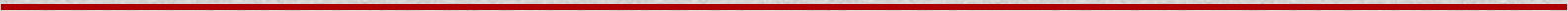


Alabama Teachers Credit Union Financial Education

- Joe Wood, Marketing Specialist
- Susan Hilley, Anniston Branch
- JD Holt, Investment Services



Did You Know?

- The average person spends money 3 times a day.
- 76% of Americans live paycheck by paycheck.
- 57% of American households don't have a budget.
- 41% of families don't save at all.
- Putting aside every coin you touch usually results in saving about \$50 a month.

Source: money.cnn.com

What is Financial Literacy?

- Financial literacy is the ability to understand money and how to manage it, so that you can make financial decisions that will benefit you now and in the future.
-

Terms to Know:

- **Cost Comparison**

Comparing the cost of two or more goods or services in an effort to find the best value.

- **Cost-Benefit Analysis**

Analyzing whether the cost of an item is more than, equal to, or less than the benefit that comes from purchasing that item.

- Cost – The price paid for a good or service.
- Benefit – An outcome that promotes well-being.

- **Calculating Future Expenses**

Identifying the cost of meeting future needs and goals.

Short-term, medium-term and long-term goals – Goals to achieve over specific periods of time.

- **Budget**

A plan for future spending and saving, weighing estimated income against estimated expenses.

- Income – Payment received for goods or services.
 - Expense – Cost paid to secure a good or service.
-

Setting Financial Goals:

- Your opportunity to decide what YOU want to do with YOUR money
 - Set specific goals – The “Whats, Whens and Hows”
 - Short-term
 - Mid-term
 - Long-term
 - Flexibility
-

Get Money SMART

- Whatever your goals may be, they need to be “SMART”
 - – Specific
 - – Measurable
 - – Attainable
 - – Realistic
 - – Time Bound
-



Let's write a SMART goal

Get Organized!

- Organization is the key to efficient money management
 - Create a budget
 - Streamline your finances
 - Monitor your checking account on a regular basis
 - Have the right “Tools”
-



Budget Building Steps:

- Gather your financial information; monthly financial statements, pay stubs, bills etc.
 - Don't forget about debt (long & short term)
 - Prioritize your expenses
 - Identify where you can make changes
 - Include your savings goals
-

Stick to Your Budget

- Avoid things that tempt you into buying things you do not **NEED**; malls, online shopping, your favorite store
 - Make a shopping list **BEFORE** you shop
 - Plan your meals and cut back on eating meals out
 - Question each purchase...Need vs. Want
-



Think Before You Buy

- Think before you buy, become an educated consumer
 - Compare prices
 - Revisit your budget regularly
 - Have someone who supports and encourages you to stick to it!
 - Reward your efforts as you reach your goals
-

Saving Money

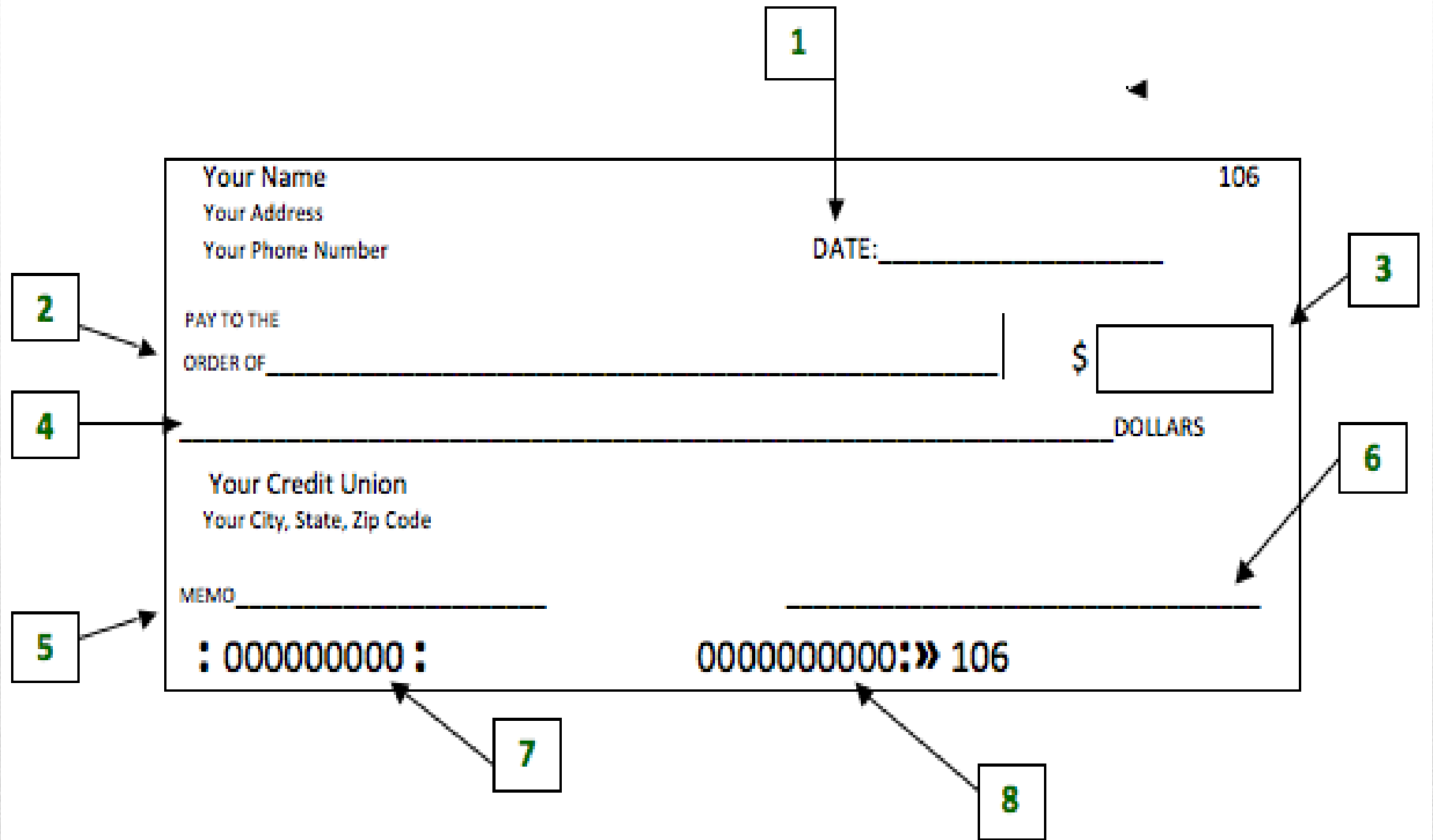
- Pay yourself first – You need enough money to live on
 - Find ways to set aside cash on a regular basis
 - Set your goal – How much should you save
 - Start small and increase as you can
 - Have an “Emergency Fund” for those unexpected expenses, such as car repairs
-

“Tools” for You:

- Checking Account
 - Debit Card
 - Checks
 - Direct Deposit
 - Online Banking
 - Bill Pay
 - Mobile Banking
 - Mobile Check Deposit
-

Check It Out

(mock checks)



What Goes Where:

1. Date: Write the date that you are completing the check.
 2. Pay to the Order of: Write the name of the company or person that will receive the payment. In order to prevent fraud, it is a good idea to draw a line to the end, after you write the payee's name.
 3. \$: Put the amount of the check in this box. It should be written numerically ex: \$21.45.
 4. Dollars: Write out the amount of the check, such as twenty-one and 45/100. In order to prevent fraud, it is a good idea to draw a line to the end after you have written the check amount.
 5. Memo: Use this area to write yourself a note that explains why you wrote the check or to record the account number of the bill. This section does not need to be completed for the check to be valid.
 6. Signature: You must sign your name here to validate the check.
 7. Routing Number: The code that identifies your credit union. It is also used to process automated transfers, such as direct deposit.
 8. Account Number: Your unique share draft number.
 9. Always write checks in ink. No pencils-this helps to prevent altered checks.
-

Debit Card:

- Other than a check, you can also use a debit card, or a check card. A debit card works like a check except, when you make purchases, the amount is deducted immediately from your checking account.
 - Upon using your check card, you may choose to enter your PIN (which you should never share) or sign for your purchase.
 - Always deduct your check card transaction immediately from your check register.
-

Did You Know?

- 66% of Americans believe debt is the result of unfortunate circumstances beyond their control
 - 91% believe debt can be controlled by disciplined saving and spending
 - 64% of people surveyed admit that debt is a cause of worry for them – although men worry less about it than women
-

How do you obtain Credit?

- Borrowing money from a financial institution
 - Principle
 - Interest
 - Payments
 - [Loan Application](#)
 - Credit Score
-



How Credit Affects Us:

- Good use of credit when you're young helps you to purchase a home, car etc. when you're ready
 - Bad use of credit can affect us emotionally, physically and financially for many years
-

Use Credit Wisely.

- Keep close watch on your spending
 - Limit/use credit cards/credit wisely
 - Know your limits & keep your balances low
 - Pay off your credit card(s) monthly, avoiding interest paid on balances
 - Paying the minimum amount due monthly can add months/years to paying it off which can be very costly
-

Credit “Dangers”:

- 1 in 10 families can only afford to make their minimum monthly payments
 - Spending more than you can comfortably afford to pay back
 - Beware of building credit out of “impulse” instead of necessity, including impulse shopping
-




Tips to Financial Health:

- Track and monitor your spending
 - Expect the “unexpected”
 - Have open communication in your household
 - Accept that you can’t “buy everything”
 - Save...Save...SAVE!
-

Managing Money:

- Have an account, preferably at a [credit union!](#)
 - YOU are an owner/member
 - Higher rates on savings
 - Lower rates on loans
 - Little to no fees for services
 - Utilize apps to monitor your money
 - Mint
 - EveryDollar
 - Your credit union or bank
-



“Every day I get up and look through the Forbes list of the richest people in America. If I'm not there, I go to work.”

Robert Orben
