You and Your Money

Presented By:

St. Vincent De Paul

In Partnership With:

Michigan Catholic Credit Union

&

GreenPath Debt Solutions

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Identity Theft

What You Need To Know

Identity fraud is the fastest growing crime. Identity theft occurs when someone obtains your personal information, like your name, social security number, or credit card, without your permission and uses it for their own personal gain. With your information, thieves can rent an apartment, buy things with your credit card, get cash, and open a new credit card with your name on it. This activity can severely damage your credit resulting in a great deal of time trying to repair the damage.

Here are some common ways thieves steal an identity:

1. **Dumpster Diving**- They go through trash looking for bills or mail that has your personal information on it. Protect yourself: Shred or black out mail with your personal information on it before you throw it away.
2. **Phishing**- They pretend to be a financial institution and send spam or pop-up messages that ask you to enter in your personal information. Protect yourself: Don't open emails and attachments unless you know who has sent them to you. Remember your financial institution will not ask for your personal information via email or phone.
3. **Vishing** (voice phishing)- When you get an automated phone message asking you to call your financial institution or credit card company. They leave a phony number which you call back and are asked to punch in your account number, PIN or other personal information. Protect Yourself: Never give out your PIN number and do not carry paper with your PIN number in your wallet
4. **Spyware**- Criminals set up illegal software which you may unknowingly download when you open an attachment, click on a pop-up or downloaded a song. This spyware records your keystrokes allowing thieves to obtain credit card numbers, financial account numbers and passwords. Protect yourself: Install anti-virus, anti-spyware and firewall protection on your computer.

Credit Bureaus:

Call any of these agencies to obtain a copy of your credit report. You are entitled to a free copy of your credit report, at your request, once every 12 months.

Equifax: 1-800-685-1111

Experian: 1-888-397-3742

TransUnion: 1-800-916-8800

FRAUD

Watch out for these phrases which may be targeting you for a scam:

"All we need is your credit card number"
"You have been specially selected"
"Your number entitles you to a prize"
"You must pay in advance"
"Congratulations you have won a prize"
"Be your own boss, just send $50"
"This offer is only for you"
"Win a trip"

Reduce the risk of identity theft, remember "SCAM"

S- be **Stingy** about giving out your personal information. Financial institutions will not ask for your personal information via email or phone.

C- **Check** your financial information regularly and check for what should or should not be there.

A- **Ask** periodically for a copy of your credit report to verify all account information under your name is accurate.

M- **Maintain** careful records of your financial account. Keep statements and check copies for at least one year.

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Needs & Wants

Needs vs. Wants
Making Smart Choices

Determining what your needs and wants are will help you make smart choices with your money. Needs are the basic things you must have in order to survive (like food, shelter and clothing.) Wants are the things you would like to have to make life more interesting but could live without. Sometimes it's difficult to realize what a need versus a want is. For instance we need food, but you want to go out to dinner. We need shoes, but you want a name brand pair. All of us have wants. When you have enough money to cover your needs, then you can focus on your wants.

Try this activity to help you determine what you spend your money on. Write down five things you spend money on. Then think of each of the items and decide if it is a need or a want by checking the appropriate box. Examples are given for you.

Need?	Description	Want?
X	*Transportation to work*	
	Breakfast at McDonald's	X

It's important to look at your list and see how you spend your money. Having wants is a good thing but making sure you have money for your needs is what is most important. Decide which wants are the most important for you, then create a plan to save for them.

SMART SHOPPING

Avoid Convenience Stores: Convenience stores charge higher prices for items. Shop at your local grocery or food store to save hundreds a year.

Make a List: You will spend less on food if you make a list of what to buy and how much you will spend.

Use Coupons: Take advantage of store sales and coupon specials to save up to 30% on your grocery bill.

Buy Generic: Check your store or with your pharmacist to see if there are generic products for what you're buying. Most generic medicines and store brand foods are the same as name brand products, but cost less.

Bring Your Own: Buying a soda from the machine a day = $365 a year. If you bought a 12 pack of soda at the store and brought your own = $110 a year.

Be Patient: Make a list of the things you need or want and wait for sales. Sales can save you up to 50% of the cost!

Saving a little adds up...

Did you know that if you save $5 a week you'll be able to save $260 a year!

Saving your change can add up too. Saving spare change in a jar can easily add up to $50 or more!

How can you make spending cuts to save each week, month, or year?

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Payday Loans

When You Need Cash...
Avoid PayDay Lenders!

Many individuals turn to payday lenders for a quick financial fix when they are short on cash. However, many borrowers are not aware of the financial difficulties that can arise from using these lenders. Payday loans are short-term loans, to cover borrowers' expenses until his or her next payday. The average payday loan is $250-300 for a one to four week loan. Borrowers show proof of employment and identification and write a postdated check for the full amount borrowed plus the payday loan fee, which you leave with the lender. The typical fee is $15 to borrow $100 for two weeks. However, the annual interest rate on that loan is 360 percent! If you have to "roll over" the loan because you can't pay it off with your next paycheck, more fees are charged and the interest rate goes up dramatically. The fees and high interest rates of payday loans make it difficult for many borrowers to repay the loan.

Payday lenders target consumers with little understanding of finances, deeply in debt and those struggling to meet daily financial obligations. To protect yourself, know the facts and how to avoid payday lenders.

Know the facts:
There are more payday lenders than McDonald's and Burger King combined.

Now an industry exceeding $28 billion a year, lenders still collect 90 percent of their revenue from borrowers who cannot pay off their loans when due.

The Center for Responsible Lending (CRL) states that the typical payday borrower eventually pays back $793 for an initial $325 loan.

ALTERNATIVES TO PAYDAY LOANS

Local Credit Unions:
Credit Unions provide financial benefits to members through lower loan rates, high savings rates, and fewer fees. Most credit unions offer unsecured personal loans, as small as $500.

Request Additional Time:
Ask your creditors for additional time to pay your bills or see if you can set up a payment plan.

Keep An Open Credit Card:
Have a credit card with a low APR and finance charge for emergencies.

Overdraft Protection:
Look into overdraft protection on your checking account.

Plan Ahead:
Build up an emergency fund in your savings account.

Make a Budget:
See where you can cut back on expenses so you can pay off any debt.

Work Extra Hours:
If you get in a financial bind, consider picking up a part time job for extra cash.

Credit Counseling:
If you need help with debt management and budgeting, contact your local consumer credit counseling agency.

Emergency Assistance Programs:
Many faith-based groups and community organizations provide emergency assistance, either directly or through social service programs.

Center for Responsible Lending. (2006). *Financial Quicksand: Payday lending sinks borrowers in debt with $4.2 billion in predatory fees every year.*

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Budgeting

BUDGETING – YOUR SPENDING PLAN

Budgeting is the cornerstone to anyone's personal financial plan, whether you're saving a lot of money already or if you're behind on your financial obligations. A budget tells a financial story. The financial story that your budget tells will be a successful one by planning, tracking, and adjusting.

Seven Steps to a Successful Budget

Budgeting can be a simple and straightforward process. It can also be a rewarding experience for all family members. But, it takes interest and commitment. Here are seven steps to help you create a successful budget.

1. Discuss Values – Determine what is most important to the people involved in your budget, or spending plan. By understanding these values, you can make decisions that will provide you with the most satisfaction.
2. Set Goals – Begin setting goals by discussing with family members what each one may want to do with their money. An example of a goal might be to save for a child's education. Have each member list the goal and a deadline. Work on the most important goals first. Put money aside in your budget for your priority goal. Remember, to achieve your special goal, you must treat the money as a bill to be paid to you.
3. Determine Income – Figure out your net pay, or the money that is left over after deductions. The money that makes up your income can come from sources such as salary, social security or child support. Do not include overtime pay.
4. Determine Expenses – What are the expenses in your budget? Consider fixed, variable and periodic expenses. Fixed expenses consistently stay the same every month, variable expenses vary from month to month and periodic expenses are not due every month.
5. Create a Plan – Design a spending plan so that your income will allow you and your family to have what you want and need. If you find that your income does not cover your expenses, re-evaluate your plan and decide what categories can be changed.
6. Keep Track of Expenses – Keep a record of expenses to see where your money is being spent. By comparing your estimated expenses with what you are actually spending, you can evaluate whether or not your plan is working.
7. Evaluate Your Plan – Periodically evaluate your spending plan. Is the plan still helping you meet your needs and achieve your goals?

Keeping track of your income, expenses and debts will allow you to continually monitor your budget as you move toward accomplishing your goals. Remember, your budget is like a muscle. If it is not worked and exercised, it will get weak. So, exercise your budget every week to keep your finances strong.

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Budgeting

Your Monthly Budget

Take the time to create your monthly budget.

Step 1: List all monthly income in the Monthly Net Income column. Net Income is your income after taxes or take-home.

Step 2: List all of your monthly expenses. If you have weekly expenses, multiply that number by four to translate it into a monthly expense. If some expenses are periodic expenses, add up the total that you spend in a year and divide that number by 12 to determine the monthly amount.

Step 3: Complete the Summary to determine if you have a surplus or deficit. If you have a surplus, you may be able to add more to the savings category. If you have a deficit, it may be time to further track and evaluate your expenses to determine what you can trim.

Source of Income	Monthly Net Income
Employment (Primary)	$
Employment (Spouse)	$
Social Security	$
Pension	$
Alimony or Child Support	$
Commissions	$
Other	$
Other	$
TOTAL MONTHLY INCOME	$

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Budgeting

Summary of Expenses	Monthly Amount
Housing	
Mortgage	$
2nd Mortgage	$
Home Equity Loan/Line	$
Rent	$
Property Taxes	$
Condominium Fee	$
Homeowners/Renters Insurance	$
House Repairs/Maintenance	$
Gardening/Pool Service	$
Other	$
Other	$
Total Housing	$

Utilities	
Gas	$
Oil	$
Propane	$
Electricity	$
Water/Sewer	$
Trash Removal	$
Telephone	$
Cell Phone	$
Other	$
Total Utilities	$

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Summary of Expenses	Monthly Amount
Food	
Groceries	$
Eating Out Lunch	$
Dining Out	$
Coffee/Snacks	$
Kids Lunch Money	$
Other	$
Total Food	$

Transportation	
Auto Payment 1	$
Auto Payment 2	$
Auto Payment 3	$
Gasoline	$
Insurance	$
Parking Fees/Tolls	$
Auto Registration/Plates	$
Public Transportation	$
Car Repairs/Maintenance	$
Other	$
Total Transportation	$

Health Care	
Health Insurance	$
Prescriptions	$
Co-pay/Deductibles	$
Other	$
Total Health Care	$

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Summary of Expenses	Monthly Amount
Education Expenses	
Tuition	$
Books	$
Student Loans	$
Room/Board	$
Day Care	$
Newspapers/Magazines	$
Other	$
Total Education	$

Clothing	
Purchases	$
Laundry	$
Dry Cleaning	$
Repairs	$
Other	$
Total Clothing	$

Personal Care	
Beauty Salon/Haircuts	$
Cosmetics	$
Manicure/Pedicure	$
Toiletries	$
Other	$
Total Personal Care	$

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Budgeting

Summary of Expenses	Monthly Amount
Entertainment	
Cable	$
Movies	$
Music	$
Sports	$
Hobbies	$
Internet	$
Other	$
Total Entertainment	$

Pets	
Food	$
Vet	$
Insurance	$
Grooming	$
Other	$
Total Pets	$

Other	
Tobacco	$
Alcohol	$
Religion	$
Charity	$
Lottery	$
Vacation	$
Gifts	$
Other	$
Total Other	$

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Summary of Expenses	Monthly Amount
Credit Cards	
#1	$
#2	$
#3	$
#4	$
#5	$
Total Credit Cards	$

Savings	
Emergency Savings Account	$
Other	$
Other	$
Total Savings	$

SUMMARY	
Total Monthly Income	$
Minus Total Monthly Expenses	$
Monthly Surplus (Deficit)	$

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Budgeting

Always remember that the most important factor in using money wisely is not how much money you make...but how you use it!

In sum, here are 10 rules that can help you achieve a successful family budget:

1. Arrange a family system for handling money and make certain that everyone in the family is involved and understands it.

2. Make a spending plan suited to your own income and needs.

3. Decide on your family's most important goals.

4. Plan ahead for the entire year.

5. Include all of your income and expenses.

6. Make the entire family aware of the plan.

7. Pay yourself first by trying to save 10% of your income.

8. Stick to your plan, but don't be afraid to alter your program if you think it needs improvement. Never give up! Be determined and succeed.

9. Review your plan once a month.

10. Hold family meetings to review the progress together.

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Contacts

You and Your Money

For more information on debt management and budgeting contact

GreenPath Debt Solutions

1.888.860.4213

or visit

www.greenpath.com

For information on financial products and service contact

Michigan Catholic Credit Union

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www.michcathcu.org

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