

37:575:394:01 Stocks and 401(k)'s

Fall 2017

Pre-Requisite: None

Meeting Times: Tuesdays, 10/31, 11/7, 11/14, 11/28 and 12/5. 7:15 – 10:05 PM.

Location: Cook / Douglass – LEC Room 133

Course Description: 401(k)'s and 403(b)'s, along with other employer sponsored retirement plans, have become today's retirement pension for most U.S. employees. This course will explain why they are so valuable and important to the employee's long term wealth accumulation. All aspects of these Plans will be studied, including tax benefits, accessibility of funds, loan provisions, and how to best allocate the investment options. Building further on the investments, we'll also study how to analyze the mutual fund options in a 401(k) / 403(b), and assess your company and other company stocks to determine their value as an investment.

Instructor: Joel Schreiber, MBA, CFP®

Please use the course's Sakai Chat Room folder for any questions pertaining to class material.

Contact me directly for personal issues or absences: joel.schreiber@rutgers.edu

Office Hours: Tuesdays prior to class, 6 – 7PM, LEC 133.

Required readings available online, in the Sakai site / Resources.

Preparation for Class

Class will include lectures, small group discussions, and quizzes. It is important to:

- Be prepared for class. **Always read the material** as assigned in the syllabus, for a class **before** the class. Check your email for class announcements.
- **Attendance is mandatory at all classes, given the limited number of classes.** Unexcused absences will result in the student's final grade being lowered.
- **Participate** in class discussions and group activities. **Participation will count for 10% of your course grade.** Explain your views. Ask questions. My expectation is NOT that you will answer all discussion questions correctly, as you are new to the subject.
NOTE: You cannot receive an "A" in this class, without actively participating!

- Take careful lecture notes.
- Check into the Sakai Chat Room often, for valuable shared information.

You are responsible for reading, and following, the “Plagiarism Guidelines” posted on Sakai. Please read those guidelines and keep them in mind.

Evaluation

For purposes of grading, there are five components of the course:

- Class preparation, attendance, and participation (20%)
- Stock Portfolio Report (40%)
- Take home Final Exam (40%)

The following schedule is subject to change; readings should be completed before class.

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| <p>10/31/2017 Class 1</p> | <p>Introduction and Course Overview</p> <ul style="list-style-type: none"> • Course scope, structure, and grading • Open Discussion: How much do you know about 401(k)'s and Stocks? • Stock Portfolio Project – Background, setup and presentation. <p>Understanding 401(k)'s and all their benefits: http://www.investopedia.com/articles/investing/102216/understanding-401ks-and-all-their-benefits.asp?ad=dirN&qo=investopediaSiteSearch&qsrc=0&o=40186&lgl=rira-baseline-vertical</p> <p>What are stocks and what is the stock market? http://www.investopedia.com/terms/s/stockmarket.asp</p> |
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**11/7
Class 2**

401(k)'s and 403(b)'s – Background and Benefits

- Today's personal pension – why 401k's are so popular
- The Many Tax Benefits of 401k's
- Traditional or Roth 401K – Is one better than the other?
- Other Common Provisions
- Limitations of 401k's
- What distinguishes a good 401k from a not-so good one
- Other Employer Retirement Plans (SEP, SIMPLE, Profit Sharing Plans)

Owning Stocks – Background and Benefits

- What is stock and why own it?
- Stock Analysis 101, using web-based tools

10 401(k) Benefits that can help make you a millionaire

<https://www.forbes.com/sites/financialfinesse/2015/03/27/10-401k-benefits-that-can-help-make-you-a-millionaire/#14a21161659d>

5 Reasons to start a 401(k)

<https://www.sharebuilder401k.com/401k-tax-benefits.aspx>

Compare Small Bus Ret Plans

<https://www.fidelity.com/retirement-ira/small-business/compare-plans>

Madura, Personal Finance, 6th edition,
Chapter 15 – “Investing in Stocks.”
(Posted in Sakai).

Defined Benefit (Pension) vs. Defined Contribution Plans

http://money.cnn.com/retirement/guide/pensions_basics.moneymag/index3.htm

Build your own stock portfolio:

<https://finance.yahoo.com/>

| | |
|---------------------------------|---|
| <p>11/14 Class 3</p> | <p>Your company's stock. How and when to buy, and how to pick other stocks to buy</p> <ul style="list-style-type: none"> • How much of your company's stock should you own? • Stock Purchase Plans and Stock Options • How to analyze any stock using Yahoo Finance. • When should you buy stock? • When should you sell stock? <p>In-class working session on Stock Portfolio Project</p> |
| <p>11/28 Class 4</p> | <p>Mutual Funds and Exchange Traded Funds – The best way to own stock.</p> <ul style="list-style-type: none"> • Why are mutual funds so popular? • The many, great benefits of mutual funds • The even greater benefits of “Exchange Traded Funds” • How to buy mutual funds and Exchange Traded Funds • How to diversify your portfolio <p>Readings:</p> <p>Madura, Personal Finance, 6th edition, <u>Chapter 17 - “Investing in Mutual Funds.”</u> (Posted in Sakai).</p> <p>Benefits of ETF's Power Point posted in Sakai.</p> |
| <p>12/5 Class 5</p> | <p>Portfolio Project (due before class, 12/5) – Informal Presentations and Shared Learnings.</p> <p>Final Exam (due by end of class, 12/5)</p> |

Attendance: Attendance is of critical importance. It is essential to keep up with the class material. Attendance will be taken in each class. If a student misses/will miss a class, then the student needs to send a courtesy e-mail message to the professor. **As stated earlier, attendance will count for up to 10% of your course grade!!**

Required: Excel 2007 (or higher) or, for MACs, StatPlus/Analyst Soft as an alternative, is required for problems, related cases, and team projects. Reading assignments must be completed prior to each lecture.

Communication Devices: No communication devices (cell phones, palm pilots, beepers, pagers, etc.) can be used in the classroom.

Assessment:

Posting of Grades: Please check MyRutgers for your final grades.

Assessment Policy:

| Letter Grade | Scores Based on Course Components |
|--------------|-----------------------------------|
| A | 90-100 |
| B+ | 85-89 |
| B | 80-84 |
| C+ | 75-79 |
| C | 70-74 |
| D | 60-69 |
| F | < 60 |

Note: The thresholds for final letter grades will be re-scaled if a conventional standard seems unreasonable.

Academic Integrity: All students are responsible for locating, reading, and abiding by the University Policy on Academic Integrity for Undergraduate and Graduate Students. The policy is available on-line at <http://cat.rutgers.edu/integrity/policy.html>

Recommendations: Requests for recommendations must be made in writing after completion of the course.

Penalty: For every day that an assignment is late there is a **10% penalty** that will accrue, with a **max of one week**. Submissions must be complete; no partial assignments can be submitted.

Communication:

1. NETID Needed

Rutgers uses the Sakai system. In order to use this system, you must have a NETID and PW. A NETID is

an account on one of the main systems at Rutgers (Pegasus, Eden, Andromeda or RCI).

- **If you have a NETID**, you can currently ensure that you will be able to login to the system.

- **If you do not have a NETID**, please use the following page to attain one:

<http://netid.rutgers.edu/>

- **If you have any problems**, please contact your local RUCS Help Desk. You can reach them at help@nbc.rutgers.edu or 732-445-Help

Sakai

To facilitate class learning, please access and print course documents needed for class from the course management system known as Sakai. Course documents are posted in folders under Resources.

Quick Start for Sakai:

<https://sakai.rutgers.edu/access/content/public/quickmember.html>

Sakai website:

<http://sakai.rutgers.edu/portal>

If you do not see this course listed, then the site is likely in the “More” dropdown box to the right of your tabs.

You can rearrange the order of your sites or hide sites from previous semesters by using the Preference tool

in My Workspace and clicking on the “Customize Tabs” action button.

CTAAR

The Center for Teaching Advancement and Assessment Research supports teaching and learning through a variety of areas. Free for students are software workshops in Excel, Word, PowerPoint, Access, etc.

http://ctaar.rutgers.edu/workshops/ws_descr_IT.html

Student E-Mail and Phone Numbers:

a. A student can forward mail from his/her Eden/Pegasus address to a preferred e-mail address. Go to <http://www.eden.rutgers.edu/tools.php> and click on forwarding. Enter your NetID and PW. Then fill in your preferred e-mail address.

Cautions: Hotmail has problems with e-mails with attachments. Also, some corporations spam e-mails with attachments.

- If you have any problems, please contact your local RUCS helpdesk at help@nbcs.rutgers.edu

Students, also, have the responsibility to then inform the professor of any changes to their phone numbers (day and evening). Please use “**37:575:325:B6**” in the Subject section to avoid being spammed. **Please sign your full name in all e-mail correspondence.**

Please do not Reply All to the Instructors. Otherwise, several members of the staff and instructors will receive your correspondence.

Please check your e-mail regularly, especially on the day of class, to learn if there are any changes in the class schedule, class requirements, or for other general announcements.

Study Groups: Forming study groups will facilitate learning by keeping you focused, involved, and current in the course.

Classroom Etiquette: Common courtesy is expected at all times. **Please turn off all cell phones and other communications devices during class.** This facilitates efficient learning, best performance in the course, and timely completion of classes.

Parking Impacts: Special events may impact parking.

Snow Emergency University/Campus Closings: 732-932-INFO (New Brunswick);
<http://campusstatus.rutgers.edu>