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Understanding Money & Money Behaviors

1. Know your monthly income
2. Be conscious of what you spend your money on each month...list everything!
3. Subtract your expenses from your monthly income
4. Cross out any unnecessary items

Checking vs. Savings Account

Credit Unions vs. Banks

Checking

- Direct deposit your paycheck
- Access your money through a debit card
- Write checks to individuals or businesses to pay for services or products

Savings

- Hold money to use later
- If you overdraw money from checking account, the difference will come out of savings

Banks

- You are considered a customer
- High requirements to borrow money
- Interest rates are higher
- Customer service isn't very good
- Trying to sell products

Credit Unions

- You are considered a member (voting rights)
- Lower requirements to borrow money
- Interest rates are lower
- Not as many branches as a bank
- Interested in educating you about products

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CREDIT

What is a credit score?

- Credit scores are three-digits numbers that represent the likelihood that you will pay a bill on-time
- Banks use a credit score to help determine whether you qualify for a particular credit card, loan, or service
- There are multiple credit scores in existence and the most well-known is FICO
- Credit scores are constantly changing with new information and needs time to update (30-45 days)

FICO Score

A three-digit number based on the information in your credit reports. It helps lenders determine how likely you are to repay a loan. This, in turn, affects how much you can borrow, how many months you have to repay, and how much it will cost.

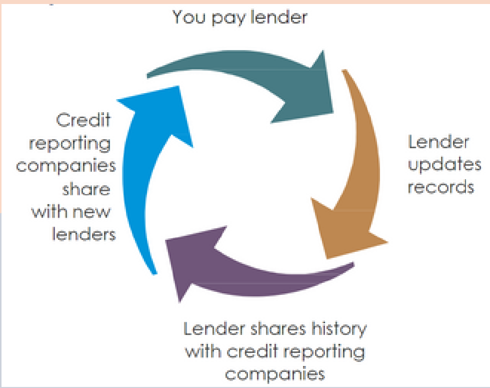
Vantage Score

Looks at the information in your credit reports and generates a number designed to communicate the likelihood you're going to pay your bills on time.

How to build GOOD credit

- Open a secured credit card in the range from $150 - $10,000
- Make on-time payments (more than minimum) before the due date
- Keep balances within 30% of your credit limit
- Keep "old flames" burning-don't close accounts needlessly
- Apply for a small loan at your bank or credit union where you have a checking/savings account
- Work with a reputable company to negotiate debt settlements and remove negative accounts

Credit Cycle



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SURVIVING TO THRIVING

What you should know if you lose your job...

What you can do with your loans

RENEGOTIATION

Request more favorable interest rates on existing loans or consolidate debt to reduce your APR, which lowers the amount you borrow for the life of the loan.

DEFERMENT

Postponement starting from 30 - 90 days of loans. These bill/ loans come from a credit card, student loans, car loan, or mortgage.

BEEF UP YOUR EMERGENCY FUND

Now is the time to build a strong relationship with your bank and pile up some cash.

Temporary Job Loss

FURLOUGH

A furlough is temporary and requires a worker to take some unpaid time off or work reduced hours. It could last from a couple of days to a couple of months.

LAYOFF

A layoff is a temporary separation of employment, meaning the worker is removed from the payroll for a limited time. The layoff is not a termination because there is an expectation that the employer will recall individuals back to work. In many states, employees are required to give advance notice of a layoff, but no notice is required for a furlough under six month.

Unemployment Benefits

Unemployment Insurance is a joint state federal program that provides cash benefits to eligible workers that are unemployed through no fault of their own. Each state administers a separate unemployment insurance program, but all states follow the same guidelines established by the federal law.

You can make an unemployment claim online, over the phone or in person. The payout is based on how much you earned and aims to replace about half of your previous income.

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