

Section 12—Money Matters

Money matters include the skills, knowledge, and tools you need to make financial choices that will help you do what you want to do. Knowing about finances is key to helping you manage money well. You want to have enough to live on as you also save money and reach your personal goals. Decisions made when you're young can have lasting benefits and drawbacks.

In order to have a balance when it comes to money, you need to know about the following:

- ❖ Frauds, scams, and predatory lending practices;
- ❖ Public and work-related benefits;
- ❖ Banking practices;
- ❖ Savings and investing strategies; and
- ❖ Credit use and interest rates



Knowing where your money is coming from is very important. You need to be able to manage it if you have to pay for your bills. It's important to see where you will need help and to have a trusted person available to help you. Even if you do not have a regular income to live on your own at this point, the information will be very helpful to you in planning for your future. The way you spend your money now is probably a sign of what you will do with your money later.

<u>You want to do this:</u>	<u>You DON'T want to do this:</u>
<input type="checkbox"/> Save most of your money	<input type="checkbox"/> Spend most of your money
<input type="checkbox"/> Buy things you need	<input type="checkbox"/> Buy things you want
<input type="checkbox"/> Budget your money so it will last	<input type="checkbox"/> Spend most of your income as soon as you get it
<input type="checkbox"/> Plan for purchases	<input type="checkbox"/> Buy impulsively
<input type="checkbox"/> Keep track of your money	<input type="checkbox"/> Don't know where your money goes

The next thing you need to think about is where you will keep your money. As you should already know, it's not smart to carry all of your cash on you or leave large amounts of cash in your home. It's also not a good idea to send cash through the mail, as it can be stolen. Savings and checking accounts are the most common way of storing and protecting your money. If you don't already have a savings and checking account, you will want to open one with a bank with FDIC insurance. This insurance guarantees your money won't be lost if the bank closes down.

You may be given a debit card with your checking and savings account. Whenever you use your debit card at a store, online, or at an ATM machine, the money is instantly removed from your banking

accounts. Before you go swipe happy, you need to make sure you don't have any checks that haven't cleared the bank yet. You'll also need to know you have no bills coming up that need to be paid.

Credit cards and debit cards look alike, but they are totally different things. A credit card is like a loan. Whenever you use a credit card, you will receive a bill and expect to pay a minimum amount. A lot of people get into trouble with credit cards because they buy too many things and then can't afford to pay for them when the bill arrives. If you don't pay your bill on time, you then have to pay interest charges and late fees. You will also start getting a bad payment history on your credit report. It's very important to have a good credit report and score.

Without this, you will have trouble making loans for larger items you may want. You will also pay a higher interest rate, which means you will pay more for the exact same thing than someone with good credit pays. It will also impact your ability to rent an apartment, open up a bank account, or get a good rate on insurance.

Money matters and financial planning is not just about cash and credit. In addition to having a savings account and a credit card, you will want to have things like insurance. Insurance does cost! But in the event of an emergency, insurance will help you replace items you lost because of theft, fire, tornado, hurricane, or flood. You will need to decide if you need insurance and which ones.



Resources

Counting Money: The Value of Money	https://www.youtube.com/watch?v=pZwilbnLIXM
Introduction to Money Basics: Financial Literacy for Teens	https://www.youtube.com/watch?v=GwAlu-RA_WA
Introduction to Financial Literacy: Money Management for Teens	https://www.youtube.com/watch?v=2Aosql_3vBY
What is Money? Financial Literacy for Teens	https://www.youtube.com/watch?v=0gnlIMlznko
Forms of Financial Exchange: Financial Literacy for Teens	https://www.youtube.com/watch?v=7looujGJSZk

Financial Institutions: Financial Literacy for Teens	https://www.youtube.com/watch?v=BkwliVwCIBE
Interests: Financial Literacy for Teens	https://www.youtube.com/watch?v=BkwliVwCIBE
Introduction to Credit: Finance for Teens	https://www.youtube.com/watch?v=BkwliVwCIBE
Managing your Money Worksheet	https://www.consumer-action.org/downloads/outreach/Managing_Your_Money_Worksheet.pdf
The Difference Between Debit and Credit Cards	https://www.capitalone.com/learn-grow/money-management/credit-vs-debit-cards/

Checklist

Independent Living Skills	I Can Do This	I Need to Practice	I'm Going To Start	I Will Always Need Support	This doesn't apply to me	Notes
MONEY MANAGEMENT & FINANCIAL PLANNING SKILLS - BASIC MONEY SKILLS						
<input type="checkbox"/> I know the different coins and paper currency						
<input type="checkbox"/> I know the value of each coin and paper currency						
<input type="checkbox"/> I can count coins and paper currency						
<input type="checkbox"/> I understand the purpose of a bank						
<input type="checkbox"/> I know how to use a calculator						
<input type="checkbox"/> I know how to use a debit card						
<input type="checkbox"/> I know how to protect my debit card from fraudulent use						
<input type="checkbox"/> I understand the difference between "wants" and "needs"						
<input type="checkbox"/> I can create a monthly budget						
<input type="checkbox"/> I can stick to a monthly budget						
MONEY MANAGEMENT & FINANCIAL PLANNING SKILLS - BANKING						
<input type="checkbox"/> I know what is and isn't a bank						
<input type="checkbox"/> I can open a checking or saving's account						
<input type="checkbox"/> I know how and am able to write checks						

Independent Living Skills	I Can Do This	I Need to Practice	I'm Going To Start	I Will Always Need Support	This doesn't apply to me	Notes
<input type="checkbox"/> I understand minimum account requirements (checking & savings) and any banking fees associated with the accounts						
<input type="checkbox"/> I understand the check clearing process, overdraft fees, etc						
<input type="checkbox"/> I can record banking transactions						
<input type="checkbox"/> I can read a bank statement						
<input type="checkbox"/> I can make deposits						
<input type="checkbox"/> I know how to balance my bank accounts						
<input type="checkbox"/> I know how to go online and check my banking account						
<input type="checkbox"/> I know what to do if I suspect my debit card or bank account is being used fraudulently						
<input type="checkbox"/> I know the difference between a credit card and debit card						
<input type="checkbox"/> I understand the concept of saving to purchase an expensive item						
<input type="checkbox"/> I understand the need for an emergency savings						
<input type="checkbox"/> I understand the need for saving for vacations, holidays, etc						
MONEY MANAGEMENT & FINANCIAL PLANNING SKILLS - PAYING BILLS						
<input type="checkbox"/> I know my bill due dates						

Independent Living Skills	I Can Do This	I Need to Practice	I'm Going To Start	I Will Always Need Support	This doesn't apply to me	Notes
<input type="checkbox"/> I can read all my bills and know if they are legitimate and all charges are mine						
<input type="checkbox"/> I understand the consequences of paying bills late, late fees, disconnected services, and legal action						
<input type="checkbox"/> I understand the purpose and use of credit and consequences for not repaying						
<input type="checkbox"/> I understand interest rates and minimum payments due						
<i>MONEY MANAGEMENT & FINANCIAL PLANNING SKILLS - INSURANCE</i>						
<input type="checkbox"/> I understand what homeowner's insurance is and why it is important						
<input type="checkbox"/> I understand what renter's insurance is and why it is important						
<input type="checkbox"/> I understand what flood insurance is and why it is important						
<input type="checkbox"/> I know how to read my insurance policies						
<input type="checkbox"/> I understand the coverages on each of my insurance policies						
<input type="checkbox"/> I know when an insurance claim should be made						
<input type="checkbox"/> I know how to make an insurance claim						

Independent Living Skills	I Can Do This	I Need to Practice	I'm Going To Start	I Will Always Need Support	This doesn't apply to me	Notes
MONEY MANAGEMENT SKILLS - PAYROLL						
<input type="checkbox"/> I know how much I get paid an hour						
<input type="checkbox"/> I know the minimum wage a business is required to pay me						
<input type="checkbox"/> I know how many hours I work a week						
<input type="checkbox"/> I know how often I get paid						
<input type="checkbox"/> I know how to calculate how much money I should make						
<input type="checkbox"/> I know the difference between gross pay and net pay						
<input type="checkbox"/> I understand payroll deductions like, FICA, SUTA, Medicare, etc						
MONEY MANAGEMENT & FINANCIAL PLANNING SKILLS - SHOPPING						
<input type="checkbox"/> I know how to comparison shop						
<input type="checkbox"/> I understand the use of sales, coupons, rebates, etc						
<input type="checkbox"/> I understand sales tax and other usage taxes						
MONEY MANAGEMENT & FINANCIAL PLANNING SKILLS - OTHER						
<input type="checkbox"/> I know what Social Security is and if I receive it						
<input type="checkbox"/> I know who my Representative Payee is for my Social Security (if I have one)						

Independent Living Skills	I Can Do This	I Need to Practice	I'm Going To Start	I Will Always Need Support	This doesn't apply to me	Notes
<input type="checkbox"/> I know what an ABLE account is						
<input type="checkbox"/> I know how to open an ABLE account						
<input type="checkbox"/> I know what a special needs trust is						
<input type="checkbox"/> I know who the trustee is for my special needs trust						