decided to invest some of our financial assets into gold and silver. Paying off as much debt as possible is vital in surviving a crash, so if one is soon arriving, it is best to try to pay off all your loans if possible as it will only become harder to deal with them during a recession. Obviously reduce spending as well, as to assure yourself more of a safety net in the event of financial collapse. Getting involved in a side job is also a good plan to keep yourself stable in the event of a layoff. Lastly, moving some of your assets into a safe place like a savings account is needed to avoid most of the damage from a stock market crash.

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1-1 Discussion

Gustav Olofsson posted Oct 26, 2020 4:52 PM [☆ Subscribe](#)

Hi class,

My name is Gustav and I live in Minneapolis. I'm originally from Sweden but now reside in the US because of my job and family. I have worked with a financial advisor over the last five years and I've also been blessed with good financial guidance from family members. With this class I hope to organize my financial situation in case of emergencies such as the 2008 crisis or similarly Covid-19 and set my family up for the best potential future. I'm big into fishing and also playing hockey.

In 2008 I wasn't working nor making money so I can't help but compare the crisis to our current situation with Covid-19 where I have been affected first hand and how the economy and everyone's financial well being has been tested. A major lesson learned in 2008 and now would be that its important to have a significant emergency fund/savings to carry you and your family through sudden unemployment or the unknown. Another concern would be how do you manage your spending when you know that the country is struggling. Do you continue to invest in an economic system that is failing? Is your money safe in the stock market? Those concerns are all very real and knowing not to panic and to ride the ups and downs is a very important lesson. Your personal financial plan should have you well aware of your current finances, emergency savings, investments, and retirement savings to help you through tough times and minimize the risk of getting through the unexpected.

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Last post yesterday at 4:56 PM
by Gustav Olofsson

Hi Everyone

Peter Stevenson posted Oct 23, 2020 8:08 AM [★ Subscribe](#)

Hi Everyone,

My name is Peter. My wife and I moved to North Carolina from Massachusetts just under 4 years ago and we have settled just north of Raleigh. North Carolina is a battleground state for the presidential election, and I am tremendously excited to get back to the point where I can watch TV without being told how to vote. I recently turned 54 and have 3 grown children who unfortunately did not join me here in NC, plus 2 kittens that are in NC and a puppy that we'll be getting just after Thanksgiving. My job is in biologics manufacturing and I work for a company that grows and purifies protein used to make medicine for people with serious medical conditions. I am currently finishing up a Business Administration degree and hope to graduate at the end of February.

From a financial perspective, I signed up for this class in part because I want to understand more about how best to prepare for retirement. I have managed through the typical financial hurdles like buying a house, getting the kids braces, buying cars, and getting the kids through college etc, and am curious to see if I would have done anything differently had I known then what I'll know by the end of this class.

The 2008 financial crisis was a very difficult time and unfortunately, we seem to be plunging headfirst into another financial crisis right now. I was extremely lucky during the 2008 recession in that neither my wife or I lost our jobs and while the value of our assets shrank considerably, this is trivial when compared to the millions of people who lost everything. The main issues that precipitated the 2008 financial crisis were that housing prices were increasing rapidly, and it was widely thought that owning a home was a sure-fire way to increase personal wealth. To further this idea, financial institutions were aggressively lending money to people who had no chance of repaying the loans unless housing prices continued to rise rapidly, a paradigm that was simply unsustainable. Complicating this issue was the fact that financial institutions could sell mortgages to other institutions and received their money from the issuance of the loan, not from the repayments. This created an entire industry dedicated to selling increasingly risky mortgages to people who had little ability to repay them, then

bundling these mortgages with others that were then sold to other financial institutions using strategies that were so complex that collapse was inevitable. The benefit of this entire debacle is that there are lessons to learn if we choose to learn them. For example, it is important to understand my own personal debt and what my liabilities are, but to also play them out under different financial scenarios. For example, I still have a mortgage on my house that I can pay from my regular paycheck, but what would happen if I lost my job? If I did lose my job, do I have enough money to live for a while or will I need to start racking up credit card debt? Can I do something to mitigate this possibility so that if the worst does happen, I can manage for a while. In addition, some debt is good and does allow for increased financial security as you can level expensive purchases (like buying a house) over time. The value of money does diminish over time, so if you can afford \$X per month on a fixed rate now, in 25 years that same amount will likely be much less as a percentage of your income.

In addition to understanding debt, I also need to plan for my retirement which is not too far in the future. One lesson I learned from 2008 is that having a single vehicle for building wealth is a risky strategy, and that diversification is an important component of financial well being. The stock market is going to crash again at some point, and it makes strategic sense to account for this eventuality before it happens, not during or after.

For those of you who have made it this far, I apologize for the lengthy post. I am looking forward to working with you this semester and am excited to see what we learn.

Peter

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Last post **yesterday at 5:06 PM**
by Gustav Olofsson

week 1-1: discussion

Maurice Drewry posted Oct 26, 2020 8:11 AM [★ Subscribe](#)

Hello, my name is Maurice Drewry, and I'm currently a store manager for Aldi. Previously, I was the store manager and a district manager for McDonald's. I am two classes from receiving my associate's in business administration. I choose to add a bachelor's of finance and accounting to my current education plan. In the last term, I was in FIN-320, and I was excited about the classwork, the amount of information you will receive from just this one class, and the professor provided excellent reading sources. With my degree program, I felt that finance would be the area I will enjoy and succeed because of my management background. I spoke with the advisor to make changes to my schedule to ensure that I will receive as many finance courses as possible.

My career background in management has allowed me to experience aspects of both finance and accounting. As a manager or district manager at McDonald's, I learned to budget and analyze the following areas: P&L statements(income statement), sales trends, scheduling, and payroll efficiency, and inventory reconciliation. I continue the use of these skills at Aldi along with the use of KPI's. When I'm not working or doing classwork, which consumes most of my time, I enjoy reading about cars or having fun with my kids.

The 2008 economic recession is one of the worst in American history. One of the main issues would come from millions of homeowners lost their property to sub-prime loans and banks were hoarding cash assets. During this tragic time, I worked for McDonald's and did not understand how bad it was for the country and myself. Unfortunately, I would lose thousands

of dollars from a retirement account that I had no control over. Since then, I have educated myself on personal finance and choose to improve my situation. As we know, the stock market began to take a severe dive in March of this year. Macroeconomics helped me understand the market, what items to purchase and when, and why you should focus on your finances, including your investments. I will admit I was nervous as I did lose a fair amount of money this time, just like in 2008. The difference is my ability to control my investment and my knowledge from my previous experience. As it sits, I made a substantial amount of money, including the money I would lose over the three-month decrease in the stock market because of the pandemic. I have focused not only on controlling my finances but also on increasing my knowledge and skills to avoid any more bad situations.

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Last post **yesterday at 5:13 PM**
by Gustav Olofsson

1-1 Discussion: Personal Financial Planning

David Haun posted Oct 26, 2020 8:36 PM [★ Subscribe](#)

Hello everyone! My name is David but I go by my middle name Wraith. I am 28 years old from a small town outside Nashville, TN. My degree is in Business Administration with a minor in Marketing. I have been going to college on and off for the last 8 years mainly to cash flow college without going into debt. My personal experience in finance is solely off of my personal finances. I have been living on my own for over 10 years and "sometimes" budget very well. I hope to learn from this class is tools I can use to help manage my money better. Although, I


believe I am already doing very well for myself. The more tools in my belt the better. The hobbies I have are mountain biking and anything outdoors related. I love being outside.



In 2008, I was working at Burger King. I didn't lose my job during that crisis. Unfortunately, both my parents did. For a few years, it was extremely difficult for our family to get on their feet afterward. They are still struggling with those effects to this day. One thing I did learn from 2008 was setting a budget and sticking to it is extremely important. Another concern is not to live outside your means. An approach I live by to minimize future risks is to build an emergency fund and 3-6 months living expenses as Dave Ramsey says (His headquarters is literally 15 mins from my house so I hear about him A LOT). I think building both of those up as fast as possible puts your mind at ease and eliminates the "fear" from the unforeseen future.

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Assessment



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