

# Money Thoughts

## I want to learn more about (check all that apply):

- Opening a savings account
- Opening a checking account
- Opening a credit card
- How to build credit
- Budgeting for life
- Loans
- Saving Money
- Investing Money
- How to read a paystub
- What taxes get taken out of my paycheck and why



## Thoughts:

What I am worried about when it comes to money:

What I need help with:

Goals I have for managing money:

Who I can ask or get help from:

What is the difference between *gross* and *net income*?

- *Gross income* is what your total paycheck is before taxes come out.
- *Net income* is the money you have left after taxes have come out

Taxes that come out of each paycheck:

- Federal income tax
- State income tax
- Social Security & Medicaid: currently 6.2% for Social Security and 1.45% for Medicare; these are supplemental income sources you can utilize once you reach retirement age
- Insurance & Retirement: your job might offer insurance and retirement. If you choose to enroll in these programs your work will take the amount out of each paycheck.

What do you need to open a bank account?

- 2 forms of identification (driver's license, state ID, birth certificate, social security card, or passport)
- Proof of address (signed lease, utility bill with your name and current address on it)
- Money to start the account or opening deposit (usually between \$25-100 depending on the type of account you want to open)
- Complete an application at the bank or credit union

Compare banks or credit unions to see which ones you like better. What is important to you?

- Low fees
- Minimum balance requirements
- Available ATMs
- Location of branches
- Customer service

Do you have bills now? What bills?

Do you use money orders? What for?

Do you have a debit card? Credit card? Prepaid card?

Debit card is plastic card that is directly linked to your bank account. It takes money from your checking account to pay for items instead of using cash. There is usually a fee if you use your card without having the money in your account.

Credit card is a plastic card issued by a bank or credit lending institution. When paying with a credit card you are borrowing money from the institution with the agreement to pay them back. If you do not pay of the entire amount you borrowed each statement period you will owe interest. Interest is a fee, usually a percentage of the total amount not yet paid. This amount is called a balance.

Prepaid card is a plastic card that looks and mimics a debit card. The main difference is the card doesn't have to be linked to an account. You have to pre-load the money to use it. There almost always is a fee to loading money onto a card.

### How to pay your bills:

- Get organized: If you get bills mailed to you, keep bills organized by category. If you get them through email create separate folders so that you know where to find them.
- Set up a calendar: know when what bills are due and pay them on time every month. You can see the due date on the bill itself or in the email. Putting due dates in your smart phone calendar with an alert is a good way to remind you when the bill is due.
- Choose a payment method that works for you: You can often set up automatic payments (comes out of your bank account on its own after you set it up) for reoccurring bills such as electricity and wifi. You can also pay online or over the phone. Read your bill to find the website or phone number to call.
- Check your bills regularly: watch your bills to make sure there are no mistakes or different usage charges.
- Don't let them pile up: If you are struggling to pay off your bills every month don't ignore the problem, it just makes it worse. Call the company and see if there is a payment plan, or if there are ways to cut down some expenses to make the bill lower.
- Make sure you're not paying too much: make sure you shop around to see if you are getting the best deal on things such as internet, cell phone, or other competitive utilities.

### Great Money Resources:

- Wanting to go to college or trade school but not sure how to pay for it: <https://www.annuity.org/financial-literacy/students/>
- More information about money in general: <http://www.themint.org/>
- Free budget tracking and goal setting: <https://www.mint.com/>
- Interesting Money Blogs: <https://www.amandaabella.com/24-best-money-bloggers/>
- How to set up a bank account: <https://wallethub.com/edu/how-to-open-a-checking-account/10299/>