

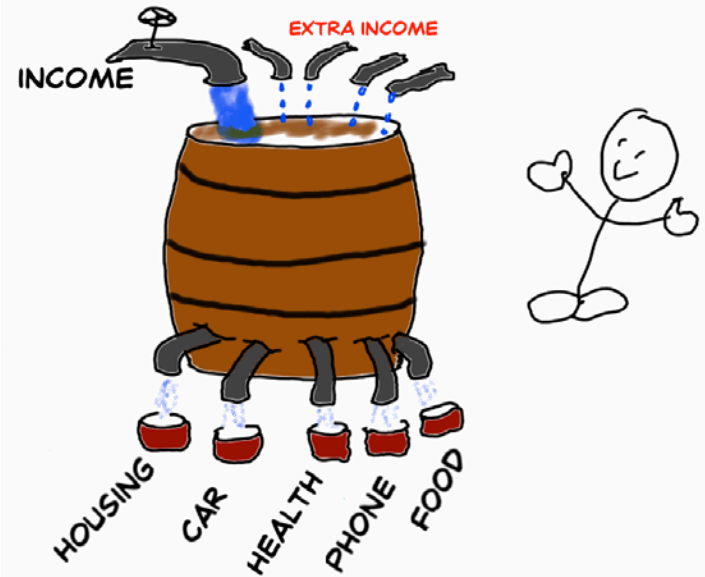


Financial Awareness & Saving Money

Budgeting

Key to financial awareness

- Thorough knowledge of your
 - Monthly net income
 - Flexible vs. fixed expenses each month
 - How you can reduce spending
- Ensuring expenses do not outweigh income



Consumer Credit & Protection

Knowledge is power.

- Common types of consumer credit:

- Credit cards
- Car loans
- Student loans



- Risks in not understanding consumer credit

- Unknowingly pay higher interest rates and fees

- Pay attention to your statements

- rate changes, special introductory offers, cash advance rates

Consumer Credit Reports & Scores

Divided into 4 parts

1. Personal information

2. Accounts

- Loans, balances, payments

3. Inquiries

- Everyone who has accessed your credit report in last 2 years

4. Negative items

- Public record information

300 -549	Very low score - You are a very high risk borrower
550-619	Low score - You are a high risk borrower
620-649	Medium score – You are a moderate risk borrower
650-699	Good score – You are an acceptable risk borrower
700-749	Very good score – You are a low risk borrower
750+	Excellent score – You are a very low risk borrower

www.creditkarma.com

Saving Money

Define short-medium-long term goals.

- Short terms goals (6-24 months)
- Medium term goals (2-5 years)
- Long term goals (5+ years)



<http://www.thesimpledollar.com/hacking-the-52-week-money-challenge>

Develop Short-Term Goals

6-24 months

- Pay off credit, tires, vacation move-in deposit
- Consider setting money aside for unplanned emergencies
 - 3-6 months basic living expenses for a crisis
- Pay yourself first.
 - may help ensure the money doesn't get spent elsewhere



Develop Medium-Term Goals

2-5 years

- Down payment for car or house
- If you aren't meeting your savings goals each month, identify areas where you can cut expenses.
 - Examine budget
- Keep the commitment to pay yourself first.

Did you know your employer can put a specific amount of your check into savings?



Develop Long-Term Goals

5+ years



- College education, retirement
- Never too late to start making your money work for you.
- Can always change your contribution amount
- Evaluate your goals regularly-priorities change



Thank you for attending!

Kim Wurst, Teacher
Community Education Center

<https://www.ecmc.org/students/financial-awareness-basics-FAB.html>