Welcome to…

Get Savvy
Grow Your Green Stuff

Sept 16 Establishing Your Roots:
Getting Started with Financial Services

UNIVERSITY OF ILLINOIS EXTENSION
investing in your financial health

UNIVERSITY OF ILLINOIS
USFSCO
University Student Financial Services & Cashier Operations
Speakers

Pam Atkinson
Consumer Economics Educator
University of Illinois Extension

Kathy Sweedler
Consumer Economics Educator
University of Illinois Extension
Building Financial Habits
Identity Theft
Cash Flow
Financial Tools
Mental Accounting
Saving
Apps That Help!
Building Financial Habits
Identity Theft
Cash Flow
Financial Tools
Mental Accounting
Saving
Apps That Help!

What will we be covering today?
Polling Question

Besides text books, tuition, fees, and housing, what have you spent the most money on for college this semester?

Type your answers in the chat box.
Easy Cash Flow
Polling Question

Which of the following financial tools do you use most often?

A. Checks  
B. Cash  
C. Credit Card  
D. Debit Card
Keeping Money Safe

2 Types of Financial Institutions

- Banks
  - Insured by the Federal Deposit Insurance Corporation
- Credit Unions
  - Insured by the National Credit Union Association

Insured up to at least $250,000 per individual on the account.
Manage Cash Flow

- **Money** for regular expenses such as food, transportation, entertainment
- **Money** for large expenses such as rent, books, tuition
- **Savings** for unexpected expenses
Tools to Use

- Checking Accounts
- Saving Accounts
- ATM, Debit or Combo Cards
- Online Websites or Phone Apps
Checking Account vs. Savings Account

Easy access to money in checking accounts by checks, ATMs or debit card

Earn interest with savings accounts

Use your savings account to put money aside for long term goals or emergencies

Use your checking account for daily transactions
Financial Tip

Use Savings account as safe place to keep money from summer jobs, scholarships, birthday money, etc. Then, transfer enough money for a month to a checking account (from savings) once a month.
Mental Accounting
• ATM / Debit Cards
  Keep it Secure
• Don’t link your savings account to your ATM / Debit card

Plastic Cards
Keep Track of Your Balance
Keep Your Financial Information Secure

Don’t share passwords, pins, etc. with friends or roommates

When banking online, look for https:// to be sure site is secure

If you receive an email from what looks like your financial institution, beware. Financial institutions will NOT ask you to click on a link to verify information
Identity Theft

Monitor accounts carefully and frequently.

Let banks & credit unions know when you travel.

Contact your financial institution IMMEDIATELY if you notice anything odd.
Apps by Institutions

- View Balance
- Locate an ATM
- Pay Bills
- Deposit Check
- Cancel Lost Card
- Transfer Funds
Mobile Security

Both smart phone browsers and financial institutions provide security

Read the fine print—What type of data will be accessed?

Keep apps updated

Check your account frequently—report problems quickly

Password protect phone and/or app

(Number 20)
Choosing a Financial Institution

Questions to Ask

Access to ATMs near your home or college?  
Convenient Locations?  
Cost of Services?

Online or Brick and Mortar?  
Overdraft Protection?  
Mobile Banking?

Shop around. Comparison chart at Financial Wellness website,  
http://web.extension.illinois.edu/financialwellness/resources.cfm
Planned Spending
Tracking your Expenses

Needs > Wants
Tracking your Expenses

Income > Expenses
Student Loans are considered a source of income now, but keep in mind you will need to repay them.

A job will increase your income, but keep in mind how unexpected expenses can affect your budget.

Make sure to set money aside for emergencies and sudden expenses.
Tracking Your Expenses
Keep Track of Your Spending

- **Envelope Budgeting**
  - App Example: goodbudget.com

- **Spreadsheets**
  - Making it on a College Budget: goo.gl/kHhL92

- **Paper & Pencil**
  - Old School Example: check register
Budgeting Apps

Link your financial accounts.
Set budgets.
Get alerts.
Check with your financial institutions.

Example: mint.com
Educational Expenses
Where are you living now?

Answer with your town in the chat box.
Living Expenses
Make a List Before You Shop

Use technology to help make shopping lists!

App Examples:
- evernote
- food.com
- better christmas list
- notes apps

There are both free & for-purchase apps.

Groceries
Christmas
Home
Beauty Supplies
Build a Saving Habit
Steps Towards Financial Security

- Investments & Home Ownership
- Emergency Savings
- Insurance – Protection against Risk
- Healthy Finances
  - Good Credit
  - Budget
  - Bills Paid On Time

Need Money Now
Emergency Savings

Have money for emergencies like a flat tire or broken computer

Avoid using credit cards which are expensive

Save for unexpected opportunities too
Saving Tip

Regretting that PIZZA yet?

If you cut out 3 late night meals a week, you will save up to $770 annually.

This tip brought to you by FINANCIAL WELLNESS

For more tips and answers to your financial questions: fw.extension.uiuc.edu • (217) 244-5580 •
Don’t let cigarettes burn a hole in your pocket!

An average smoker at University of Illinois at Urbana-Champaign spends about $1,274 per year on cigarettes, which means that person will spend $5,227.40 on smoking by the time he or she finishes college.
Tips for Success

- Start small
- Save regularly.
- Put it on Automatic.
Manage Credit
The Upside of Credit Use

- Buy/consume now, pay later
- Protect against fraud
- Cope with emergencies
- Convenient for making reservations
- Establish favorable credit history
Credit bureaus collect information about your credit use.

Other businesses use this information.

Interest rates on loans.

Insurance rates.

Whether to rent or give you a job.
Polling Question

What are some of the disadvantages of using credit?

Type your answers in the chat box.
The Downside of Credit Use

• Fees (and interest) can be costly
• Credit makes it easy to overspend and damage your credit history
• Someone could steal your account number
## Interest Rates Make a Difference

<table>
<thead>
<tr>
<th></th>
<th>First Car</th>
<th>Second Car</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Car cost</strong></td>
<td>$ 8000.00</td>
<td>$ 8000.00</td>
</tr>
<tr>
<td><strong>Down payment</strong></td>
<td>$ 500.00</td>
<td>$ 500.00</td>
</tr>
<tr>
<td><strong>Interest rate</strong></td>
<td>9.84 %</td>
<td>24.0 %</td>
</tr>
<tr>
<td><strong>Monthly payment</strong></td>
<td>$ 202.28</td>
<td>$ 260.00</td>
</tr>
<tr>
<td><strong>Yearly payment</strong></td>
<td>$ 2427.36</td>
<td>$ 3120.00</td>
</tr>
<tr>
<td><strong>4–year total cost</strong></td>
<td>$ 9709.44</td>
<td>$12,480.00</td>
</tr>
</tbody>
</table>
Loan Calculators

Check monthly payments quickly when shopping for a car or comparing mortgage loans

Examples

EZ Loan Calc

Bankrate Mortgage Payment Calculator
Auto Repair Costs Example
COST TO REPLACE SPARK PLUGS IN YOUR AUTOMOBILE = $350

<table>
<thead>
<tr>
<th></th>
<th>Emergency savings</th>
<th>Credit card</th>
<th>Payday loan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
<td>$350</td>
<td>$350</td>
<td>$350</td>
</tr>
<tr>
<td><strong>APR</strong></td>
<td>21.99% annual percentage rate (APR)</td>
<td>$15 for every $100 borrowed for 14 days. This means a 391% annual percentage rate (APR).</td>
<td></td>
</tr>
<tr>
<td><strong>Payment</strong></td>
<td>Must pay at least a certain amount each month. (For the purposes of the example, the individual is choosing a fixed monthly payment of $50.)</td>
<td>Must pay back loan amount ($350) plus fee ($52.50) within 14 days. If entire loan cannot be paid within 14 days, it can be rolled over (or extended) for another 14 days for an additional fee of ($52.50).</td>
<td></td>
</tr>
<tr>
<td><strong>Total cost and time to repay</strong></td>
<td>You would pay $28.11 in interest in addition to the principal borrowed. It will take just over eight months to pay back the full amount.</td>
<td>The total cost depends on how long it takes you to save up to pay back the entire loan. If you renew or roll over this loan seven times, you would be in debt for 14 additional weeks and could pay up to $367.50 in fees.</td>
<td></td>
</tr>
</tbody>
</table>

Source: 165 YOUR MONEY, YOUR GOALS: A FINANCIAL EMPOWERMENT TOOLKIT FOR SOCIAL SERVICES PROGRAMS
Establish Goals

Financial goals are the building blocks that make financial dreams come true.
Smart Goals

S = Specific
M = Measurable
A = Agreed Upon
R = Realistic
T = Timed
# Financial Goals List

<table>
<thead>
<tr>
<th>Start Date</th>
<th>Goal</th>
<th>Total $ Needed</th>
<th>Target Date</th>
<th>Date Completed</th>
<th>$ Amount Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/14</td>
<td>Have house down payment</td>
<td>$7,500</td>
<td>1/1/18</td>
<td></td>
<td>$156/mo Or $36/wk</td>
</tr>
<tr>
<td>1/1/14</td>
<td>Summer trip</td>
<td>$600</td>
<td>7/1/14</td>
<td></td>
<td>$100/mo Or $25/wk</td>
</tr>
<tr>
<td>1/15/14</td>
<td>Create net worth statement</td>
<td></td>
<td>4/15/14</td>
<td>4/1/14</td>
<td></td>
</tr>
</tbody>
</table>
Put Your Finances on Easy Street

- Choose your financial tools
- Plan your spending
- Build your savings
- Use credit wisely
- Write financial goals
Tweet Chat Wednesday

@ 1:00 PM CST

#GetSavvy Tweet Chat

HASHTAG

#GetSavvy

or

#UIMoney

FOLLOW

@ILStudentMoney
@MoreThanCoupons
@finwellnessuie
@Pennies4Pigs
Stay in Contact with Us!
Financial Literacy Badges Program

Want to participate in University of Illinois financial education events and programs while also earning badges that you can display on social media sites? Participate in the Financial Literacy Badges Program!

Badges Activity Inclusion Form: go.uillinois.edu/BadgeInclusionForm

Learn more about the the Financial Literacy Badges Program by visiting: badges.illinois.edu/usfsco/financialliteracyprogram

Launch of the Financial Literacy Badges program is supported through the Financial Literacy Counts Grant from HigherOne.
Money Questions? Contact: FINANCIAL WELLNESS

financialwellnessuie@gmail.com
fw.extension.uiuc.edu •

http://fw.extension.uiuc.edu
Questions?
Thank You