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Money Management

USE THESE TOOLS TO HELP YOU MANAGE YOUR MONEY WITH SUCCESS!



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Guest Speaker – Juliana Hackel-Judd CRA Relationship Manager

Juliana develops and maintains relationships with community organizations. She now has a territory that includes a number of states.

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“Never spend
your money
before you
have earned
it.”

Thomas Jefferson

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The Tools

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Bank on It

- Why keep your money in a bank?
 - Safety
 - Convenience
 - Cost
 - Security
 - Financial Future
- Banks, Thrifts, Credit Unions
- Fees, Deposits, Withdrawals, Balances
- Common services include internet banking, direct deposit, ATM, & others.

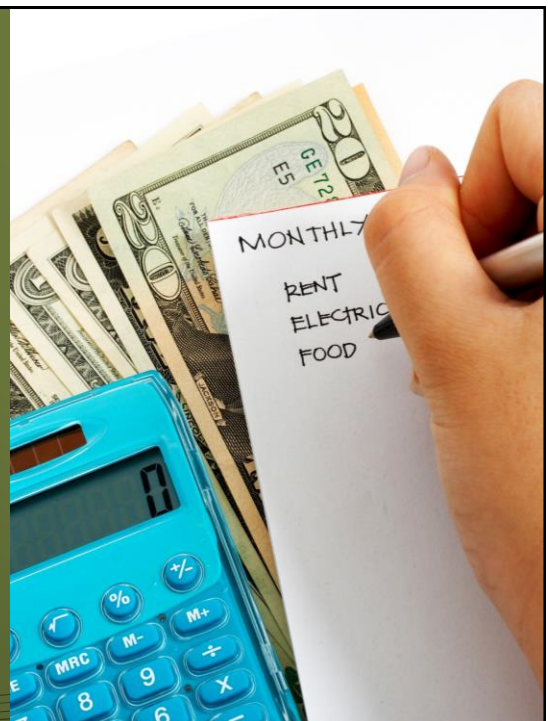


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Money Matters

- Financial Goals – short & long term
- Spending Plan – expenses vs. income
- Decrease spending or increase income
 - Tax credits
- More expenses than income?
 - Household expenses (rent/mortgage, food)
 - Health & Safety
 - Seek assistance



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Income	Expenses	
\$3,500	Rent	\$1,000
(\$2,100 + \$1,400)	Loans & bills	140
	Child care	400
	Savings	75
	Telephone	40
	Food	400
	Transportation	200
	Personal Expenses	150
	Total	\$2,405

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Pay Yourself First

- Why save?
 - Manage money better.
 - Save toward identified goals.
 - Improve living standard.
 - Money for emergencies.
- Interest, Compound, Yield
- Savings Account, Money Market, Certificate of Deposit
- Stocks, Bonds, Mutual Funds, Treasury, Retirement Accounts



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Borrowing Basics

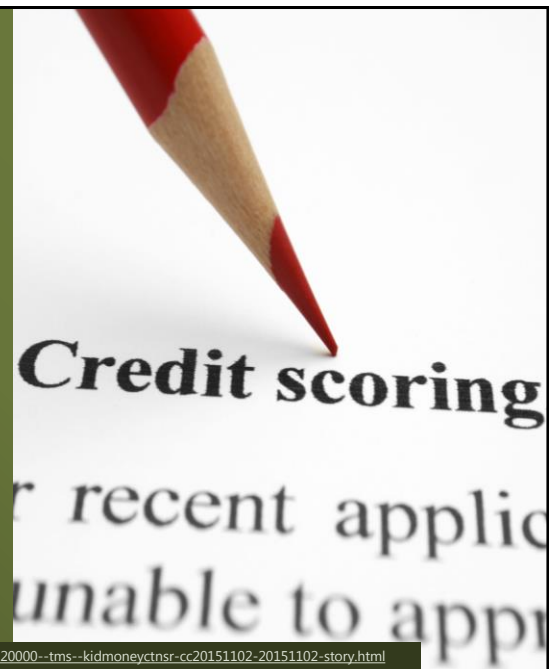
- Money you borrow to pay for things that you must pay back.
- Credit is convenient, useful in emergencies, helps you purchase over time, can affect your employment, housing, and insurance.
 - Installment Loans, Credit cards, & Home loans vs.
 - Rent-to-Own Services, Pay-Day Loan Services, & Refund Anticipation Loans
- Capacity, Capital, Character, Collateral



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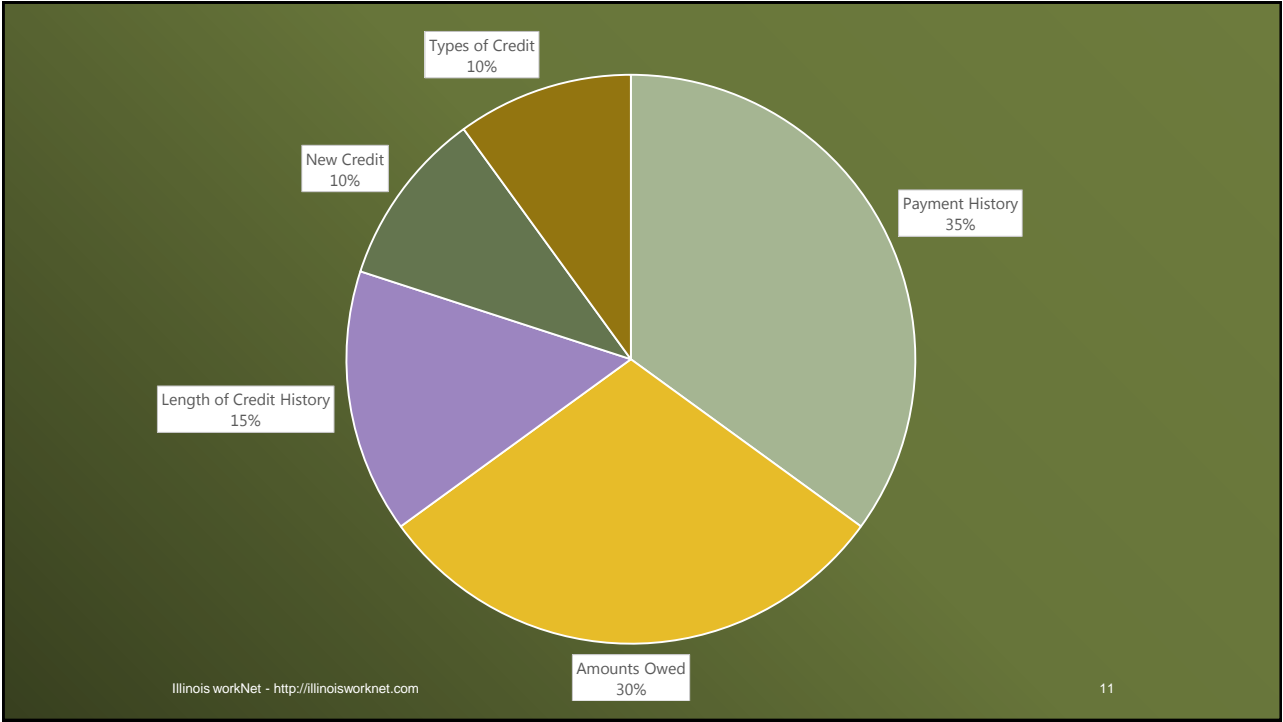
To Your Credit

- Credit is the ability to borrow money and your promise to pay back the loan.
- Tells lenders about you.
- Identifying information, history, & public record information
 - Bankruptcy –
 - Chapter 7 or 13
 - 7-10 years on your record
- Scores between 300-850
- Equifax, Transunion, & Experian
 - <http://annualcreditreport.com> or 877-322-8228



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<http://www.chicagotribune.com/lifestyles/sns-201511020000--tms--kidmoneyctnsr-cc20151102-20151102-story.html>



1. Personal/ Consumer Information
2. Personal/ Consumer Statement
3. Account Summary
4. Inquiries
5. Public Record Information

JOHN Q CONSUMER Report #1234567	Report Date 01/01/2006
Personal Information 123 Main Street #2 Somewhereville, USA 01234 SSN#123-45-6789 DOB 02/01/68	Employers 1. ABCDE Engineering Corp, Somewhereville USA 2. Port City Engineering, Anywhere, USA
Consumer Statement No personal statements appear in your report.	
Potentially Negative Items Televise Cable Comm. Acct#: 1234 5678 1234 5678 Type: Collections Date filed: 05/01/05 Status: Delinquent in collections 120+ days Amount: \$125.00 Credit Limit/Original Amount: N/A	
Accounts in Good Standing	
XYZ BANKCARD USA Acct#: 0110220 Type: Revolving Date added: 12/12/99 Responsibility: Individual Status: Open/Never late Monthly Payment: \$15 Terms: N/A High balance: \$129 Credit Limit/Original Amount: \$1000 Recent Balance: \$79	Automobile Financing Services Acct#: 0981024057 Type: Installment Date added: 03/29/06 Responsibility: Individual Status: Open/Never late Monthly Payment: \$245 Terms: 60 months High balance: N/A Credit Limit/Original Amount: \$10,000 Recent Balance: \$4,665
Requests for Credit History	
VISA Card Address: PO Box 1414 NY NY 10001 Date: 04/01/05	

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Build your Credit

- Apply for a small bank loan.
- Apply for a local store credit card.
- Make large down payments.
- Negotiate credit payments.
- Ask a friend or relative to cosign a loan.
- Pay on time.
- Keep debt levels low.
- Deposit regularly into a savings account.
- Ask lenders to review utility bills.



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Charge it Right

- Credit Cards are a revolving line of credit:
 - Pre-approved dollar limits
 - Minimum monthly payments
- Charge Cards require the balance paid monthly
- Debit cards take money from your checking account
- Compare annual percentage rates, annual fees, grace periods, late fees, over-limit fees, cash advance fees
- Pay by mail, direct debit, by phone, online
- Paying only the minimum is costly!
- Opt out of mailed credit card offers:
 - <http://optoutprescreen.com> or 888-567-8688



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Loan to Own

- Installment loans are equal monthly payments for a specific period of time.
 - Cars, furniture, electronics, household appliances
 - Mortgages & home equity loans are secured by collateral.
 - Student loans are unsecured.
- Specific monthly payment, lower rates than credit cards, payments include principal
- Right to Rescind/Right to Cancel
- Predatory lending practices



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APPROVED
LOAN
APPLICATION

Identity Theft

- Protect your personal information (SSN, PINs, passwords, credit/debit cards)
- Protect incoming/outgoing mail
- Sign up for direct deposit
- Keep financial trash "clean"
- Track bank statement & credit card bills
- Be mindful on the internet
- Check credit reports annually



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1010
01110
11101
0101 0101
000001 010100 0110
ID fraud
10001
0110 11 100
110101
00101
10001

Financial Recovery

- Evaluate your current financial situation.
- Income vs. Expenses
 - Basic necessities first, high-priority expenses next, remaining expenses last
- Evaluate your spending plan
- Seek assistance
 - <http://benefits.gov>
 - <http://makinghomeaffordable.gov>
- Repair credit – find and correct any errors, negotiate payments with creditors
- Stay calm, ask about “hardship” programs
- Use a Credit Counseling Agency – be wary of unsolicited offers, could be scams



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credit

credit

Resources



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Resources to use

- Illinois workNet Money Management – <http://www.illinoisworknet.com/moneymanagement>
- FDIC - Federal Deposit Insurance Corporation - <https://www.fdic.gov/consumers/consumer/moneysmart/>
- Money Smart Computer-Based Instruction - <https://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html>
- Money Smart Week –
 - <http://www.moneysmartweek.org/resources>
 - <http://www.moneysmartweek.org/illinoispo>
- Consumer Credit Counseling Service – <http://illinoiscccs.org>
- Government benefits - <http://benefits.gov>
- Making Home Affordable - <http://makinghomeaffordable.gov>



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Thank You for Attending



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