

Unit 3, Session 1**MY LIFE IN MY 20S
AND BEYOND: QUESTIONS**

What will you look like? _____

What type of career will you have? _____

What type of house will you own? _____

What will your marital status be? _____

How many kids will you have? _____

Where will you live? _____

Where are your favorite vacation spots? _____

What types of businesses will you own? _____

How much debt will you have or have paid off? _____

What type of credit score will you have? _____

What type of insurance will you have? _____

How much money will you have saved? _____

What will some of your expenses be? _____

What will you do for fun? _____

What types of investments will you have made? _____

How much will you have saved for retirement? _____

What type of car will you drive? _____

Who will some of your good friends be? _____

Where do you want to be when you retire? _____

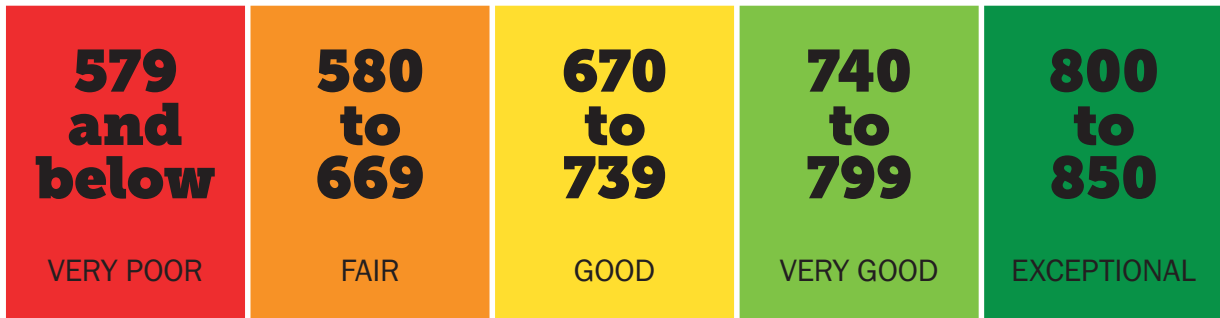
Unit 3, Session 1

CREDIT SCORE TIP SHEET*

How Your Credit Score Is Calculated

Credit Score: A number assigned to a person that indicates to banks or lenders their ability to repay a loan. You want to have as high a credit score as possible.

Credit Score Ranges*



Five Factors Used to Calculate Your Credit Score*

- 1. Payment history:** (35%) The first thing any lender wants to know is whether you've paid past credit accounts on time. This helps a lender figure out the amount of risk they will take on when extending credit. Your credit score can go down any time you are late on a credit card payment.
- 2. Total amount owed:** (30%) Lenders look at how much of your credit you are using. If you have a lot of money charged on your credit cards or owe a lot on a loan, it's an indicator that you're stretched too thin and are at high risk of not repaying.
- 3. Length of credit history:** (15%) In general, a longer credit history will increase your credit score. How long you've had credit and how much you use are considerations. However, even people who haven't had credit long may have high credit scores, depending on how the rest of their credit report looks.
- 4. Types of credit/credit mix:** (10%) Scores take into consideration the types of loans that you have. It's important to show that you can pay off good and bad debt.
- 5. New credit:** (10%) It's considered riskier if you open several credit accounts in a short period of time, especially if you don't have a long credit history. Try not to open too many accounts too quickly.

Tips to improve: Pay bills on time, pay any missed payments as soon as possible, set up automatic payments on your accounts, stick to a good budget to avoid missed payments.

Tips to improve: Pay off debt, do not take out loans you cannot afford to pay back, think carefully before taking on more debt.

Tips to improve: Be responsible with credit from a young age, don't close credit cards just because you don't use them.

Tips to improve: Have a credit card, but use credit responsibly by opening just a few accounts.

Tips to improve: Do not take on multiple types of credit in a short period of time, take the decision to open new credit seriously by researching and asking questions before you open a new credit account.

*As of 2/20. FICO adjusts scoring calculations periodically and the most updated can be found at myfico.com/credit-education. Also adapted from experian.com/blogs/ask-experian/infographic-what-are-the-different-scoring-ranges/

Unit 3, Session 1

CREDIT PROFILES

Sam Spendthrift



Sam is about to graduate from music school. Sam has four credit cards and just turned 21. They want to apply for more credit cards soon. Decide which behaviors either **increase** or **decrease** Sam's credit score and check the appropriate box:

- Got their first credit card eight months ago
- Doesn't have any student loans
- Applied for five cards four months ago and got turned down for two of them
- Each of the four cards has a balance, and Sam has trouble paying off the card balances in full each month
- One card is past due by \$150
- Total credit card balance is 45% of the credit limit
- Sam missed a payment in the last three months when they moved to a new apartment and was 30 days late
- Owes a total of \$2,275 on all four cards
- Owes \$18,000 on a car loan, taken out three years ago, which was their first loan
- Has never gone through bankruptcy or other negative proceedings

What is Sam's credit score range, or what do you think it is? _____

As Sam's Credit Counseling team, what is Sam's plan to either maintain or improve their credit score?

Danielle Debtfree



Danielle is a college junior and keeps debt low by only paying with cash and debit cards. Decide which behaviors either **increase** or **decrease** Danielle's credit score and check the appropriate box:

- Currently has no credit cards and has never had a credit card
- Owes \$5,000 on a two and half year old student loan not covered by a scholarship – she hasn't applied for any other loans or credit cards
- Is still in school so hasn't needed to repay the loan yet, so has never been late on payments
- Has never gone through bankruptcy or other negative proceedings

What is Danielle's credit score range, or what do you think it is? _____

As the Credit Counseling team, what is the plan to either maintain or improve her credit score?

CREDIT PROFILES, CONT.

Cornelius Creditsmart



Cornelius started his first job as an office assistant about a year ago and currently has one credit card. Decide which behaviors either **increase** or **decrease** Cornelius' credit score and check the appropriate box:

- Got his credit card more than six years ago
- Always pays his credit card bill in full each month and has never missed a payment
- Has two student loans that are three years old with a total balance of \$10,000
- Hasn't applied for loans or credit cards in the past year
- Has never experienced bankruptcy or other negative proceedings

What is Cornelius' credit score range, or what do you think it is? _____

As Cornelius' Credit Counseling team, what is the plan to either maintain or improve his credit score?

Unit 3, Session 2

**WHAT HAPPENED?!
TIC TAC TOE**

Find someone who...

<p>Has broken their mobile device</p> <p>_____</p> <p>NAME</p> <p>_____</p> <p>TYPE OF COVERAGE</p>	<p>Got the flu and had to see the doctor</p> <p>_____</p> <p>NAME</p> <p>_____</p> <p>TYPE OF COVERAGE</p>	<p>Got an injury and had to go to the hospital</p> <p>_____</p> <p>NAME</p> <p>_____</p> <p>TYPE OF COVERAGE</p>
<p>Can tell you what type of insurance would cover fires at your house</p> <p>_____</p> <p>NAME</p> <p>_____</p> <p>TYPE OF COVERAGE</p>	<p>Bought insurance in Reality Store</p> <p>_____</p> <p>NAME</p>	<p>Can tell you what type of insurance covers traffic accidents</p> <p>_____</p> <p>NAME</p> <p>_____</p> <p>TYPE OF COVERAGE</p>
<p>Has had damage to their house due to weather</p> <p>_____</p> <p>NAME</p> <p>_____</p> <p>TYPE OF COVERAGE</p>	<p>Knows who to contact if a tree limb falls on the family car</p> <p>_____</p> <p>NAME</p> <p>_____</p> <p>TYPE OF COVERAGE</p>	<p>Went to the doctor for a regular checkup</p> <p>_____</p> <p>NAME</p> <p>_____</p> <p>TYPE OF COVERAGE</p>

DREAMS FOR YOUR FUTURE

SELF RISK ADVISORS

Marcus

Marcus is an entrepreneur who designs sneakers and has been successful selling his one-of-a-kind designs. Marcus is saving to buy some new equipment for his sneaker business and wants to buy a new house in a few months. Marcus lives in a state that has many hailstorms each year and is looking at all his expenses to make the best financial decisions.

- Help Marcus understand the type of insurance to look into.
- What would happen if Marcus doesn't have insurance for his new home?
- How would that affect Marcus' life goals?

Katie

Katie loves trying new things and has tried sky-diving, race car driving and hiking in the mountains. If there's something new out there, Katie will try it. Katie just started rock climbing and has broken a few bones, but plans to continue rock climbing even if there's a risk of getting hurt again. Katie wants to save for a trip to Mexico, which has been a dream since childhood. Katie is graduating from college soon and wants to start new adventures.

- Help Katie understand what type of insurance to look into.
- What would happen if Katie didn't have health insurance?
- How would that affect Katie's life goals?

Adrian

Adrian wants to be a fashion blogger and is in his last year of fashion design school. Adrian wants to be a social media influencer and has a brand new mobile device and a great camera. Being a media influencer involves posting every day, sometimes multiple times a day. Adrian also wants to save to buy a puppy.

Adrian needs a good phone to be a blogger to take pictures, post and access social media and receive important phone calls.

- Help Adrian understand what to do.
- What would happen if Adrian didn't have phone insurance?
- How would this affect Adrian's life goals?

Ryan

Ryan loves technology and believes that data management is a great way to help companies. They want to be in a big city to have access to many high-profile clients. This is the reason Ryan's moving to New York City.

Ryan is going to sell their car in a few weeks and will use the subway in NYC to get around. Ryan has insurance on their car now. Ryan is paying the monthly premium (payment) and wants to stop paying it since their car will soon be sold.

- Help Ryan understand what to do.
- What could happen if Ryan got rid of the insurance before selling the car?
- How could this affect Ryan's life goals?

Unit 3, Session 3

OVERVIEW OF FINANCIAL PRODUCTS

Bank or Credit Union Direct Deposit

Description: Employers will take your account number and bank information, and transfer or deposit your take home, or net pay into your account. The money is available on your payday, usually very early in the morning. You will need a bank or credit union account to use this product. Money is protected in a bank or credit union from loss or theft. There is no fee to use direct deposit. While most employers use direct deposit, not all employers do.

Pros: Generally no fees; convenient; decreased likelihood of loss/theft; generally government insured; ATMs; can earn interest

Cons: Not all payments are eligible for direct deposit; an account is required

Types of institutions that offer the product:
Banks, credit unions

When will money be available? Same day

Fees per year: \$0

Account Without Direct Deposit

Description: Deposits for contract work or other types of payments may not be eligible for direct deposit. It's best to take the check to your bank or credit union if you have a bank account. You may not need to wait two to three days for a check to clear like when cashing a check. You will need to make sure you keep track of your check because there is no protection from loss or theft before you take your check to the bank.

Pros: Generally government insured; ATMs; can earn interest

Cons: Monthly fees if minimum balance not maintained; account required

Types of institutions that offer the product:
Banks, credit unions

When will money be available? One to three days after you deposit your paycheck, depending on type of account and bank or credit union

Fees per year: \$0-\$156

OVERVIEW OF FINANCIAL PRODUCTS, CONT.

Check Cashing Institution

Description: Check cashing institutions will take checks and give you cash minus a fee. The fee for this service depends on the location. You don't need a bank account to use this service. When using check cashing institutions, you need to be responsible enough to keep up with your paper check. You must protect your paper check from loss or theft.

Pros: Often in the community; transparency in pricing; no required accounts; flexible hours

Cons: Fees; may not cash all kinds of checks

Types of institutions that offer product: Stores

When will money be available? Immediately

Fees to use product: \$3-\$10 depending on store

Fees per year: \$78-\$260

Pre-Paid Card

Description: Pre-paid cards are used like debit cards but they have cash loaded onto them. People load these cards with their paycheck and pay bills and purchase items with the card. Sometimes it costs money to activate or refill these cards. These cards can be stolen and you may not be able to replace them. They are available at many stores across the country. Some people find these kinds of cards helpful if they have a hard time maintaining a budget. There are no overdraft fees when using pre-paid cards.

Pros: Can be purchased at a lot of places; can help with budgeting due to limits

Cons: Fees (activating, reloading, deposits); can be lost or stolen; may not be able to take all kinds of checks

Types of institutions that offer product: Stores, credit companies, banks

When will money be available? Immediately

Fees to use product: \$3-\$10 depending on store

Fees per year: \$78-\$260

OVERVIEW OF FINANCIAL PRODUCTS, CONT.

Payday Loans

Description: Payday loans are a type of loan based on your income. These lenders will give you money before your payday and charge fees. When your payday comes, the lender will expect you to pay them back with fees from your paycheck. Payday lenders will usually not accept partial payments and will charge extra fees if not paid in full. These fees are usually much higher than fees associated with other financial products.

Pros: Quick turnaround; can access funds before you receive your paycheck; available in many neighborhoods

Cons: Very high fees; need active checking account and proof of income; if loan can't be paid off, additional loans need to be taken out and the amount owed can snowball

Types of institutions that offer product: Phone apps; online; money mart

When will money be available? Before your payday

Fees to use product: \$3-\$10 depending on lender

Fees per year: \$78-\$260

Unit 3, Session 4

RETIREMENT SCENARIOS

Let's look at how our savers stack up over time with a 6% rate of return.

	Keisha	Juan	Lily
Time spent saving	Keisha invests \$5,000 a year in a retirement account for 40 years starting at age 25.	Juan invests \$5,000 a year in a retirement account for 30 years starting at age 35.	Lily invests \$10,000 a year in a retirement account for 20 years starting at age 45.
Savings description	Keisha learned that you should save for retirement as early as possible. Keisha begins saving \$5,000 a year for retirement at her first job at age 25 and doesn't stop until she retires. Keisha is a continual and early saver.	Juan knows that you should begin saving for retirement as soon as possible, but thinks starting at 35 is early enough. Juan begins to save the same yearly amount as Lily but starts 10 years later. Juan is a continual, but late saver.	As a teenager, Lily thought saving for retirement was some thing that old folks did. Lily decided to wait until age 45, but saved \$10,000 a year – double what Keisha and Juan saved. Lily is a late saver and tries to play catch-up.
Total retirement savings	At retirement, Keisha has about \$820,200.	At retirement, Juan has about \$419,000.	At retirement, Lily has about \$389,900.

RETIREMENT SCENARIOS, CONT.

Age	Keisha	Juan	Lily
	Amount		
25	\$5,000		
26	\$5,000		
27	\$5,000		
28	\$5,000		
29	\$5,000		
30	\$5,000		
31	\$5,000		
32	\$5,000		
33	\$5,000		
34	\$5,000		
35	\$5,000	\$5,000	
36	\$5,000	\$5,000	
37	\$5,000	\$5,000	
38	\$5,000	\$5,000	
39	\$5,000	\$5,000	
40	\$5,000	\$5,000	
41	\$5,000	\$5,000	
42	\$5,000	\$5,000	
43	\$5,000	\$5,000	
44	\$5,000	\$5,000	
45	\$5,000	\$5,000	\$10,000
46	\$5,000	\$5,000	\$10,000
47	\$5,000	\$5,000	\$10,000
48	\$5,000	\$5,000	\$10,000
49	\$5,000	\$5,000	\$10,000
50	\$5,000	\$5,000	\$10,000
51	\$5,000	\$5,000	\$10,000
52	\$5,000	\$5,000	\$10,000
53	\$5,000	\$5,000	\$10,000
54	\$5,000	\$5,000	\$10,000
55	\$5,000	\$5,000	\$10,000
56	\$5,000	\$5,000	\$10,000
57	\$5,000	\$5,000	\$10,000
58	\$5,000	\$5,000	\$10,000
59	\$5,000	\$5,000	\$10,000
60	\$5,000	\$5,000	\$10,000
61	\$5,000	\$5,000	\$10,000
62	\$5,000	\$5,000	\$10,000
63	\$5,000	\$5,000	\$10,000
64	\$5,000	\$5,000	\$10,000
Total Cash Invested	\$200,000	\$150,000	\$200,000
Total Investment Value by Age 65	\$820,200	\$419,000	\$389,900

Unit 3, Session 4

HOW FAR WILL YOU GO?

Circle one option for each question.

1. What type of saver will your future self be?

- A. I'll have the latest and greatest of everything. I love shopping! I'll save when I get older.
- B. I'll make sure that I start saving and use a budget to save money when I'm in my early 20s.
- C. I'll save when I can, but I don't want to make any commitments to save money.

2. Will you always have an emergency fund?

- A. Yes, I'll make sure to keep an emergency fund.
- B. I'd like to have an emergency fund, but I'll wait to fund it until after all my wants and needs are met.
- C. No, I don't think it's important to keep an emergency fund.

3. When will you begin investing in a retirement account?

- A. 25, early in my 20s.
- B. 35, I'll wait a little while.
- C. 55, I want to spend money when I'm young; saving and investing are for older people.

4. What is your approach for putting money into a retirement account?

- A. I'll contribute when I'm able, but will pause for other priorities every few years and still be OK.
- B. I'll make it a priority to contribute to a retirement account regularly throughout my working life.
- C. I'll wait until I'm making really good money to start building up a retirement account.

5. Will you have high debt from student loans?

- A. No debt. I'll only have scholarships and grants.
- B. Some student loan debt. I may take out a very small loan, but I'll have scholarships and work-study.
- C. High student loan debt. I plan on using all loans for any postsecondary education.

6. Will you participate in a workplace retirement savings account for your retirement?

- A. Yes – I'll take a portion of my paycheck and contribute to a 401(k).
- B. No – I'll want my full paycheck – retirement savings will come from somewhere else.

Unit 3, Session 6


EXPECT THE UNEXPECTED

Place the number of paperclips indicated in the box under the items that you would like.

You may select any box that you like from each row, but only choose one box per row. All paperclips must be used for spending or saving.

Row 1	Housing	House (3 clips)	Apartment (2 clips)	Live with roommate (1 clip)
Row 2	Groceries	Large grocery budget (3 clips)		Just the necessities grocery budget (1 clip)
Row 3	Clothing	Only name-brands (3 clips)		Generic clothing (1 clip)
Row 4	Utilities	Internet, cable, water, sewer, trash, electricity, natural gas (3 clips)	Water, sewer, trash, electricity (2 clips)	Live with parents (no clips)
Row 5	Transportation and Auto Insurance	Brand-new car (3 clips)	Certified used car (2 clips)	Bus pass (no clips)
Row 6	Technology	Top-of-the-line computer (3 clips)	Average computer (2 clips)	Public library (no clips)
Row 7	Personal Care	Designer toiletries or cosmetics from store at the mall (3 clips)		Regular toiletries from the drugstore (1 clip)
Row 8	Travel	Vacations two to three times per year (4 clips)		Vacation one time a year to visit family (1 clip)
Row 9	Entertainment	Concerts, movies and dinners out (3 clips)		Hang out with friends at home (no clips)
Row 10	Phone	Latest phone (2 clips)		Average phone (1 clip)
Row 11	Retirement Savings	Must have at least 1 clip		

Emergency and Short-Term Savings (Place paperclips here for money you would like to save.)



MY FUTURE SELF FORM

Answer the questions at the end of each session to help you think about what you've learned during Money Matters. How can what you learned help you reach your goals for your future self?

My Future Self Form

Accomplishing what you want for your future requires setting goals. Before moving through the Money Matters program, set your personal goals then build financial goals that help you achieve them.

MY PERSONAL GOALS FOR THE FUTURE

Short-Term (up to a year)

Mid-Term (within five years)

Long-Term (five years or more)

MY FINANCIAL GOALS FOR THE FUTURE

Short-Term (up to a year)

Mid-Term (within five years)

Long-Term (five years or more)

Unit 1: My Life Right Now

How Do Today's Decisions Impact My Future?

UNIT 1, SESSION 3

How does prioritizing my spending help me reach my goals?

List any changes you want to make to your spending decisions to reach your goals.

UNIT 1, SESSION 4

How does budgeting help me reach my goals?

List any changes you want to make to your budgeting behaviors to reach your goals:

UNIT 1, SESSION 5

How does saving help me reach my goals?

List any changes you want to make to your savings habits to reach your goals:

UNIT 1, SESSION 6

How does understanding why I spend money help me reach my goals?

List any changes you want to make to understand the influences on your purchase decisions to better reach your goals:

UNIT 1, SESSION 7

How does managing debt help me reach my goals?

List any changes you want to make to managing debt to better reach your goals:

UNIT 1, SESSION 8

How does engaging in behaviors to protect my identity help me reach my goals?

List any changes you want to make to protect your identity so you can better reach your goals:
