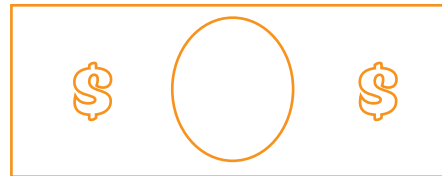
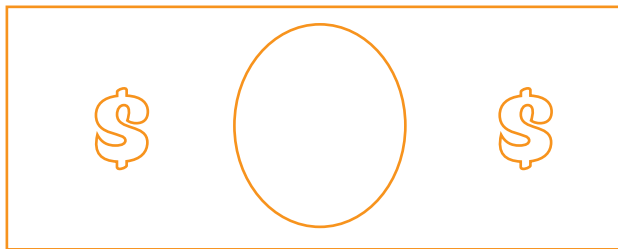



Financial Literacy Month

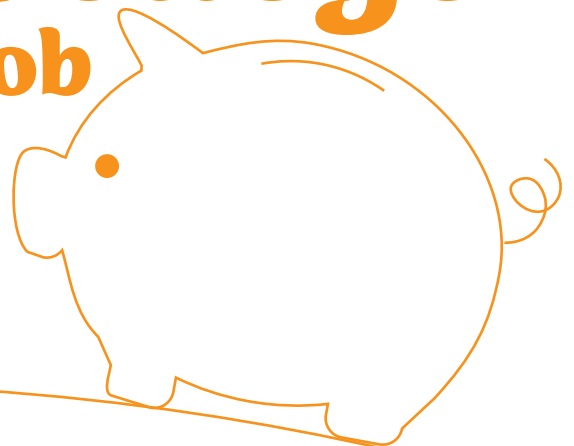
Spend



 **Save**
Credit Card



 **Earn**
Taxes
College
Job



Kids age 15-17yrs



Madison
Credit
Union

Credit History 101

When you open a credit card, take out a loan, pay rent, utilities, or student loans, you start building a credit history.

All of that info is made into a credit report

CREDIT REPORT

Your credit report shows:

- the debt you have
- balance on loans
- your credit limits
- and how good (or not good) you are at paying your bills on time.

The information on your credit report is used to calculate...

your **CREDIT SCORE**

FIVE FACTORS
DETERMINE CREDIT SCORE

30% IS HOW MUCH
YOU CURRENTLY OWE

35% IS YOUR
PAYMENT HISTORY

15% IS HOW LONG
YOU'VE HAD CREDIT

10% IS RECENT
CREDIT APPLICATIONS

10% IS YOUR
MIX OF CREDIT
(HOW VARIED)



\$ Your credit score is used by lenders (banks, credit unions, credit card companies) to calculate how much money they are willing to lend you. The higher your credit score, the more they will lend you and the **\$** better your interest rate will be. This is especially important when thinking **%** about buying a car or house.



FICO Credit Score Rating

Moral of the story
Starting your credit history off right can really put you ahead of the game.

Savings Goals

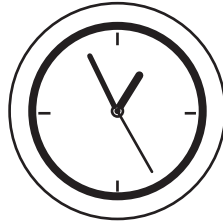
It's tempting to spend all of your money as soon as you get it.
But you'll be better off in the long run if you set goals and save.

The easiest way to save is to pay yourself first. That means setting aside a certain amount of money you earn and keeping it in a savings account. The key to saving successfully is making it a regular habit.

Another way to help you save is by setting goals. You can set short-term, medium-term and long-term goals.



Short-Term Goals
Art Supplies
Sports Equipment



Medium-Term Goals
Tablet, Smart Phone
New Bike



Long-Term Goals
College
A Car

Short-Term Goal (1 month)

What are you saving for? _____

Cost of Goal	Weekly Contribution	Time to Reach Your Goal
\$ <input type="text"/>	÷ \$ <input type="text"/>	= <input type="text"/> /week(s)

Medium-Term Goal (2-12 months)

What are you saving for? _____

Cost of Goal	Weekly Contribution	Time to Reach Your Goal
\$ <input type="text"/>	÷ \$ <input type="text"/>	= <input type="text"/> /months(s)

Long-Term Goal (over a year)

What are you saving for? _____

Cost of Goal	Weekly Contribution	Time to Reach Your Goal
\$ <input type="text"/>	÷ \$ <input type="text"/>	= <input type="text"/> /year(s)

Charge it...or don't

Credit cards can be beneficial when used wisely. They can help build your credit and even improve your credit score, if done correctly. The important thing to know about credit cards is...never pay credit card interest. Pay off the bill in full each month. If you have to carry a balance over to the next month, pay more than the minimum.



Did you know?

The average credit card interest is 19.07%.

The minimum monthly payment is usually only 2%.

Which means if you only make the minimum monthly payment, it will take you **a long time** to pay off your debt.

Say you have **\$1,000**
in credit card debt

with a credit card that charges **19%** interest.

If you pay only the
minimum payment
(about \$25),



65% OF YOUR MINIMUM PAYMENT
IS ONLY INTEREST FOR THAT MONTH

it would take



to pay off the debt by
making minimum payments alone.

THAT'S OVER 9 YEARS!

Your \$1000 would cost you, **\$1,989.56!**

To sum it all up

Credit cards can be a valuable financial asset. They allow you to buy items immediately and can earn you rewards. They also offer better protection from fraud than a debit card.

BUT... spending on a credit card is like taking out a loan. If you don't pay it back right away, you start to pay interest, *high interest*. The best way to use a credit card is to pay it off in full every month.



How to Write a Check

Review the check diagram. Then practice writing your own checks.

Your Information → Penny T. Hedgehog
123 State St.
Madison, WI 53703

Check Number → 1100

Date → April 1, 2023

Payee → Who check is written to → Pay to the Order of: Madison Gas and Electric

Amount written in numbers → \$ 240.37

Amount written out in words. → two hundred and forty and $\frac{37}{100}$ Dollars

Payor's Financial → Your credit union → Madison Credit Union
949 E. Washington Ave.
Madison, WI 53703

Memo Line → Memo gas bill

Authorized Signature → Penny Hedgehog

Routing Number → A number specific to your credit union → 1: 275978721

Account Number → 1: 0001234567

Check Number → 01100

Fill as much of the space as possible on both 'amount' lines to prevent someone from tampering with the check. Use a line to fill any empty space.

Practice. Write a check to Costco for \$150.65 for items for a party.

Check Number → 1101

Date → _____

Pay to the Order of: _____

Amount written in numbers → \$

Amount written out in words. → _____ Dollars

Payor's Financial → Madison Credit Union
949 E. Washington Ave.
Madison, WI 53703

Memo → _____

Authorized Signature → _____

Routing Number → 1: 275978721

Account Number → 1: 0001234567

Check Number → 01101



Madison Credit Union
Financial Literacy

Track Your Spending

Tracking your spending and knowing how to balance your account are important skills to manage your money. It can help you stay on budget and catch fraud activity fast.

Key

- Withdrawal (W/D)** = Money taken from your account, also called a debit.
Deposit = Money put in to your account, also called a credit.
Savings Account = An account to save money where it earns interest.
Checking Account = An account to help you move money easily in and out.
If you have a debit card, it will connect to your checking account.
Balance = The amount you have after adding your credits and subtracting your debits.
To calculate balance: $\text{opening balance} + \text{deposit} - \text{withdrawal} = \text{current balance}$

Write each of the entries in the correct column of the ledger below. Then calculate the new account balance after each entry.

Account Activity Entries		
3/1	Beginning Balance	\$300.00
3/3	Milio Subs Withdrawal	\$12.15
3/4	Soccer USA W/D	\$110.35
3/5	Birthday Money Deposit	\$230.00
3/10	Cell phone Charge	\$65.85
3/12	Chocolate Shoppe W/D	\$8.20
3/18	ATM Cash Withdrawal	\$40.00
3/25	Subway Withdrawal	\$9.55

Date	Transaction Type	Deposit	Withdrawal	Balance

Career Choices

College can be expensive.

Having a career path can save you a lot of time and money.

Choose a Career

1. Make a list of your skills and strengths
2. What previous working experiences have you enjoyed? What was it about them that you enjoyed (helping others, being social, etc.)?
3. Don't have any experience? Get an internship in a field of your interest.
4. Take career aptitude tests online. Most of them don't cost anything or have a free version to help you focus your interests.
5. If you have a broad range of talents and interests, see what jobs are most in need (nursing, electrician, teacher). Choosing a field of study that is in need of workers means job security when you graduate and possible industry specific financial assistance while you study.
6. Job shadow. See if you can shadow a parent, friend or family at work to see if the job fits with your interests.



A passion for music becomes a job as...

1. Sound Engineer
2. Music Producer
3. Composer
4. Tour Manager
5. Artist Manager
6. Music Teacher
7. Booking Agent
8. Session Musician
9. Music Reviewer

Tip

There are many online career aptitude tests out there. A good one is Truity. They have a free and paid version. Both good.
[truity.com/test/career-personality-profiler-test](https://www.truity.com/test/career-personality-profiler-test)

Choose a School

1. **Location** - Is it in a place where you want to study?
2. **Specialty** - Choose a school that specializes in or has a good reputation in what you want to study.
3. **Cost** - Many times, cost may outweigh the previous two options. Make sure you are getting the most for your money. What is your expected salary? Will an expensive college be worth the extra cost?
4. **Feeling** - After visiting the college, how does it make you feel? How is the campus? It should make you feel safe and like a place where you can learn and grow.

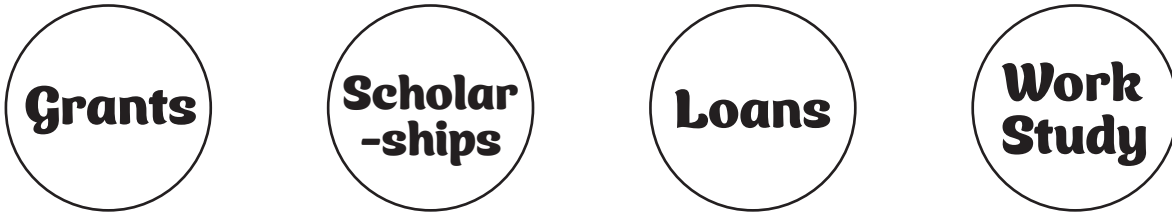
Tip

If you still aren't sure about your career path, start your education at a community college that many not cause as much of a financial strain as a major university. Starting at a community college and then transferring to a larger university can be a smart way in keeping financial costs at a minimum while still getting the name recognition of a major university.

Paying for Higher Education

Paying for college can put you in debt for decades. Make sure to exhaust any free money sources (grants, scholarships) before taking out a loan. If you do have to take out a loan, take into consideration your expected salary. If you only expect to make \$40-\$50 a year, it might not be the best choice to take out, \$100,000 in student loans.

There are generally four ways to pay for college:



Start with FAFSA FAFSA (*Free Application for Federal Student Aid*) allows students to apply for federal grants, loans and work-study programs. This is the first step in applying for most federal grants including Pell Grants and FSEOG grants. Most grants are given based on financial need. Once completing the FAFSA application you will be notified what grants or loans you qualify for.

APPLY HERE: <https://studentaid.gov/h/apply-for-aid/fafsa>

Apply for Scholarships

There is a lot of free money out there. The key is to find it. Once you pick your career path, look for industry specific scholarships. Below is a list of general Wisconsin area scholarships.

University of Wisconsin System School Scholarships - General and degree specific scholarships
<https://wisc.academicworks.com/>

Wisconsin Private Colleges and University Scholarships
<https://www.wisconsinprivatecolleges.org/student-resources/scholarship-information>

Wisconsin Technical College Scholarships
<https://www.wtcsystem.edu/technical-college-benefits/affordable/scholarships-and-promise-programs/>


Bucky's Tuition Promise - UW-Madison pledges to cover four years of tuition and segregated fees for any incoming freshman from Wisconsin whose family's annual household adjusted gross income is \$65,000 or less.

<https://financialaid.wisc.edu/types-of-aid/tuition-promise/>




You can find links to all of these scholarships and more including Minority Scholarships on our website at: madisoncu.com/financial-smarts





Comparing auto loans

Directions: Bring this sheet with you to show you are serious about getting the best loan. The factors you can negotiate are indicated with an icon .

Determine your upfront costs



	Example	Choice 1	Choice 2
A. Price of the vehicle 	\$20,000		
B. Additional features, services or add-ons  These are optional and will increase the total cost of the loan.	+ \$300	+	+
C. Taxes, title and non-negotiable fees State and local taxes, and title fees.	+ \$1,400	+	+
D. Negotiable fees  You can negotiate fees such as delivery charges, origination fees, document fees, and preparation fees.	+ \$100	+	+
E. Cost of the vehicle before interest (add rows A, B, C & D)	= \$21,800	=	=

Calculate how much you will need to borrow

F. Down payment  A larger down payment will lower the total cost of your loan.	- \$3,000	-	-
G. Trade-in value  (if you already have a vehicle) A higher trade-in value will lower the total cost of your loan.	- \$3,000	-	-
H. Total amount to finance (subtract rows F & G from row E)	= \$15,800	=	=

Know how much money you'll pay over the life of the loan

Before deciding on loan length and payment options, calculate the total cost to see which choices work best for you. This will help you see how much you will pay in total for your auto loan.

I. Interest rate  Negotiating a lower interest rate will lower your total cost.	3.5%	%	%	%	%
J. Length of loan in months  A longer loan term will increase the total cost.	48 months (4 years)	___ months (___ years)	___ months (___ years)	___ months (___ years)	___ months (___ years)
K. Monthly payment Use a loan calculator or ask your lender or dealer.	x \$353.22	x	x	x	x
L. Total of payments over life of the loan (multiply rows J x K)	= \$16,955	=	=	=	=

Find the total cost of your purchase

Choose your two best offers from row L, then compare your total cost.

M. Add in down payment and trade-in (add rows F + G)	+ \$6,000	+	+
N. Total cost of your purchase (add rows L + M) This is how much you will pay to buy your vehicle, including all of the interest, over the life of the loan.	= \$22,955	=	=
O. Cost of vehicle before interest (row E from page 1)	– \$21,800	–	–
P. Total interest paid over life of the loan (subtract row O from N)	= \$1,155	=	=