

Opportunity Passport



Quick
Guide

“It has been a long journey, but if you dream and have the ambition and want to work hard, then you can achieve.”

~ Mo Farah
British Distance Runner



A vision is not just a statement about where you want to go; it is a description of your hopes and dreams. It’s a statement or picture of what you want to build with your life. It provides direction and inspiration to you.

YOUR VISION: The Key to Building Your Financial Future

What does it mean to have a vision for your life? Having a **vision** is not only about knowing what you want to do with your life, but also about seeing it.

KEY ACTIVITY

Isabella’s Vision

Isabella is 19 years old. She is struggling to manage her many responsibilities. She works 25 hours a week as a server in a local restaurant, is trying to get her GED® in six months and is busy raising her 2-year old son, Samuel. Her foster parents help with child care, but even with this help, managing rent and other living expenses has been hard. Despite her struggles, Isabella knows what she wants for her life. Her priority is to make a better life for Samuel than she had; she wants Samuel to have a great life. She plans to go to college to get a degree in accounting. She wants to work for an accounting firm and can see herself getting her master’s degree someday. She sees herself living in her own home, having a garden and two dogs and being in a community with good schools. She sees herself volunteering in Samuel’s school and her community of faith and plans to find other opportunities to volunteer. She also sees herself staying in this community — close to her foster parents, her grandmother and several close friends.

How would you describe Isabella’s vision?

What is one thing Isabella can do today to make her vision a reality?

Why is having a vision important?

How is having a vision related to financial capability?



WRITING YOUR GOALS

Just thinking about your goals is not enough. Writing goals is an important step.

Sharing your goals with others and putting them somewhere you will see them every day will help make you more accountable to them.

By seeing your goals daily, you are more likely to make decisions that will lead to achieving your goals.



KEY ACTIVITY

Identify the SMART Goals

Identify which goals are SMART. For those that are not SMART, circle the reasons the goal is not SMART.

EXAMPLE GOAL	SMART	NOT SMART	
I will save \$500 for an emergency fund in an account at the credit union in the next nine months.		Not specific Not measurable Not achievable	Not results oriented Not timebound
I will be healthier.		Not specific Not measurable Not achievable	Not results oriented Not timebound

SETTING GOALS: Turning Your Dreams and Vision Into Reality

Goals are simple, clear statements about where you want to end up. Setting and writing goals can help you take your vision and turn it into reality.

Goals can be short term or long term. A short-term goal is something you want to do within a year — it can be by the end of a day, end of the week, within a month or by the end of the year. A long-term goal takes more than one year to accomplish.

SMART Goals

One way to make goals simple and clear is to make them SMART. SMART stands for:

- **specific:** this means your goals are focused, not general;
- **measurable:** this means that you can tell whether your goal has been achieved, and there is some way to measure your results;
- **achievable:** goals should be challenging and cause you to reach, but they should be attainable;
- **results oriented:** goals are written to focus on the end you are trying to achieve; and
- **timebound:** there is a specific time by which goals will be reached, and they are not open ended.



RESOURCES AND YOUR GOALS

Resources are all the things you can use to help you reach your goals. The following are examples of resources:

- Dedication and commitment
- Time
- Expertise — other people
- Money
- Information
- A good credit score

Each goal you try to achieve will require resources. Not all your goals will require money. But all your goals will require your commitment and dedication.

“Success is about dedication. You may not be where you want to be or do what you want to do when you’re on the journey. But you’ve got to be willing to have vision and foresight that leads you to an incredible end.”

~ Usher

SAVING FOR YOUR GOALS

All goals require dedication and commitment. Many goals need money. **For those goals that need money, your budget will be your plan for reaching them.**

The first step in making a budget or financial plan is setting your goals. You have done this!

The second step is figuring out the resources you need, including money to reach your goals.

Resources are all the things you can use to help you reach your goal. Once you know the resources you need, you can figure out how much you need to save each month to reach your goal.

KEY ACTIVITY

Zari Identifies Resources for Her Goal

Zari is graduating from a career and technical college in six months with a technical welding certificate. There will be many job opportunities for her. But she needs a car. She has been working on building a credit history so she can get an affordable loan from a credit union. She knows she’ll need to save \$1,000 for the down payment over the next six months.

Her SMART goal is: I will save \$1,000 for the down payment on a car during the next six months.

What are some of the resources Zari may need to reach her goal?

Since money is one of those resources, you can figure out how much Zari needs to save each week to reach the goal within her time frame.

Amount needed: \$1,000
Weeks to save: 6 months x 4 weeks per month = 24 weeks
Weekly savings goal: \$1,000 ÷ 24 weeks = \$41.67 or \$42 each week



PLANNING YOUR CAREER PATH

Figuring out whether to finish high school or get more training and education after high school **starts with planning your career path**. Your career path includes the steps you need to take to reach your career goal.

How do you pick your career goal? You can try one of the following:

- **Volunteer for organizations that interest you.** This can give you experience in a field that you think you may want to work in.
- **Work.** If you can get a part-time job, this experience can also help you determine the activities you do and do not like to do on the job.
- **Get an internship.** An internship is an opportunity to work for a business or organization while in school or considering a career. Sometimes these are paid, sometimes they are not. In addition to gaining experience and skills, you may develop important professional contacts and references.
- **Set up informational interviews.** Talk to people who are in the career you envision for yourself.



KEY RESOURCE

GUIDANCE COUNSELORS AND ACADEMIC ADVISORS

Guidance counselors and academic advisors are good people to have in your network. While in high school, guidance counselors can help you with your academic, personal/social and career development needs.

Specifically, they are available to help you:

- take the right courses in high school;
- get registered for tests such as the ACT and SAT exams;
- meet financial aid deadlines during your senior year of high school;
- get your academic records in order before you leave high school; and
- set personal goals and develop plans.

You need to seek these services from the counselors especially if you want one-on-one help.

Name and contact information for guidance counselor:

Once you are in a postsecondary training or education program, you will have access to academic advisors who can help you:

- understand the requirements of your major(s), plan your schedule of classes (so you take the right classes you need in the correct order to complete your certificate or degree);
- explore education and career opportunities;
- get the information and tools needed to track your progress; and
- receive other services you may need.

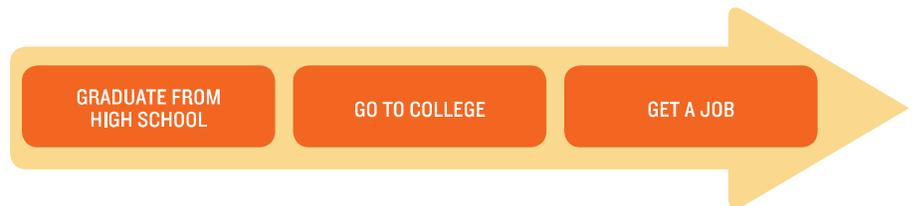
Name and contact information for academic advisor:

Establishing and maintaining relationships with school guidance counselors and academic advisors can help increase your chances of success as you pursue your training, education and career goals.

- **Take classes.** While in high school, take classes that interest you. In some states, you can take tuition-free classes at community colleges, public career technical schools or universities while you are in high school. This is called concurrent enrollment. This can help you explore interests and earn college credit at little to no cost.
- **Take interest surveys.** This generally means meeting with your high school, vocational school, community college or university guidance counselor or academic advisor. They often have access to interest and career surveys. These surveys are designed to help to identify careers that best match your interests, skills and values.



People often think of a career path as:



There are many other paths to careers:



Source: Efrid, B. M., & Wiggins, B. S. (2004). *Career development resource guide and user's guide for "career choices in North Carolina."* Raleigh, NC: State Occupational Information Coordinating Committee. Retrieved from <http://digital.ncdcr.gov/cdm/ref/collection/p249901coll22/id/436170>



- **On-the-Job Training**

Go to work for a company or business that will train you as you work on the job. Many people who decide not to go postsecondary school gain experience and opportunities for career advancement through on-the-job training.

- **Apprenticeship**

Apprenticeship means working under someone else who is experienced in a field. As an apprentice, you are supervised by a master in the craft, trade or occupational area. The relationship is formal. Generally, as an apprentice, you complete a three- to four-year training program that combines on-the-job training with related technical and educational instruction. Apprenticeships may be available through unions and in the automobile service, construction, general service and manufacturing fields.



- **Public or Private Vocational or Career/Technical School**

Short-term training is available for occupations ranging from cosmetology to welding to computer programming and cyber defense and more at vocational and career/technical schools. Usually there are no special entrance requirements. Costs and length of programs vary. Purchase of special tools may increase costs. Private, for-profit schools are much more costly than public schools.

- **Community College**

Community colleges specialize in providing a wide variety of short-term vocational or technical certificate or degree programs. They tend to work very closely with businesses and industries in the area they serve so they can train people to work in these businesses and industries. You can start at community college and then transfer to a college or university offering a four-year degree.



- **Four-Year College**

Most colleges and universities are four-year colleges. Entrance requirements are based primarily on high school grades and college entrance test scores (ACT or SAT).

- **Military**

The military offers training, pay, room and board and benefits in exchange for service to the country. Ask your military recruiter about the types of training available, qualifications for training, length of commitment required and pay and benefits. High school graduation is required. This may make you eligible for the GI Bill, which will help pay for more training and education after your military service.

Career Research

Learn more about your intended career by doing some research. Often, the focus is on getting into college without thinking about how college education (or some other kind of training) is linked to careers.

A key consideration is figuring out whether your chosen career is likely to support you. With the likely starting wage, will you be able to pay for your basic living expenses?

These include:

- + housing;
- + utilities;
- + food;
- + transportation;
- + health care;
- + emergency savings;
- + student loan payments, if applicable;
- + other debt payments, if applicable; and
- + other expenses that may apply to your situation — child care, for example.

If you find that your likely starting wage is not going to cover your basic living expenses, you can do these things:

- + Research to see if you will at some time in the future be able to earn enough in your given career. Starting wages — what someone is paid in their first job — are often less than what someone could potentially earn. Look at median wages for your chosen career to get an idea of what your earnings potential could be.
- + Determine whether you can reduce any basic expenses.
- + Identify work support benefits that could assist you while you start in your career.
- + Examples include:
 - SNAP benefits;
 - public housing;
 - child care support — this applies only if you have children; and
 - energy assistance programs — you can apply for these to help pay for utilities.

To check what benefits you may be eligible for, visit www.benefits.gov.



CAREER RESEARCH

Career research can help you pick the right training and education. How?

By researching careers, you will understand:

- 1) What is expected of you in terms of knowledge, skills, certifications and other credentials when it comes to working in your chosen field.
- 2) The right training and education path to your career goal.
- 3) The amount of money you can expect to make in your career — starting out and in general.
- 4) The conditions under which you will likely work.
- 5) The different kinds of job opportunities within your career.
- 6) The outlook for your career — are there going to be more or fewer job opportunities in your career?

When the value of the asset is less than the liability, you are “upside down” in the asset.

Being upside down means there is negative equity.



People often invest in assets hoping their value will increase. While assets such as homes, businesses and investments can increase in value, this is not always true. All assets have the potential to decrease in value. This situation can be made even worse if the liability for an asset is more than the value of the asset. When the value of the asset is less than the liability, you are “**upside down**” in the asset. Being upside down means there is negative equity.

KEY ACTIVITY

Calculate Alicia’s Equity

Alicia is 23 years old. She has a good, steady job and wants a truck. Many dealers are offering great deals on trucks. She has no money for a down payment, but the dealer is willing to give her financing. The new truck’s value is \$23,500. She borrows the full amount.

What is her equity the day she buys the car?

After one year, her truck would be worth about \$18,095. Her loan balance would be \$19,941.26.*

What is the equity Alicia has in her truck after one year?

While her truck is still productive, it has put her in a financially unstable position.

To avoid a situation similar to Alicia’s:

- Understand whether an asset is likely to increase or decrease in value.
- Avoid borrowing the full amount of the asset.
- Understand what you can afford in terms of an asset, and then buy something that is worth about 60 percent of what you can afford. If you can “afford” a \$10,000 car, consider looking at cars that cost \$6,000. This builds in a cushion or margin for error.

This can prevent you from being upside down in an asset. It can also help ensure that the assets you invest in help build your economic security.

* The depreciation rate used was determined using the Money-zine.com car depreciation calculator. The average depreciation in one year is \$5,405. The loan balance was determined by amortizing a \$23,500 loan at 9 percent over five years.

Key to Your Financial Future: Order and Review Your Credit Reports

Be sure to get your report from each of the three credit reporting agencies every 12 months.

Go to www.annualcreditreport.com to get started.

EQUIFAX	EXPERIAN	TRANSUNION
Date credit report accessed and printed:	Date credit report accessed and printed:	Date credit report accessed and printed:

BE SURE TO KEEP YOUR CREDIT REPORT IN A SAFE AND SECURE PLACE. THIS DOCUMENT HAS A LOT OF PERSONAL INFORMATION. IF YOU DO NOT HAVE A SAFE AND SECURE PLACE TO KEEP IT, REVIEW IT AND SHRED IT, OR GET SOME HELP.

Use this form to check your credit reports. Keep this form with your credit reports. Also, be sure to keep any correspondence about the credit report such as dispute letters. If you do find mistakes, highlight them using a highlighter on your actual credit report.

	EQUIFAX	EXPERIAN	TRANSUNION
Date You Reviewed Your Report			
Is your name correct? (Check aliases they may have listed for you, too.)	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Is your Social Security number correct?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Is your address correct?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Are your previous addresses correct?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Is there anything listed in the public records section? If yes, is this information correct?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Do you have anything listed in the collections section? If yes, is this correct?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
If something is listed in the collections section, has it been noted as closed or charged off in the accounts section?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Review each entry in the accounts section. Do they all belong to you?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Check the account name, account number, loan amount and current balance. Are these correct?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Check payment patterns. Are there payments outstanding? Are there payments marked as late? If yes, are these correct?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
If you answered “no” to any of the questions, you may need to file a dispute. Do you need to file a dispute?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO

Jadarius Jackson
765 Rose Avenue, Apt. C
Anywhere, IA 78617

Your name and address

May 31, 2019

Date you write and send the letter

TransUnion
PO Box 1000
Chester, PA 19022

Name and address of the credit reporting agency that made the mistake you are disputing

Dear Sir or Madam:

I am writing to dispute the following information in my file. I have highlighted the items I dispute on the attached copy of the report I ordered online 04/30/19.

Date you ordered the credit report with the incorrect information

The information indicating I made late payments to Bank of Iowa on account 230234823481Y is incorrect. In December 2018 and January 2019, these payments are marked late. These payments were made on time. Please see the attached information from my bank indicating when the payments were made using online bill payment.

Description of evidence being provided

Also, SaveMart Electronics is showing a balance of \$1,500. This account was charged off and sold to Results Collection (account number Y12345), which is also showing a balance of \$1,500. The SaveMart Electronics balance should be \$0.

A complete description of the mistakes

I am requesting these items be adjusted to correct the information. Please investigate this matter and correct the disputed items as soon as possible.

Sincerely,
Jadarius Jackson
555-123-4567

Your name and signature

Enclosures: Confirmation of payment from Bank of Peoria

List of evidence you're including

KEY ACTIVITY: JADARIUS DISPUTES AN ERROR

What is Jadarius disputing?

What evidence did he provide?

How do you think this dispute will affect his credit history?

Once you mail your letter to the credit reporting agency, they have 30 days to investigate your dispute unless it was filed through www.annualcreditreport.com. Then they have 45 days.

Once the investigation is complete, the following will occur:

- + The **creditor** who provided the misinformation must notify all the credit reporting agencies.
- + The credit reporting agency must send you the results in writing as well as a free copy of your credit report if the dispute results in a change.

If the investigation does not resolve your dispute, you can ask that a statement of dispute be included in your file and on future reports.

In addition to writing to the credit reporting agency, send a dispute letter directly to the creditor (information furnisher) that provided the misinformation.

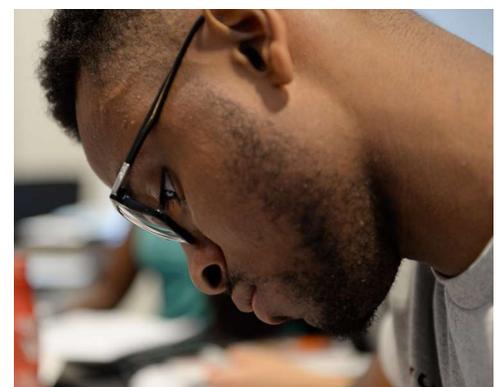
Send copies of evidence. The creditor must provide notice of the dispute to the credit reporting agency to which it reported the misinformation. If it finds you are correct, the information furnisher may never again report this information.

Key to Your Financial Future: Disputing Errors on Your Credit Report

If you have errors on your credit report, use this checklist and the example letter Jadarius wrote to dispute them. Be sure to replace your information everywhere sections of Jadarius's letter are underlined.

Correcting mistakes may improve your credit history.

STATUS	TASK
	Write a letter to the credit reporting agency that sent you the report.
	Provide the account number for the item you feel is not accurate.
	For each item, explain concisely why you believe it is not accurate.
	If you can, include copies of bills or statements that show you have paid them on time. Send copies only. NEVER SEND ORIGINAL DOCUMENTS.
	Provide your address and telephone number on the letter so the credit reporting agency can contact you for more information if necessary.
	Make a copy of your letter before you send it to the credit reporting agency.
	Send the letter and copies of evidence certified mail, return receipt requested. You will be notified when the credit reporting agency receives your dispute letter. They have 30 days to investigate.
	Send a letter to the creditor or information furnisher who has misreported the information to the credit reporting agency.
	If you can, include copies of bills or statements that show you have paid them on time. Send copies only. NEVER SEND ORIGINAL DOCUMENTS.
	Send the letter and copies of evidence certified mail, return receipt requested. You will be notified when the creditor receives your dispute letter.
	Attach all correspondence related to this dispute to this checklist and keep it in a safe place.



REPAIRING AND IMPROVING CREDIT HISTORY

If you have problems on your credit reports, you may decide to fix them. If you do not fix them, you may not be able to get credit. Or, the credit you can get will be very expensive. Remember, a positive credit history is a **productive asset** — something that can help you get other assets such as a car, an apartment or a loan. Here are some steps to take in **repairing and improving your credit**. Check them off as you complete them.

- Get and review your credit reports.** Be sure to order and review your reports from Equifax, Experian and TransUnion. You can do this all at once or order one of them every four months. Use annualcreditreport.com to get your free reports. Get help in reviewing your credit report if you have never done it before.
- Identify any mistakes.** Take immediate action to correct those mistakes. You may send a letter, call the credit reporting agency or use the online dispute system at each of the credit reporting agency websites.
- If you have any payments that are late, get current.** And make sure you stay current.
- Confirm anything listed in the public records or collections sections belongs to you.** Not all collections records are accurate. Make sure the original account (in the accounts section of the credit report) is showing a balance of zero.
- If you have any outstanding judgments or collection accounts you want to pay, use your budget to find ways to pay those off.**
- Be aware of your rights with debt collectors.** Understand the length of time creditors have to sue you for the money you owe. Sometimes your actions can extend the amount of time they legally have to sue you.
- Contact creditors that you did not pay in the past using the information on your credit report.** Sometimes this means contacting a collection agency. See if the company will work with you. They may set up a payment plan with you and help you get back on track. If they set up a payment plan with you, get the agreement to this payment plan in writing from them. Be sure to check the statute of limitations on the debt. Contacting a creditor or debt collector can extend or restart the amount of time a debt can be legally collected.
- Once you have paid off an old debt or something in collections, order a credit report.** Check to make sure the payments you made are on the report.
- If you have balances on credit cards, use the following list to help prioritize those to pay down first.**
 - Where you have used 30 percent or more of your available credit.
 - Highest rates of interest — these are costing you more.

Call your creditors to try to negotiate a lower rate if:

 - you have paid them regularly; or
 - you have seen a lower rate advertised by them for new customers.
- Send a letter to the card issuer asking them to close those accounts you no longer use or want to remain open.** Make sure you say **effective immediately** and cut up the card. Inactive credit accounts run the risk of being closed *by the credit card issuer* — it looks better on your credit history if the account is closed at your request rather than vice versa.
- Use a credit-building strategy.** This strategy has its own checklist on page 27.

KEY RESOURCE

STATUTE OF LIMITATIONS

How long a debt can be collected is based on state law. Find out the statute of limitations in your state. Note that “promissory” generally means an installment loan like for a car or home. “Open” is for revolving credit like a credit card.

Statute of limitations in my state for promissory note debt: _____ years

Statute of limitations in my state for open debt: _____ years

AVOID ANY BUSINESS OR ANY PERSON THAT CLAIMS THEY CAN FIX YOUR CREDIT. IT IS NOT TRUE.

No one can remove negative information from your credit report if the information is accurate. Only you can improve your credit history and your reputation with creditors through building credit and making regular monthly payments.

BUILDING A CREDIT HISTORY

Building your credit is different from repairing your credit. Building your credit is about using specific products to create a positive credit history. Check off those you plan to explore.

□ Get your credit report.

This is the same first step if you are repairing your credit, too. You may not have a credit report especially if you are not yet 18. And, even if you haven't used credit, you could have credit reports or scores — if you missed cell phone plan payments, have not paid medical bills, missed rental payments or have been the victim of identity theft.

□ Follow the steps to maintaining a positive credit history.

Remember that the key to building a credit history is to start with just one account. Use the account to buy a few things that you can afford. Then pay it back each month, on time. Pay at least the minimum balance, if not more.

□ Get a secured credit card.

This is a credit card that is secured with money. Your money! The money is put in an account that is dedicated to pay the debts on the card if you do not. There is little risk for the bank or credit union here. They have your money as security to cover the debt. And, you get the chance to show that you can pay on time.

- Usually, these credit cards have low credit limits, so **you must be very careful to only use 30 percent of the available credit limit to prevent your credit scores from dropping.** If you use more than 30 percent of your credit limit, you run the risk of lowering your credit scores.

□ Get a credit-building loan.

Many banks and credit unions offer credit-building loans. You will usually need to deposit the amount of money you want to borrow in an account to get this kind of loan. This deposit is security for the bank. Sometimes, banks or credit unions will allow you to deposit the loan into an account and actually use the deposit to pay back the loan. **BE SURE THE BANK OR CREDIT UNION REPORTS TO A CREDIT REPORTING AGENCY.** Otherwise, your efforts will not factor into your credit reports or scores. Be sure to compare interest rates and fees for these loans at two or three banks or credit unions.

□ Become an authorized user.

If someone you know has good credit, they can name you an authorized user. The credit history related to this account will go on your credit report, too — both positive and negative information.

□ Get a department store charge card.

Many department stores have credit cards you can use when you shop at their stores. The credit limit is generally lower and the interest rate higher than credit cards. Be sure not to open too many of these accounts. Remember, too much new credit can make your score drop.

□ Keep records to make your own credit history.

You can create an alternative credit history. You document your history of payment on utilities, phone bills, child care, child support and other regular bills you pay. This can serve as alternative proof of your payment behavior and help you qualify for some credit products or other services.



MAINTAINING A POSITIVE CREDIT HISTORY

There are no secrets to maintaining a positive credit history or good credit scores. Here is a checklist:

Review your credit reports every year.

Be sure to print out or order your report from all three credit reporting agencies — Equifax, Experian and TransUnion. Use the tools provided in this key to review your credit reports.

Correct any errors.

No one will do this for you once you are 18. It is your responsibility to make sure the information in your credit reports — all three of them — is accurate.

Pay all of your bills on time and in full every month.

If you are going to be late with any bill, contact your creditor immediately.

They may be willing to work with you — let you make two small payments within a billing cycle or interest only for one month.

Keep paying down any debt balances.

If possible, diversify your credit.

Have a credit card and a credit-building loan. This shows you can handle both kinds of credit — revolving credit and installment credit.

Never use more than 30 percent of your credit limit.

Avoid applying for too many credit cards at one time.

Every inquiry is reported on your credit report. It can appear as if you are looking for quick money.

Pay child support and taxes.

If you don't, this may appear in the public records section of your credit reports. Nonpayment of child support and taxes could also lead to wage or account garnishment. This means the government will take the money from your wages or bank account. They will present your employer or bank with an order that allows them to do this.

Keep strong financial records.

Financial records give you proof of payment. If you use online or mobile payment systems, checks, debit cards, prepaid cards or credit cards to pay bills, you will have a record. If you use cash or money orders, you will have to collect and store receipts.



KEY ACTIVITY

Layla's Needs, Obligations and Wants

Identify the needs, obligations and wants Layla spends her money on.

Layla just started working as a paralegal in a law firm. She is so excited. She waited tables in a local restaurant six nights a week to earn money to pay for school. To start work, Layla felt she needed professional attire. She went to a department store and bought two new suits. While there, she invested in high-quality makeup, too. During her orientation at her new job, she was invited to open a 401(k). Anything she saved in her 401(k) would be matched by her employer. Since retirement was so far in the future and she needed all her money now, she did not fill out the paperwork.

On her second day of work, her new colleagues invited her out to lunch. She couldn't say no. She ended up eating lunch in nice restaurants every day.

On Wednesday, she got a call from her caseworker. She had fallen two months behind on her child support payments. To avoid wage garnishment, she took a cash advance on her credit card to catch up. On Saturday, she sat down to pay her bills. She was late on her cell phone payment, and her car payment was due next week. She also needed to go grocery shopping. On the way to the store, she got a massage because she was feeling so much stress.

What were Layla's needs?

What were her obligations?

What were her wants?

**Did she confuse her needs, wants and obligations?
If yes, which ones?**

**What values do you see reflected in Layla's
spending choices?**

**What could she have done differently to ensure her needs
and obligations were met?**

Key to Your Financial Future: Your Cash-Flow Budget

Use the form on the following pages to make your own cash-flow budget.

1 STEP ONE

Set (or revisit) your goals. This is the purpose of your cash flow. It will give you your savings target for each week.

2 STEP TWO

Figure out how much and when you can expect your income and other financial resources every week. If you already have a paycheck, use your paycheck stub to get the amount. If you receive public benefits, include them. Use your benefits statements to get the exact amounts you receive.

3 STEP THREE

Write down your current spending — both amounts and timing. Get copies of bills, statements (credit card statements, for example) and receipts so you can see how much you spend. Or use your spending tracker or bill calendar.

This will help you identify the budget categories you need. If you are under 18, you may only have a few categories in your budget.

If you have transitioned to independence, you may have many categories.

4 STEP FOUR

Identify obligations. This is a really important step. Obligations are the items you must pay.

5 STEP FIVE

Make the cash-flow budget.

6 STEP SIX

Track your actual spending and compare it to your cash-flow budget. Sometimes people make a cash-flow budget, but they don't use it. Tracking your actual spending and comparing it to your cash-flow budget helps keep you accountable to the decisions you made.

GOALS:

	Week 1	Week 2	Week 3	Week 4
Beginning cash balance*				
SOURCES OF CASH AND OTHER FINANCIAL RESOURCES				
Wages from job				
Wages from second/part-time job				
Self-employment income				
Benefit 1:				
Benefit 2:				
Benefit 3:				
Child support				
Other:				
Other:				
TOTAL SOURCES OF CASH AND FINANCIAL RESOURCES				
USES OF CASH AND OTHER FINANCIAL RESOURCES				
Emergency savings				
Saving for goal 1:				
Saving for goal 2:				
Sharing				
Credit card				
Student loan debt				
Payday loan				
Other debt:				
Other debt:				
Rent or mortgage payment				
Homeowners or rental insurance				
Electricity				
Gas				
Water and sewer				
Cable or satellite television				
Internet service				
Phone and/or cell phone service				
Car payment or public transportation				
Insurance				

Fuel				
Maintenance				
Groceries				
Household supplies				
Eating out (meals and beverages)				
Personal care				
Pet care				
School supplies/fees				
Tools of the trade and other job-related expenses				
Child care				
Health insurance				
Health care deductibles and co-pays				
Entertainment				
Other:				
Other:				
Other:				
TOTAL USES OF CASH AND OTHER FINANCIAL RESOURCES				
SOURCES - USES				
ENDING BALANCE				

*Cash, balances on prepaid cards, checking account balance or any resources you use to pay for bills and expenses.

Habits and Rules of Thumb

Building habits or living by specific rules can be another way to help you live within your means.

Habits are things you do without thinking about it. With electronic banking and mobile apps, you can automate some habits.

Automate savings.

If you have a job, set up an account and have your paycheck directly deposited. Then, every paycheck, have a specific amount transferred into savings. You set this up automatically in person at your bank or credit union, using online banking or using a mobile app. If you can't open a bank account, use a payroll card and access the savings features on it. If your job offers a retirement savings, sign up for it. Work with the human resources staff to understand the program. Often your employer will match whatever you save. That's money above your pay. You will set up the account, and the amount you designate will be deducted from your pay.

Save half of any raise, gift or large sum of money.

If you get a \$1.00 an hour raise, direct half of it to savings. For example, if you work 40 hours per week, increase your savings by \$20 ($\$1.00 \times .5 = \$.50$; $\$.50 \times 40 \text{ hours} = \20). If you get a \$510 Earned Income Tax Credit refund, save \$255.

Use text and email alerts for recurring bills.

Use online bill payment through your bank and schedule payments to be automatically paid on due dates.

Pack your lunch and drinks.

Spending on meals, soft drinks and coffee out during the workday is one of the biggest habits that can lead to over-spending. Plan to eat out from time to time, but bring your lunch and drinks as often as you can.

Shop with a list and never shop hungry.

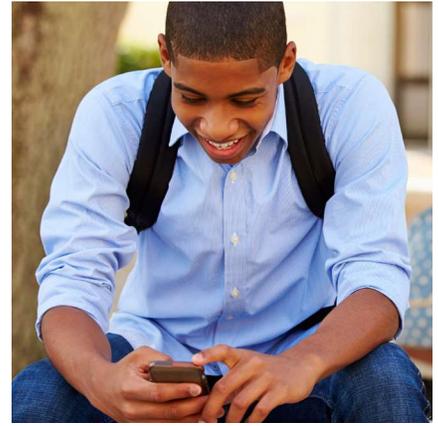
Even better than a list, order your groceries in advance and pick up your order — a service offered by an increasing number of stores.

For bigger items or impulse purchases, ask: Is it worth it at this time?

Try dividing the cost of the item by your hourly wage. This will tell you how many hours of work are needed to buy the item. For example, you would have to work at least 25 hours to afford a new pair of \$180 sneakers if you earn minimum wage: $\$180/\7.25 . With other bills, living expenses and savings for goals, is it worth it at this time?

Always buy less than you can afford.

If you can afford the \$180 kicks, consider spending less. Spend 75 percent of what you can, and you'll always have a cushion. In this case, spend \$135 on your shoes: $\$180 \times .75 = \135



❑ Spend no more than one-third of your gross (or total before taxes and deductions are taken out) income on housing.

This includes all costs associated with housing from rent or mortgage to insurance and utilities to furnishing and landscaping. Keep your housing and transportation budget below 45 percent of your total income. If you earn \$1,700 per month, keep your housing costs below \$561: $\$1,700 \times .33$. Keep your transportation and housing costs combined below \$765: $\$1,700 \times .45$.



❑ Cut back or cut out.

For recurring bills, make sure you are not paying too much. Examine what you are paying for phone, internet, streaming services and cable/satellite television. Consider what you really use and cut out the rest.

❑ Organize your stuff and use what you have.

From food in the fridge to personal care items to tools, people often spend unnecessarily because they can't find an item or forget what they have.

❑ Negotiate for a better deal.

For credit card payments, phone and data plans, cable and satellite service, insurance and other recurring bills, negotiate with your provider to get better terms. Ask for a lower interest rate on your credit card if you have always paid your bills on time. Find out if there is a more favorable plan for your mobile phone and data. Compare auto insurance to see if you can get good coverage at a lower rate.

KEY ACTIVITY

Habits and Rules of Thumb

What additional habits do you think can help you budget?

What rules of thumb would you add to the list?



SAVING

Saving is setting aside some of your income today for use in the future.

SUCCESSFUL SAVING

People that save figure out ways to make their savings automatic. What does this mean? They generally decide once and set up a system that enables them to “save without thinking about it.”

Direct deposit is one way to do this, but you must have a regular paycheck for direct deposit. You can have your paycheck automatically put into a savings account or split between savings and checking. You can also have your paycheck directly deposited onto a payroll card or prepaid card (prepaid debit card or reloadable prepaid card) if you don't have a bank account. Some of these having a savings or purse feature.

You can also set up rules for yourself. For example, your rule could be to save 10 percent of any income you receive.

Finding Money to Save for Your Goals

Saving is setting aside income today for use in the future. Your goals are some of those uses.

People that save successfully think about ways to make it automatic — you make the decision to save one time and then set up a system to make that happen. When selecting your savings strategies, see if you can find ways to automate your savings.

Here is a list of some ways to save for your goals:

- **Keep the change.** Designate a jar or box. Put all your change into this jar or box at the end of each day. Count it after one month. You may be surprised to see how quickly your change can add up.
- **Commit to saving in advance.** Decide that you will save 25 percent of all money you get in advance. If you get \$10 from a family member or friend as a gift, you put \$2.50 into your savings jar or account.
- **Use direct deposit.** If you have a job, have your paycheck deposited into a checking account and have a portion of that transferred to a savings account.
- **Cut back your spending on one thing** — coffee, meals out or music purchases — and redirect those funds to savings.
- **Shop smart.** Look for generic instead of brand name items. Use a shopping list — if it's not on the list, don't get it. Wait 24 hours before making any big purchases. Think about the following: Do you need the item? Will it help you reach your goals or your vision? **Save your savings from shopping smart.**
- **Pay your bills on time.** This will keep you from paying fees. Set up **automatic bill payment** for bills you pay regularly using online banking services. This will keep you from being late. But make sure you have enough money in your account when the bills are due and the money is automatically deducted from your **checking account** or **prepaid card**.
- **Save unexpected income.** If you get a gift, overtime pay or a **tax refund** you have not already budgeted, save that money.
- **Make a commitment to yourself.** Commit yourself to saving for your goals. This will help you lead the life you envision for yourself.

KEY ACTIVITY

Alejandro Plans to Save or Invest

Read the following and answer the questions that follow it.

Alejandro is 18 years old and in care. He wants to save for trade school — his goal is to become an electrician. He has estimated that the Chafee ETV program plus some additional state funding will cover his tuition, fees and books. He wants to save for his own equipment as well as living expenses while studying.

He has taken a risk tolerance assessment and knows he has an above average tolerance for risk.

He will graduate from high school in 15 months. Through his part-time job, he thinks he can save about \$200 per month. He is trying to decide between a savings account and shares of stock in a popular social media company.

A savings account will earn 1 percent. He can buy stock for \$51 per share. He figures it will only go up and that he can sell it in 15 months for a profit.

What is his goal?

When does he need the money?

What is his tolerance for risk?

Where should Alejandro put his \$200 savings each month?

Key to Your Financial Future: Choosing a Bank or Credit Union

If you are thinking about opening an account at a credit union or bank, use the following checklist to help you make your choice. Consider banks or credit unions where you live, work, go to school or online. At the end of the worksheet, add other questions that might be important to you.

	BANK OR CREDIT UNION 1 Name: _____	BANK OR CREDIT UNION 2 Name: _____	BANK OR CREDIT UNION 3 Name: _____
SAFETY			
Is it FDIC or NCUA insured?			
YOUR NEEDS			
Do I feel welcome?			
Is staff available to help me?			
Am I eligible to join (if credit union)?			
REQUIREMENTS FOR OPENING AN ACCOUNT			
Do I need a co-signer, custodian or joint owner (if under 18 years of age)?			
What identification documents do I need to open an account?			
Does the bank check banking history reports or credit reports before allowing a savings or checking account?			
Is there a minimum balance requirement for opening checking or savings accounts?			
ACCESS AND CONVENIENCE			
Is the bank or credit union close to where I live, go to school or work?			
Is it open during hours I can visit?			
Will I have ATM access? Are there many bank- or credit union-owned ATMs accessible to me?			

	BANK OR CREDIT UNION 1 Name: _____	BANK OR CREDIT UNION 2 Name: _____	BANK OR CREDIT UNION 3 Name: _____
Does it provide online and mobile banking?			
FEES			
Is there a fee for going below a minimum balance?			
What are the overdraft protection fees?			
Are there monthly account maintenance fees?			
What other fees are possible with a savings account?			
What other fees are possible with a checking account?			
INTEREST AND STATEMENTS			
Will I earn interest?			
What is the rate of interest (APY)?			
Can you access account information via online or mobile banking?			
OTHER SERVICES			
What additional services will I be able to access?			
Do they offer secured credit cards?			
Do they offer credit-building loans?			
Other question:			
Other question:			
Other question:			

Key to Your Financial Future: Your Identification and Critical Documents

Use the following checklist to figure out what documents you need and where to get them.

Document	Why You Need It	Where to Get It (include contact information and notes)	Status
Certified copy of birth certificate	<ul style="list-style-type: none"> • Form of identification • Driver's license • Sports • Some colleges • Military • Marriage • Passport • Replacement Social Security card 	<p>You can order your birth certificate from the office of vital records in the state where you were born. For a state-by-state list, visit www.cdc.gov/nchs/w2w/index.htm.</p> <p>If you do not know what state you were born in, ask a family member or your caseworker.</p> <p>If you were born outside of the United States to U.S. citizens, you will need to contact the U.S. Department of State for the Consular Report of Birth Abroad (CRBA). For more information on this, visit https://travel.state.gov/content/travel/en/international-travel/while-abroad/birth-abroad/replace-amend-CRBA.html.</p> <p>If you were born in another country to non-U.S. citizens, check with the embassy of the country in which you were born about getting birth records.</p>	<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it
State picture identification card OR driver's license	<ul style="list-style-type: none"> • Travel by airplane • Get into "R" rated movies • Enter nightclubs • Purchase medication • Any situation in which you need to prove your identity and age • Driver's license allows you to drive, too 	<p>You can get a state-issued identification card or your driver's license from the Department of Motor Vehicles. This may be called something different, like the Department of Public Safety, in your state. There are additional requirements for getting a driver's license.</p> <p>Find your state department of motor vehicles at www.usa.gov/motor-vehicle-services.</p>	<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it
Green card or immigration documents (if applicable)	<p>A green card provides documentation of official immigration status in the United States, which may be essential to do the following:</p> <ul style="list-style-type: none"> • get a job; • apply for trade school or college; • open a bank account; and • access public benefits <p>It's also essential if you want to naturalize as a U.S. citizen.</p>	<p>To apply for or get a replacement permanent resident card commonly called a green card, visit U.S. Citizenship and Immigration Services at www.usa.gov/green-cards.</p> <p>To get other immigration documents, you may need to visit the embassy or consulate office from the country in which you are a citizen.</p>	<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it

Document	Why You Need It	Where to Get It (include contact information and notes)	Status
Social Security card	<ul style="list-style-type: none"> Form of identification Get a job Pay taxes Collect Social Security or other benefits 	<p>To get a replacement or new Social Security card or number, visit the Social Security Administration at http://www.ssa.gov/ssnumber.</p> <p>You will need your Social Security number more often than you will need your actual Social Security card.</p>	<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it
U.S. passport	<ul style="list-style-type: none"> Travel to other countries Another form of identification 	<p>Issued by the U.S. Department of State. Must complete application, show evidence of citizenship (birth certificate) and another official form of identification. Can apply via mail or in person (at a passport acceptance facility like the post office). For more information, visit travel.state.gov/content/travel/en/passports.html.</p>	<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it
Medical records	<ul style="list-style-type: none"> Ensure your records are correct Record of lab results, treatment and immunizations Better able to advocate for yourself 	<p>Every medical provider who treats you has records. You may have to request them from each provider.</p> <p>If you are under 18, you may need a guardian or parent to request them.</p> <p>After 18, you must give permission for anyone (including parents or guardians) except the health care provider or insurer to access your records. This is because of a law called HIPAA.</p> <p>Health care providers may charge you for providing a copy of your records.</p> <p>Psychotherapy notes are not part of your medical records.</p>	<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it
Immunization records	<ul style="list-style-type: none"> Enter school or college Get some jobs Military or Peace Corps service Travel to some countries 	<p>There is no central place that keeps immunization records. To get your immunization records, try the following:</p> <ul style="list-style-type: none"> Contact the medical office where you got the shots. Ask the family member or guardian who took you to get the shots. Request school records, if you have been out of school only one or two years. <p>If you are unable to get your records, you can have a health care provider run a test called an “antibody titer.” This will show childhood diseases you have developed immunity to. It can also show which immunizations you may have missed.</p>	<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it
School transcripts	<ul style="list-style-type: none"> Transfer high schools Apply to trade school or college Apply for some jobs 	<p>School transcripts are available from the school you most recently attended or graduated from. There are two kinds of transcripts: an official transcript and an unofficial transcript. An official transcript has a seal or mark on it, and the school sends it in a sealed envelope.</p>	<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it

Document	Why You Need It	Where to Get It (include contact information and notes)	Status
Voter registration card	<ul style="list-style-type: none"> Exercise your right to vote in local, state and federal elections 	Every state except North Dakota requires you to register to vote. To register to vote, visit https://vote.gov .	<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it
Other			<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it
Other			<input type="checkbox"/> Have it <input type="checkbox"/> Need it <input type="checkbox"/> Ordered it

GETTING HELP

If your identity has been stolen, there are steps you can take. Getting identity theft corrected takes time and commitment from you.



Key to Your Financial Future: Steps to Take When Your Identity Has Been Stolen

Use the following checklist to figure out what documents you need and where to get them.

Check When Complete	Key Step	More Information
<input type="checkbox"/>	Protect your money	<ul style="list-style-type: none">• Call your bank or credit union if you think:<ul style="list-style-type: none">- someone has used your identity to access money in your account; or- your debit card, debit card number, PIN or checks have been lost or stolen.• Close the account and have it reopened under a new account number. You will also get a new debit card.
<input type="checkbox"/>	Call companies where you think or know fraud occurred	<ul style="list-style-type: none">• Call other companies where you think fraudulent purchases have been made or accounts opened. Report that your identity has been stolen.• Close or freeze these accounts and change passwords or PINs. They may ask for a copy of your Identity Theft Report (see below).

Check When Complete	Key Step	More Information
<input type="checkbox"/>	Protect your credit	<p>Order your credit report from each of the three nationwide credit reporting agencies — Equifax, Experian and TransUnion — at annualcreditreport.com.</p> <p>Review your credit reports for errors. If fraud has been committed using your identity, you may see it in your credit reports.</p> <p>Limit access to your credit history. Place one of the following on your credit reports:</p> <ul style="list-style-type: none"> • Fraud alert — If you suspect you have been the victim of identity theft, you can set up an initial fraud alert with Equifax, Experian and TransUnion. This notifies lenders and other businesses that you may have been the victim of identity theft. This requires businesses to verify your identity before extending credit or service. It's free; you only need to set the alert with one credit reporting agency (they will alert the other two) and it stays in place for 90 days. You will also have the right to an additional free credit report. • Extended fraud alert — This is similar to an initial fraud alert except you must create and submit an Identity Theft Report (see below). You will get two free credit reports every 12 months from Equifax, Experian and TransUnion, have your name removed from marketing lists for pre-screened offers of credit and the alert stays in place for seven years. • Credit freeze — No one, including you, can access your credit reports to open new accounts. This is the strongest protection of the three options listed. You will get a PIN to freeze, lift and refreeze your credit when you set up a credit freeze at each of the credit reporting agencies. Each credit reporting agency has its own process: Equifax: www.freeze.equifax.com Experian: www.experian.com/freeze/center.html TransUnion: www.transunion.com/credit-freeze <p>DO NOT LOSE YOUR PIN. If you've lost or forgotten your PIN, use the information on each credit reporting agency's website to get a temporary or replacement PIN.</p>
<input type="checkbox"/>	Report missing identification documents	<ul style="list-style-type: none"> • If you think your state identification card, driver's license, passport or other form of identification has been lost or stolen, contact the agency that issued the identification. • Report it lost or stolen. Ask for a replacement.

Check When Complete	Key Step	More Information
<input type="checkbox"/>	File a police report	<p>This may seem extreme, but it's important. It gives your claim of identity theft extra credibility. This is important if other accounts have been opened in your name. But, not all police departments have had proper training on handling identity theft complaints. And, from their perspective, this may be a low priority crime.</p> <p>If you cannot get your police department to complete a report, contact your state attorney general's office for help. Find yours at www.naag.org.</p>
<input type="checkbox"/>	Complete an identity theft report	<p>Go to http://identitytheft.gov. This is a secure, online database that law enforcement agencies use in their investigations. This will create your Identity Theft Report and Personal Recovery Plan.</p> <p>You will enter:</p> <ul style="list-style-type: none"> • theft details; • your information; • suspect information (if known); • additional information (to describe what happened); and • a personal statement <p>Print this out and send it to businesses that want evidence your identity has been stolen. Sometimes they want a notarized copy. You can have this done at most banks or credit unions.</p>
<input type="checkbox"/>	Contact caseworker	<p>Your caseworker should help you address and fix the issues that arise from the identity theft. Get help from this person because dealing with identity theft is time consuming.</p>
<input type="checkbox"/>	Monitor, monitor, monitor	<p>It may not be possible to know all the ways your identity has been used once it's stolen. And, it may be months before your identity is used to commit financial fraud or some other crime. It's most important for you to monitor your accounts, credit reports, mail and incoming phone calls for any signs that your identity has been fraudulently used.</p> <ul style="list-style-type: none"> • Get and review one of your credit reports every four months at annualcreditreport.com (for example, get Experian on New Year's Day, Equifax on Memorial Day and TransUnion on Labor Day). • Review your account statements regularly. Do this using mobile apps or online statements for bank accounts, credit cards and other services. • Set up email or text alerts for all debit or credit card transactions. • Read your mail. If you get statements or bills for products or services you did not apply for or buy, someone may be using your identity. • Practice the steps to prevent identity theft.