

Money Management

August 2024



CENTER OF EXCELLENCE
FOR RECOVERY



Goal

Understand banking and
manage your finances

Why is it important to know about banking and money management?

Understand the difference between want and need

Learn the importance of saving and avoiding debt

Achieve financial stability and independence in the future



Task 1

Google or visit 3 local banks and check for the availability of **free student** checking and saving accounts with **minimum deposit requirements**.

Open or switch to a free checking and savings account with minimum deposit requirements with a **checkbook, online banking**, and order a **debit card**. Write your numbers down and put them in your safe place.



What is a Credit Score?

A credit score is a prediction of your credit behavior, such as how likely you are to pay a loan back on time, based on information from your credit reports.

Why is it important?

Credit Scores Decide- mortgages, credit cards, auto loans, tenant screening and insurance

What factors impact my credit score?

- Your bill-paying history
- Your current unpaid debt
- The number and type of loan accounts you have
- How long you have had your loan accounts open
- How much of your available credit you're using
- New applications for credit (Credit Check)
- Whether you have had a debt sent to collection, a foreclosure, or a bankruptcy, and how long ago

Task 2

Go to www.annualcreditreport.com or www.creditkarma.com

To request a credit report.

What is your score? _____

What would you like your credit score to be in 6 months _____

What 2 things can you do to help improve your credit score?

1.

2.

Credit and Debit

- **Debit** Cards are using your own money from a checking or savings account but can use like a credit card for ordering online.
- **Credit** Cards are using a company's money that will charge you interest for borrowing their money.

Pros

Builds Credit

Good for Emergencies

Some offer rewards

Cons

Can Hurt Credit if not Managed

Must be paid off each month or interest

Over spending

Task 3

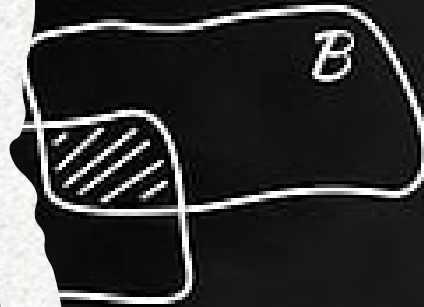
- If you charge \$100 and the interest is 25%.
- You can only afford to pay back \$10 a month.
- How long will it take you to pay it back?
- What is the total amount you will be paying back?

$$ax^2 + bx + c$$

$$x_1 = \frac{-b - \sqrt{\Delta}}{2a}$$

W

$$\Delta = b^2 - 4ac$$



$$A \cap A = A$$

$$A \cap \emptyset = \emptyset$$

$$[f(x) - g]$$

$$= \pm \sqrt{\frac{1 - \cos}{2}}$$

$$+ b)(a^2 - ab + b^2)$$



“Telling your money where it should go”

- You may think that you don't have enough money to talk about goals, budgets, or savings.
- Pennies turn into nickels, nickels into dimes, dimes into dollars...
- The first thing we have to do is set goals even if they seem very far away and then decide if items are needs or wants.
- Then we decide where every dollar goes by creating a budget.



Task 4

What are your
money goals?

1 Month Goal
6 Month Goal
1 Year Goal



Task 5

Over the next few days write down every expense you made and decide if it was a need, want, or if you could have waited on the purchase. This will begin to help you determine your spending habits and how you might be able to change them.

Needed	Wanted	Could Have Waited On

Task 6

Budget Sample

Expense	Amount
Rent/Mort	
Elect/Gas	
Water	
Sewer	
Trash	
Car	
Car Ins	
Car Gas	
Groceries	
Savings	
Phone	
Loans	
Internet	

***“A budget is telling your money
where to go instead of
wondering where it went”
Dave Ramsey.***

Savings (Always pay yourself first!)

Personal Savings-Funds that can be used for emergencies or vacations or whenever you need a lump sum of cash. You can keep this money in a jar, at the bank, or through an app like **STASH**. It's less likely you will be tempted to use it if it's a little harder to access.

Retirement Savings-Funds that help support you when you are older and may not be able to work. These are often offered by your employer, and you can add money to it. You can also **start your own** retirement account. These are 401K accounts, and you don't have to pay a tax penalty when you take the money out if you keep it in until you are 59 years and 6 months.

Helpful Financial Hints

- Complete a budget that shows you how much money you can spend on **extras** after the **essentials** are paid for
- **Pay yourself first!** Even if it's \$1 a week. Savings are key.
- If you have a partner, make sure that finances are discussed and agreed upon **together**
- An envelope system is a good way to visually show “**where your money goes**” (cash system used vs. debit/credit card for day-to-day items)
- Pay all your **essentials first** (shelter, utilities, transportation, food)
- Take advantage of coupons and **FREE memberships**
- Pay credit cards monthly **before interest accrues**

**To receive a certificate or LevelUP
credit for this course:**

Email: TAYASSISTANCE@marshall.edu