



Welcome to Money Matters





Special Thanks to our Sponsor

CAPE
COD5



Money Matters Workshop

Day 1



Ground Rules

- Confidentiality
- Create Safe Space for dreams & goals
- Share Ideas
- Open & Honest (about yourself)
- Non-judgmental

Workshop Agenda

Session one:

- Goals vs Dreams
- Emotions & how much money is really worth to you
- Why a Spending Plan Matters
- Delayed Gratification
- Wants vs Needs

Session Two:

- Financial Education Pathway
- Establishing an Emergency Fund
- Create a Spending Plan
- Understanding Credit



What brought you in today?



goals vs dreams ?



“S.M.A.R.T.” GOALS

- **SPECIFIC**
- **MEASURABLE**
- **ATTAINABLE**
- **RELEVANT**
- **TIME BASED**



SPECIFIC

- What will I achieve?
- Who will this benefit?
- What specific thing will I accomplish?

- For example: I want to travel versus I want to go to Paris in the Fall.

MEASURABLE

- How many?
- How will I know that it is done?
- How much?

- For Example: I want to save money versus I want to save \$15 a week for 6 months.

ACHIEVABLE

- Is this goal something I can actually do?
- Do I possess the tools or skills necessary to accomplish this?
- For Example: I want to pay off all my credit cards this year versus I will pay down 20% of my outstanding credit card debt this year.



RELEVANT

- Is this something I really want?
 - Is this the right time to do this?
 - Why is this goal important now?
-
- Set goals that matter to you and reflect your values.

TIME BASED or TIME BOUND

- When will I reach this goal?
- Is the time frame reasonable?

- Goals that have a defined time frame and deadline allow you to track your progress.



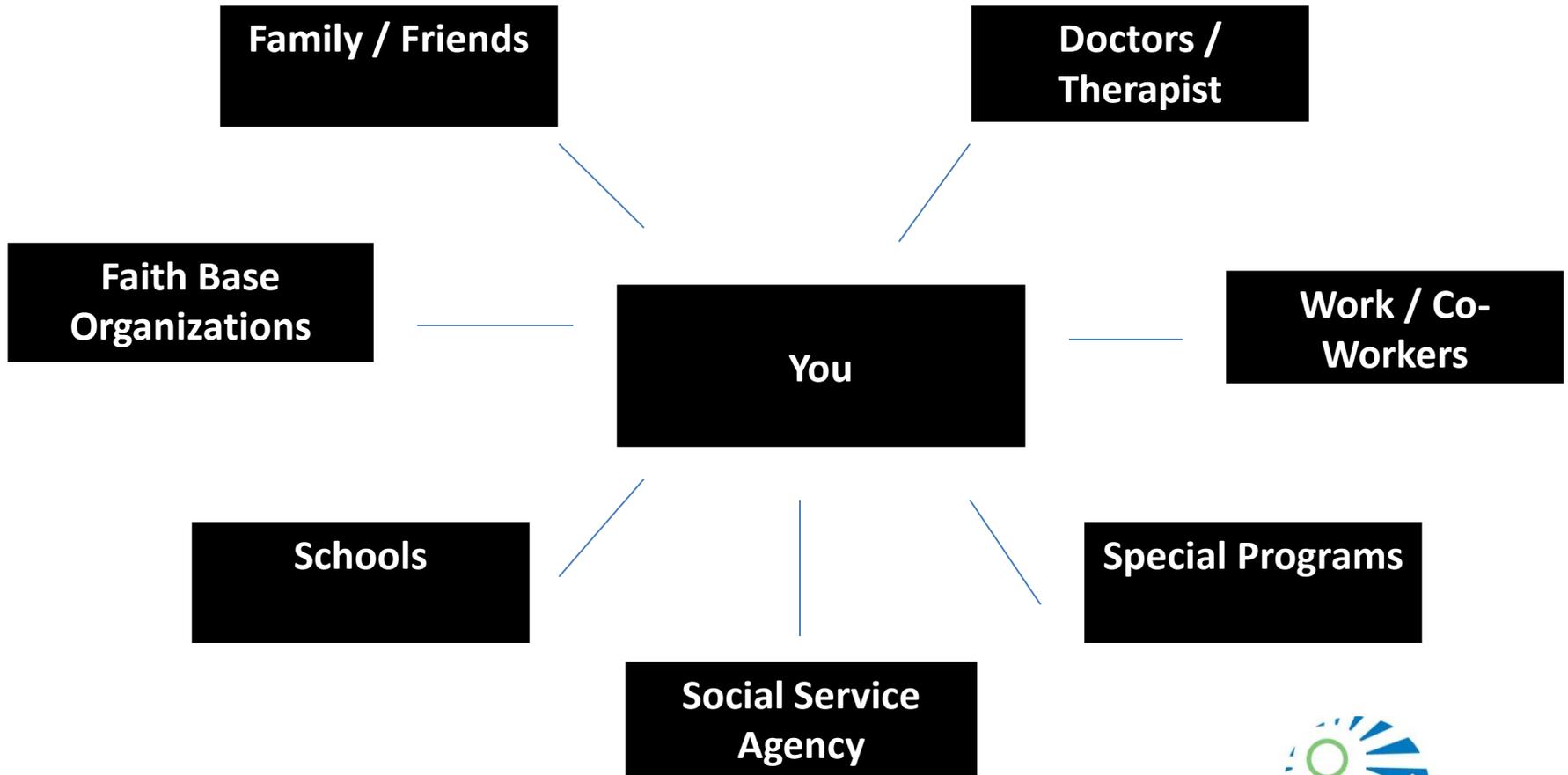
dreams, hope, & motivation

Visioning

Activity



support web



What is a 'Habitudo'?

Habits + Attitudes



Let's talk about money...

Money Habitude\$



That's Me

That's Not Me

Blue



Purple



Green



Gray



Yellow



Red



money habitude\$

I save or invest a set amount of money each month.

money habitude\$

I will hide the fact that I am having money problems.

Even if I can't afford it, I will spend money to keep up a good image.

money habitude\$

I have money secrets about:

- how much I spend, or
- how much I owe, or
- how much I lose, or
- how much I give away

money habitude\$

I think most people can manage money better than I can.

money habitude\$

When things happen that I didn't plan on
(like my car breaks down
or I get sick)!

I have extra money for these types of things.

money habitude\$

I like to give gifts that come
from a special store,
have a brand name or look expensive

money habitude\$

I spend on others but I don't spend
money on myself.

money habitude\$

I like being up-to-date.
That might mean I have things like:

- stylish clothes
- the latest phone
- a new car
- the newest gadgets

money habitude\$

Sometimes I regret the way I've spent my money or the risk I've taken.

money habitude\$

I feel I should pay the bill when I eat out with others.

money habitude\$

If I get money by surprise, it's "extra." I can spend it any way I want.

It might be a:

- tax refund
- bonus
- winnings
- a gift
- an inheritance

money habitude\$

I think things will work out, so I don't worry about money.

money habitude\$

I know the difference between what I need
and what I want.

money habitude\$

I hate to wait for things. If I want something and I don't have money, I will:

- get cash from the ATM, or
- use a credit card, or
- get a quick loan

money habitude\$

When I need money, I just ask my friends or family to help me.

money habitude\$

I help others even when they do
not ask.

I give them money or buy things
for them.

money habitude\$

I often wonder where my money went. It seems to just disappear!

money habitude\$

I will buy things that cost less instead of getting what I really want.

money habitude\$

I have to pay late fees because I do not pay my bills on time.

money habitude\$

I owe money after the holidays
because I spend a lot on gifts.

money habitude\$

I rarely buy things unless I can pay them off right away.

money habitude\$

I have a plan for how I spend and
save my money

money habitude\$

I have “fun” money to spend any way I want.

It may be to treat myself or take a risk.

money habitude\$

I stop and think about my choices before I spend my money.

money habitude\$

I think that when people have a lot of money, it corrupts them.

money habitude\$

Once I have a plan, I stick to it.

money habitude\$

I keep track of my money. I know:

- how much I have
- how much is coming in
- how much is going out

money habitude\$

When someone does something nice for me I feel I owe them.

money habitude\$

It would feel strange to have more money or nicer things than my friends or family.

money habitude\$

I like to get separate bills when I eat out with others. I only want to pay my fair share.

Add them up....

-  Blue
-  Purple
-  Green
-  Grey
-  Yellow
-  Red

discover who you are....

-  Blue Planning
-  Purple Status
-  Green Giving
-  Grey Security
-  Yellow Carefree
-  Red Spontaneous

*That's
ME!*

what do these cards mean?

Types

- Planning
- Status
- Giving
- Security
- Carefree
- Spontaneous

What Habitudes Reflect

- Money helps you achieve your goals
- Money helps you present a positive image
- Money helps you feel good by giving to others
- Money helps you feel safe and secure
- Money is not a priority at this point in your life
- Money encourages you to enjoy the moment

discover your advantages & challenges....



Responsible, Accomplished / Maybe expected to help others



Present a strong first impression / May create a false image of having wealth



Have strong values, live simply / May resent when giving is expected...



Thrifty, Have a Budget / May sacrifice enjoyable activities because of the cost



Optimistic that things will work out / Lose track of money or possessions



Daring, Able to quickly respond to opportunity / May often owe money

planning

Responsible, Accomplished, Driven, Conservative

Advantages

- Make intentional financial decisions based on values and desire long-term outcomes
- Have money reserved to pay for the unexpected
- Set and accomplish goals
- Buy items you really want that will retain value
- Have a sense of well-being and control

Challenges

- Feel pressured by others to spend money that you did not budget for
- Expected to help others you did not budget for
- Have difficulty responding to new opportunities
- Be impatient when others do not meet your standards or have different values
- Hide or withhold information from significant others to stay in control of the money



security

Thrifty, Prepared, Suspicious, Cheap

Advantages

- Have a budget, financial goals and savings
- Shop wisely for value and sales
- Protect money by being conservative
- Savings now means more choices later
- Take care of possessions so they last
- Disciplined to make choices and delay gratification
- Easily get to your money incase of emergency

Challenges

- Save so much there is no money for today's wants and needs
- Buy based on price when it isn't what you actually wanted and wont hold up over time
- Avoiding risk, so your money is safe but doesn't grow. Or your job is secure but you cant go any higher
- Sacrifice participating in enjoyable activities or relationships because of the cost involved
- Your strict budget means you are unable to take advantage of unexpected sale opportunities



status

Generous, Impressive, Superficial, Insensitive

Advantages

- Present a strong first impression Give expensive or unexpected gifts
- Make generous donations
- Attentive to what is important to others
- Never burden others about money problems
- Appreciated for generosity and helping others
- Enjoy others returning favors and being generous

Challenges

- Create a false impression of having wealth
- Feel constant stress to keep up with others
- Does not save for the unexpected
- Spend money unwisely to maintain appearances
- Feel entitled to special treatment
- Actions motivate by personal gain may be seen as suspicious and insincere; people may feel used
- Keep money secrets because of the fear of losing friends or status



spontaneous

Daring, Fun loving, Open-minded, Impulsive, Unconcerned with consequences

Advantages

- Enjoy adventures and the unexpected
- Able to quickly respond to opportunities
- Get a lot of attention and recognition
- Have many friends and acquaintances who will enjoy you when want to go places and or do things
- Get things right away without waiting
- Experience the thrill of taking risks

Disadvantages

- Spend money even when you don't have it
- Go into debt to buy things you don't need
- Do not have reserves for the unexpected
- Often owes money to friends and family
- Feel powerless to control your spending
- Keep money secrets from significant people in your life because you feel guilty or ashamed of your spending

giving

Thoughtful, Charitable, Enabling, Martyr

Advantages

- Have strong values and convictions
- Generously give to other people or causes
- Live simply to reflect non-materialistic values
- Act ethically and with integrity
- Are needed. Others depend on you
- Appreciated for being thoughtful
- Admired for being able to anticipate others needs

Challenges

- Disappointed if money or gifts are not appreciated
- May have unrealistic expectations that others will repay your generosity
- Use giving as a form of control to impose your personal values on others
- Intolerant of people who have different lifestyles
- Resent when giving is expected and assumed
- Sacrifice your needs or future security for others



carefree

Easygoing, Flexible, Immature, Irresponsible

Advantages

- Optimistic that everything will work out
- Can respond quickly to new opportunities
- Not distracted by money considerations or details
- Easily share what you have with others
- Do not feel pressured by others expectations
- Adapt easily to new situations

Challenges

- Lack the skills & info to feel confident
- Unable to support yourself if the person providing for you is unable to continue or chooses to stop
- Feel trapped or obligated by being supported
- Miss opportunities by avoiding commitments or missing deadlines
- Lose track of money or possessions
- Frustrated by how often things don't work out as expected



combination of habitudes?

- Having a combination makes you more adaptable.
- Having 2 or more dominant > Can create challenges; you may 'flip-flop' b/w habitudes.
- Look for patterns to discover...

What the people or situations that trigger a different Habitude.

money habitudes thinking points

What are your thoughts about your most dominant habitude?

Think how did you get money as a child and how did you deal with it as a child?

What messages did your parent(s) teach you about money?

Money Habitudes thinking points

Who made the financial decisions in your household?

Have there ever been money fights? How was this taken care of?

- **ASK YOURSELF – HOW IS MY COMBINATION WORKING FOR ME?????**



Create & Maintain a Healthy Financial Lifestyle



Why Create a Spending Plan?

A spending plan will help you:

- Avoid temptations of spending
- Take control of your money,
- Plan for your future with motivation, and control.
- Build assets!



Your Money, Your Goals

What is all that about, really?

Determining your **income**.

- What money is coming **in**.

Determining your monthly **expenses**

- What money is going **out**.



Income vs Expenses

Types of Income	Types of Expenses
Employment	Fixed
Pensions/Social Security	Discretionary
Disability	Needs vs. Wants
Child Support	

Use this **income tracker** to plan the best times to save and to spend.

- 1 Write in the names of any income and benefits that apply to you.
- 2 Fill out the table with the amounts you receive each week.
- 3 Total up each week's income.
- 4 Circle the payments that come at a predictable time and amount. This will show you the income you can count on each month.

Month of _____

	Week 1	Week 2	Week 3	Week 4	Week 5
 Primary job:					
 Government program:					
 Disability benefits:					
 Financial support:					
 Additional:					
 Additional:					
 Additional:					

Weekly totals:

--	--	--	--	--

Total income for this month:

--

Use this **spending tracker** to consider what is important to you.

- 1 Get an envelope to collect your receipts.
- 2 Use the table to sort your spending into the categories below. Don't forget about bills you share with others.
- 3 At month's end, total up each category.

This month's spending:

											
Cell phone	Debt payment	Eating out	Education + childcare	Entertainment	Groceries + other supplies	Health expenses	Helping others	Housing + utilities	Pets	Transport	Other

1											
2											
3											
4											
5											

Category totals:

--	--	--	--	--	--	--	--	--	--	--	--

Total spending for this month:

--

Wants vs. Needs

Wants: Things
you
desire but can
live without



Needs:
Items that you
must have for
basic survival

gratification concepts

- Delayed Gratification:
 - The ability to go without short-term purchases in order to save money.



- Immediate Gratification:
 - Fulfills short-term wants instead of long-term goals.

immediate vs. delayed gratification

Eat at a fast food restaurant on the way home from work.	Shop weekly at a big food store for cheaper food and prepare healthy meals at home
Cashing paycheck, and buying WANTS right away	Depositing your paycheck in an interest bearing savings account at a bank, paying your NEEDS, bills first and saving money for your future or an emergency.
Charge some new clothes or shoes you want.	Save money until you can pay cash for clothing, and then look for sales or go to a second hand clothing store.
Lease a new car now from the first dealer you go to.	Save some money first for a big down payment, shop around for a low interest loan and car price, and save thousands of dollars.

needs vs. wants....

- *Need*: Something you can't live without
 - Food, water, housing, basic clothing, etc...
- *Wants*: Something you would like to have but isn't absolutely necessary to have immediately.
 - Eating out, expensive clothing or shoes, gambling, cable, cell phones, hair or nails, etc...

How to Get Your Credit Report

National Credit Bureaus:

- www.annualcreditreport.com
 - Experian
 - Trans Union
 - Equifax

Or call **877-322-8228**



Annual Credit Report.com

The only source for your free credit reports. Authorized by Federal law.

- Home
- All about credit reports
- Request yours now!
- What to look for
- Protect your identity
- Frequently asked questions
- Contact us

Spot identity theft early. Review your credit reports.

Suspicious activity or accounts you don't recognize can be signs of identity theft. Review your credit reports to catch problems early.

[Learn more about Identity Theft](#)



Your credit reports matter.

- Credit reports may affect your mortgage rates, credit card approvals, apartment requests, or even your job application.
- Reviewing credit reports helps you catch signs of identity theft early.

[Request your free credit reports](#)

FREE Credit Reports. Federal law allows you to:

- Get a free copy of your credit report every 12 months from each credit reporting company.
- Ensure that the information on all of your credit reports is correct and up to date.

BROUGHT TO YOU BY



SEE YOU on THURSDAY
participation code: CAP

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WELCOME BACK!

NIGHT TWO
MONEY MATTERS





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Session One Review

- Goals vs Dreams
- Our “Habitudes”
- Income & Expenses – Your Money, Your Goals Booklet
- Wants vs Needs
- How to Get Your Free Credit Report

Session Two Agenda

Day Two:

- Financial Education Pathway
- “S.M.A.R.T” goals
- Establishing an Emergency Fund
- Create a Spending Plan for Life
- Understanding Credit
- Evaluations

Financial Education Pathway



What is MY Goal?

How much MONEY
will I SAVE?

\$ _____ .00

“S.M.A.R.T.” GOALS

- **SPECIFIC**
- **MEASURABLE**
- **ATTAINABLE**
- **RELEVANT**
- **TIME BASED**



When will I meet **MY SMART** goal?

When will I really start making these changes?

Date: ___ / ___ / 202__



How to Save - Calculation!

You want to buy a computer to use for school next year or maybe for job hunting via indeed.com and want to create a resume.

You'd like to do this in 9 months.

You discover that you can buy a computer for \$400 at a discount electronics store in town.



Financial Goals: Calculating How to Save

Ask yourself:

- How much do you need every month?

Answer: \$1,111 / mo

- How long?

Answer: 45.11 / wk

- How many days?

Answer: 35.11 days = \$1.59 / day

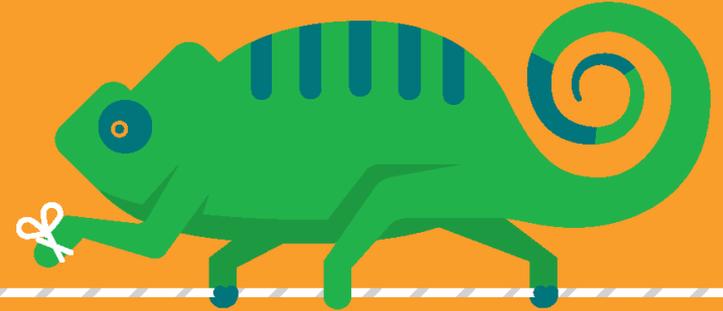
Absolutely! 😊

Goal setting

- **Identify** the things that really matter to you
- **Work** toward a future that includes those things
- **Track** your progress
- **Take pride** in making life better for you and your family

GOAL SETTING

What is one thing I want to change?



This tool will help you:

- **Identify** the things that really matter to you
- **Work** toward a future that includes those things
- **Track** your progress
- **Take pride** in making life better for you and your family

What to do:

1. **Pick a statement** that interests you
2. **Write down** your goal
3. **Share** your goal with someone who will hold you to it

Start with one question:

How have you helped someone else reach a goal?

How do you handle unexpected expenses???

Emergency fund

How much should you save?

- o 3-6 months of living expenses...

Your plan is to cover common emergencies:

- 1) car repairs;
- 2) an emergency room visit;
- 3) plane ticket to care for a sick family member.

First try \$400, then \$1000.



Hopes, Wants, Dreams vs SMART Goals

Hopes, Wants, Dreams

- I want to save \$500 for an emergency fund.
- I want to get out of credit card debt.
- I'd like a safe stable place to raise my children.

SMART Goals

- I will put \$100 in a separate savings account for the next 5 months.
- I will pay down \$1000 of my debt over the next 18 months and not charge anymore 😊 (let's do the math)
- **Short-term goal:** I will save \$1,400 for the first month's rent in the next 6 months so I can move by August.
- **Long-term goal:** I will save \$3,000 for a down payment & purchase a home in four years.



INCOME

Pop Quiz:

Difference between Gross & Net income?

Answer:

Gross Monthly Income:

Total earnings before taxes & deductions

Net Monthly Income:

Take-home pay (after taxes)

* Gross Income used for Mortgage Approval. Net Income used for Budgeting *



Homework



Income and Expense Review

- **Fixed versus Discretionary**
- **Wants versus Needs**



Spending Plan

Let's Get Started!



Spending Plan Steps

1. Determine your monthly income and expenses
2. Re-examine your Needs vs Wants
3. Let's take a new perspective on money

SPENDING PLAN



Essential SPENDING- Must Have

A good target

50%

or less of take
home pay

SPENDING PLAN



Essential SAVINGS

Retirement
Savings

15%

pre-tax income

Emergency
Savings

5%

Take-home pay

SPENDING PLAN



Your Wants
30%

Vacations
Entertainment
Dining Out
Clothing
Hobbies



The Spending Plan for Life!

Time to
play the
50/20/30
game

Income

Expenses

20%

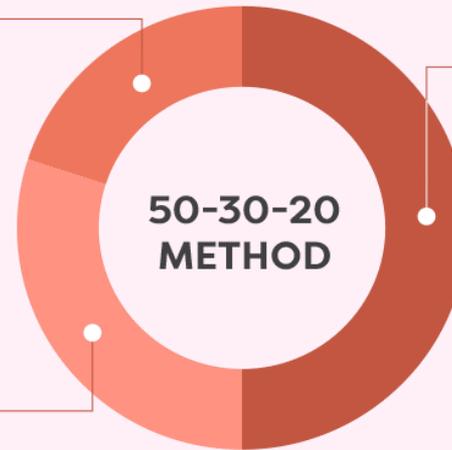
**GOES TOWARD
YOUR FINANCIAL
FUTURE**

-  Paying down debt
-  Building up your savings

30%

**GOES TOWARD
YOUR WANTS**

-  Takeout dinners
-  Concert tickets
-  Cocktails with friends
-  New throw pillows
-  Fun tech gadgets



**GOES TO
YOUR NEEDS**

-  Housing
-  Transportation
-  Insurance
-  Groceries
-  Healthcare
-  Utilities

50%

Hypothetical examples are for illustrative purposes only.

EXAMPLE



Scott

Income:
\$30,000 a year*

Pretax income:
\$2,500 a month

*Tax rate: 15%

Take-home pay

\$1,955

Essential spending

– \$1,105

Essential savings

– \$278

Discretionary income
“Wants”

\$772

<http://amandaparkins.com/wp-content/uploads/2017/11/50-20-30-Worksheet.xlsx>

Or

<https://www.forbes.com/sites/trulia/2016/07/11/new-to-budgeting-why-you-should-try-the-50-20-30-rule/#204f7f9e32e9>

An Example of 50/20/30

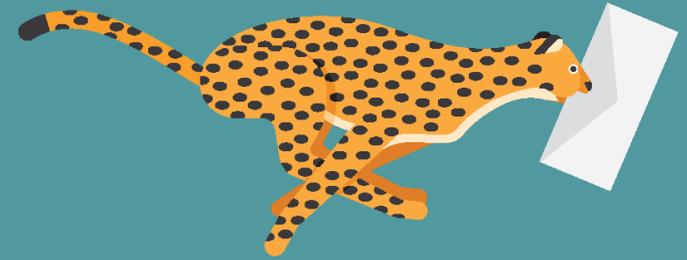
- \$3500 Net Income or Take Home Pay
- \$1750 for Essential Spending (50%)
- \$700 for Essential Savings (20%)
- \$1,050 for Wants (30%)

Bill calendar

- **Get a total picture** of your monthly bills
- **Identify the weeks** when you have the most money due
- **Plan how to pay your bills** on time and avoid late fees
- **Remember** when your bills are coming up

BILL CALENDAR

What are all my bills
and when are they due?



This tool will help you:

- **Get a total picture** of your monthly bills
- **Identify the weeks** when you have the most money due
- **Plan how to pay your bills** on time and avoid late fees
- **Remember** when your bills are coming up

What you'll need:

- All your bill statements from a single month
- Statements of any bills that are online

Some examples of bills:
utilities, rent or mortgage,
phone, memberships,
cable, credit cards, car
payments, student loans,
child support, insurance

Start with one question:

When you pay your bills on time, how do you feel?

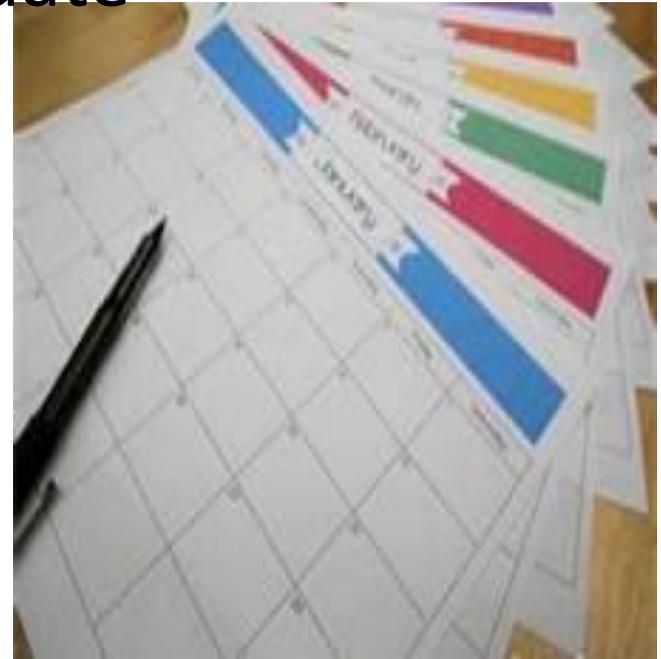
Planning Basics

FAMILY FINANCIAL CALENDAR

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1 Rent \$160.80 due!	2	3 Buy groceries
4	5 Phone bill! \$64.00	6	7	8	9	10
11	12	13 Pay day! \$268.00	14	15 Electric \$74.35 bill!	16	17
18	19 Gas bill! \$66.00	20	21	22	23	24
25	26	27	28 Pay day \$268.00	29	30	

Spending Plan Organization

- You've got your net income > take home pay
- You've got your bills & due date
- Gather the following:
 - Bills Due Date (ALL)
 - **Bill Pay Betty sheet**
 - **50/20/30 or vertex 42 spreadsheet**
 - **Calendar**
 - Computer - Calculator
 - Pencil or Pen
 - Folder (to separate bills)
 - Aroma therapy!



Love & Money

Any couples?

How much are each of your responsible for?

o is it 50 / 50 ...

Self test -

- 1) Let's get open & honest;
- 2) Have a conversation in a neutral zone;
- 3) Sometimes money is the real problem and sometimes it isn't ...

Money Management Basics

I have a Spending Plan,
now how do I execute it?



How to Manage Your Money

How To Easily Pay your Expenses:

1. Household Checking Account (for shared expenses)
2. Personal Checking Account (for personal expenses)
3. Personal (&/or Joint) Savings Account
or
an envelope system



Tech Corner

Google:

“Vertex 42

Household Budget

Worksheet”

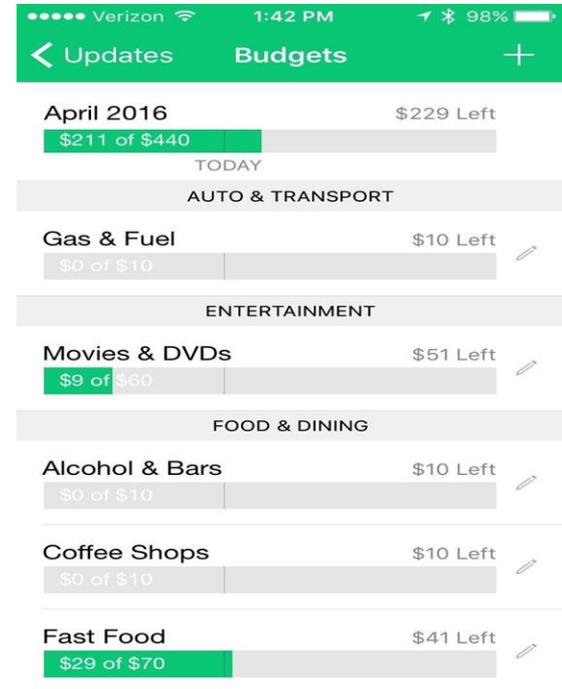
	A	B	C	D	E	F	G	H	I				
1	Monthly Household Budget												
2	http://www.vertex42.com/ExcelTemplates/monthly-household-budget.html												
3	© 2008 Vertex42 LLC												
4	INCOME				Projected	Actual	Difference	MONTHLY BUDGET SUMMARY					
5	Wages & Tips	2,000.00	2,000.00	-					Projected	Actual	Difference		
6	Interest Income			-					Total Income	2,000.00	2,000.00	0.00	
7	Dividends			-					Total Expenses	1,345.00	1,486.00	(141.00)	
8	Gifts Received			-					NET	655.00	514.00	(141.00)	
9	Refunds/Reimbursements			-									
10	Transfer from Savings			-									
11	Other			-									
12	Other			-									
13	Total INCOME	2,000.00	2,000.00	-									
14													
15	HOME EXPENSES				Projected	Actual	Difference	SAVINGS					
16	Mortgage/Rent	1,100.00	1,100.00	-					Emergency Fund			-	
17	Electricity	50.00	67.00	(17.00)					Transfer to Savings			-	
18	Gas/Oil	43.00	52.00	(9.00)					Retirement (401k, IRA)			-	
19	Water/Sewer/Trash	7.00	7.00	-					Investments			-	
20	Phone	25.00	25.00	-					College			-	
21	Cable/Satellite	35.00	35.00	-					Other			-	
22	Internet	15.00	15.00	-					Total SAVINGS	-	-	-	
23	Furnishings/Appliances	0.00	150.00	(150.00)									
24	Lawn/Garden	0.00	0.00	-									
25	Home Supplies	20.00	15.00	5.00					OBLIGATIONS				
26	Maintenance	50.00	20.00	30.00					Student Loan			-	
27	Improvements	0.00	0.00	-					Other Loan			-	
28	Other	0.00	0.00	-					Credit Card #1			-	
29	Total HOME EXPENSES	1,345.00	1,486.00	(141.00)					Credit Card #2			-	
30										Credit Card #3			-
31	DAILY LIVING				Projected	Actual	Difference	Alimony/Child Care					
32	Groceries			-					Federal Taxes			-	
33	Personal Supplies			-					State/Local Taxes			-	
34	Clothing			-					Legal Fees			-	
35	Cleaning Services			-					Other			-	
36	Dining/Eating Out			-					Total OBLIGATIONS	-	-	-	
37	Dry Cleaning			-									
38	Salon/Barber			-					BUSINESS EXPENSE				
39	Discretionary [Name 1]			-					Projected	Actual	Difference		
40	Discretionary [Name 2]			-					Deductible Expenses			-	
									Non-Deductible Expenses			-	
									Other			-	



Tech Corner



Create Budget Categories



Savings & Spending Plan Tips

Savings Tips:

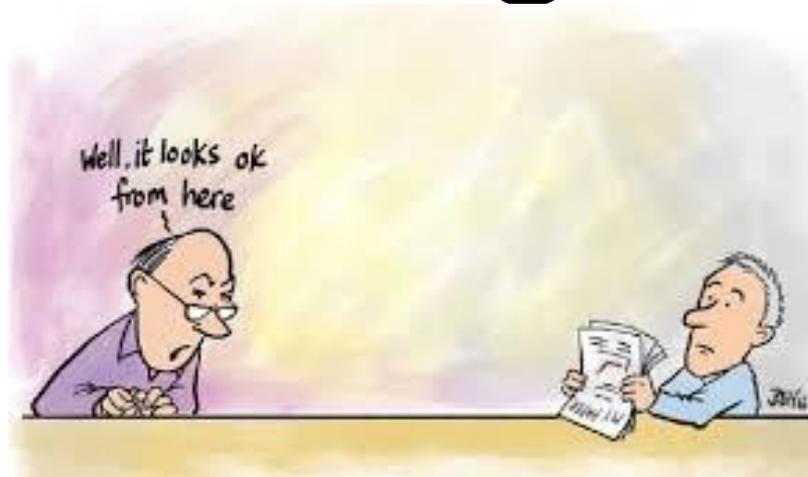
- **Pay yourself first**
- Use payroll deductions
- Save windfall income – bonuses, income tax return
- Break a habit – save lunch money
- Direct deposit
- Exercise willpower
- Communicate with family members
- Be prepared to compromise
- Be creative and use incentives

Spending Plan Tips:

- Make a list of all expenses
- Review your essential spending
- Live by the 50-20-30 rule
- Track spending, use computer
- Write down goals
- Online banking
- Develop *your own* user-friendly **system** of documenting expenses



Group check in before moving on.



Understanding Credit !

What does credit mean to you?



How to Get Your Credit Report

National Credit Bureaus:

- www.annualcreditreport.com
 - Experian
 - Trans Union
 - Equifax

Or call **877-322-8228**



When is Good Credit Important?

- Buy A House!
- Rent an Apartment
- Establish Utilities
- Get a Job (i.e. with your written consent & provide copy to you)
- Obtain Home Insurance
- Lower Interest Rate

Types of Credit

Types of Credit

Credit	Explanation	Example
Installment	One time credit approval that does not extend beyond a specific dollar amount	Car, home or student loan
Non-installment	Repayment required within a short period of time	30, 60, 90 days same as cash
Revolving Credit	Once charges are paid, the amount is available for additional purchases	Credit card



Credit Myths

- You need a perfect credit score to get credit.
- I have to carry a balance on my credit card to improve my score
- All credit scores are the same
- Closing multiple accounts will help my credit score
- Paying off a negative item on my report makes it disappear

Credit Myths (continued)

- When an account is charged off, I no longer owe the debt
- Co-signing has no real risks
- My income impacts my credit score
- I'm penalized for checking my credit score

“What does MY Credit Score say about ME?”

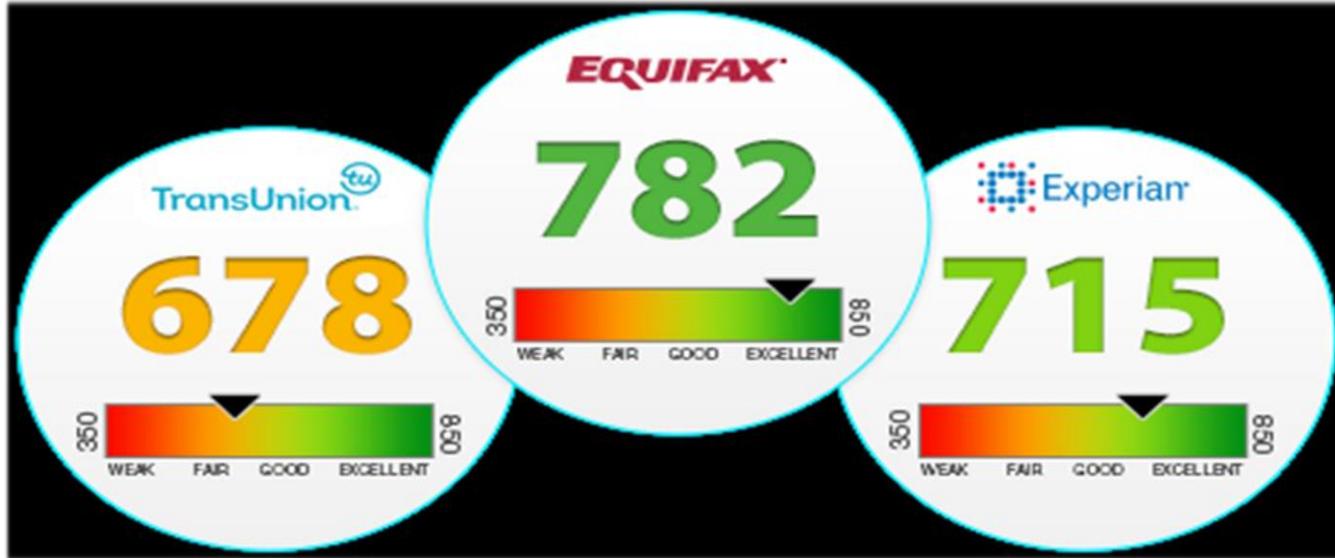


Tells people **how likely you are to repay Money.**



How many Credit Scores do we all have?

Three Credit Bureaus & 3 Scores

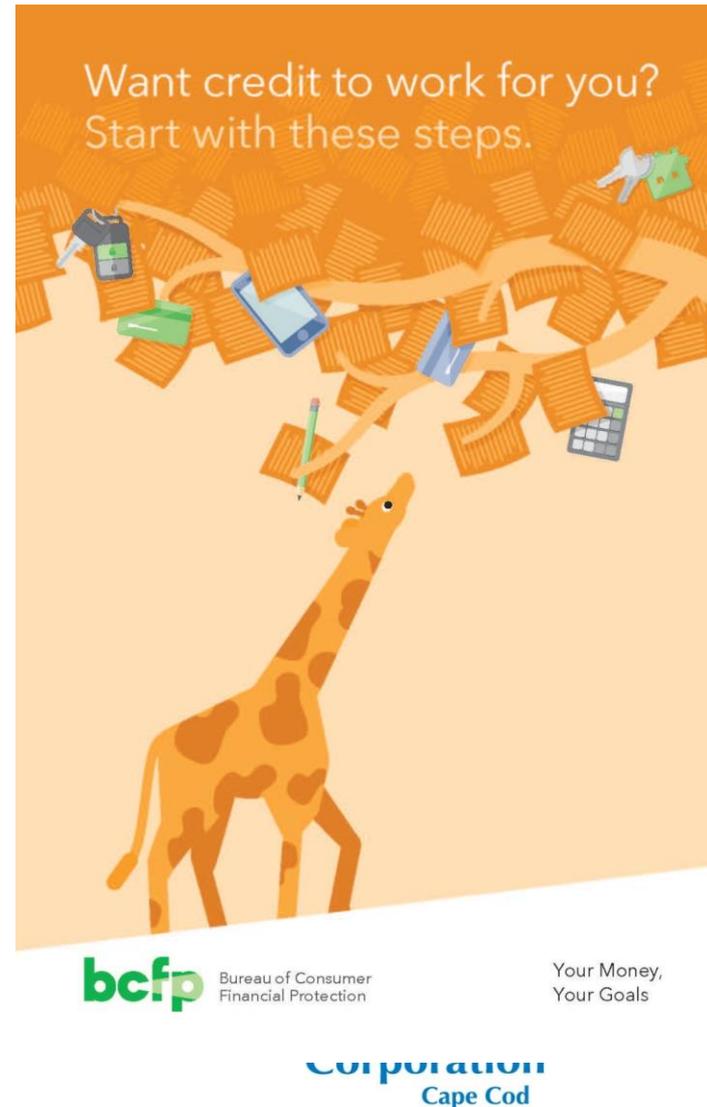


Tri-merge Credit Report

Mid-Score all that matters (for Mortgage Approval)

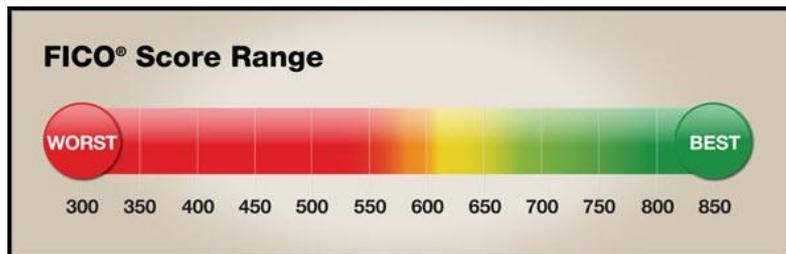
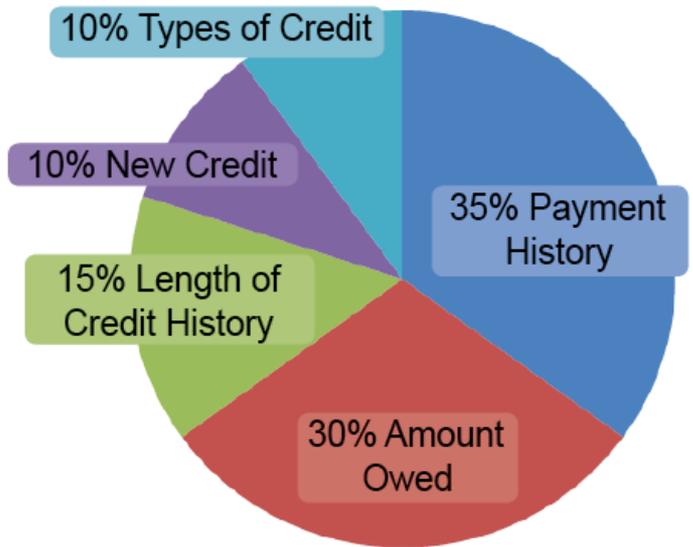
Want credit to work for you?

- New Your Money, Your Goals booklet for people who are working to improve or establish their credit
- Credit is the ability to borrow money and repay it later!
- This book helps:
 - Figure out where you stand
 - Identify where to start
 - Take steps to build and strengthen your credit history



Your Credit Score

- Credit Score (FICO) is influenced by:
 - Payment history (35%)
 - Outstanding debt (30%)
 - Credit history (15%)
 - Pursuit of new credit (10%)
 - Types of credit (10%)



CREDIT UTILIZATION

“Amounts Owed”

- The amount of credit you’re using compared to the limit on your credit accounts is your “credit utilization rate.”
- You should keep your use of credit to no more than 30 percent of your total credit limit on all of your credit cards combined.

CREDIT UTILIZATION

- For example: If you have total available credit of \$10,000, you should have a balance of less than \$3000.
- Remember: “Amounts owed” is 30 percent of your FICO credit score.

CREDIT UTILIZATION

- Another example:
- If you have one credit card with \$5000 credit limit with a \$3500 balance, your credit utilization rate is: $\$3500$ divided by $\$5000$ which equals 70% credit utilization rate.

CREDIT UTILIZATION

- In order to calculate what your maximum amount owed should be, multiple your credit limit by 30 percent
- $\$5000 \times .30$ (or 30%) = \$1500
- Set a goal to lower your credit utilization to 25% or less.

Other credit score factors:

- 15% Length of Credit history
- 10% Pursuit of New Credit
- 10% Types of Credit



Disputing errors

- Figure out who to contact about errors on your credit report
- Gather the information you need to dispute the error
- Get errors corrected so they don't hurt you in the future

DISPUTING ERRORS

How do I get errors in my credit report fixed?



This tool will help you:

- **Figure out** who you should contact to correct errors on your credit report
- **Gather information** to dispute the error
- **Get errors corrected** so they don't hurt you in the future

Know your rights:

Errors on your credit reports, or fraud caused by identity theft, can make borrowing **more expensive** or **prevent you from getting credit** in the future.

You don't have to pay a company to dispute errors for you. You have a **legal right** to dispute errors yourself for free.

Start with one question:

Did you find any errors in your credit report?

Step by Step

How to positively impact your credit profile

- Step 1 - Order a Credit Report
- Step 2 - Is the Personal Information Accurate?
- Step 3 - Are the Trade Lines Accurate?

*

Disclaimer: this is not intended to be legal advice and may not be used as legal

advice. While efforts have been made to ensure the accuracy and validity of the information as of today, each consumer situation is different as are the laws in each state. All this material is not intended to be legal advice and should not be used to replace the advice of an attorney.



Your credit profile

- Step 4 – Evaluate
- Step 5 - Focus on Derogatory Trade Lines

Your credit profile

- Step 6 – Debt Validation process for Accounts in Collection or Charge-offs
- Step 7 – Debt Negotiation and Settlement

Are your credit invisible?

- Some people are considered “unscorable” because of an insufficient credit history

Or

- Because of a stale credit file – no recent credit history



Ways to Build Your Credit History

- Open a checking or savings account
- Apply for a gas/grocery company credit card
- Apply for credit card – secured credit card
- Become a credit union member
- Apply for a loan with a co-signer
- Establish non-traditional credit

Solutions to Credit Issues



Financial CPR

- What are some actions you can take to protect yourself when things get tough?
 - Stay in control >>>Don't panic
 - Continue to apply what you have learned
 - Move fast, react quickly
 - Be patient
 - Educate yourself
 - Ask for help
 - Persistence

Exit Ticket!

- Let's go over this together



Exit Ticket!

- How long does the consumer owe the money?



- How long does information remain on a credit profile?
- How long can the creditor pursue the consumer in the court system to force payment?

Money Matters

Evaluations

Thank You & Congratulations!

Participation Code: HAC

Contact info:

Shannon Pyne

spyne@HAConcapecod.org

508-771-5400 Ext. 267





How long will negative items remain on your credit ?

• Credit Inquires

2 years or less

7 years or less Late payments

- Collections
- Judgments
- Settlements
- Foreclosures
- Repossessions
- Released tax liens
- Charge offs

Chapter 7 Bankruptcy
Chapter 10 Bankruptcy
California State Tax Lien

10 Years or less

Indefinitely

Federal Student Loans in collections
Federal Tax Liens

How to get back to **GOOD** Credit....

- It takes time and patience to establish good credit.
- Each person's situation is different and lenders have a wide range of requirements.

Begin with.....

Paying your EXSISTING bills on time

Can you apply for a SMALL Loan from your current Bank or Credit Union ?



Apply for a **SECURE CREDIT** card !!!!!!



Secure Credit Cards



- Are backed by money **you** deposit and keep in an account.
- If you don't pay off your credit card bill, the money in your account will be used to cover the debit.
- Even people with poor credit may be able to get a secured Visa or Master Card.

Secure Credit Cards

Suggested Secured Cards



1. Discover it® Secured Credit Card
\$200 dep. / Rewards / No Ann. Fee / Score
2. Capital One Master Card
No Ann. Fee / Low deposit: \$49, \$99 or \$200 / Credit Tracker
3. TD Bank
\$500 dep.
4. Citi Secured MasterCard
\$200 dep. / \$25 Yr. Fee
5. Bank of America
\$300 dep. / \$39 Ann. Fee / \$38 late Fee / quicker Secured Card
6. Farmington Bank
\$500 dep.

Secure Credit Cards

Suggested Secured Cards



7. U.S Bank

\$300 dep./\$29 Ann. Fee / quicker Secured Card

8. First Progress Platinum Prestige MasterCard

\$300dep / \$44 Yr. Fee

9. Wells Fargo

\$300 dep. / \$25 Yr. fee

10. Open Sky Secured Visa

NO CREDIT CHECK / \$200 dep. / Yr. Fee \$35

11. USAA Secured Card Platinum Visa & AMEX

(Military Personnel & Family/\$250 dep.)

12. Webster Bank (\$300 dep. / \$35 Annual fee)

13. Berkshire Bank (\$300 deposit)

Secured Card **Tips**



- **Make sure card reports to 3 Credit Bureaus**
- **Look for a card with low fees**
 - Annual fee \$0 to \$40 or so. Avoid cards that have an application fee, monthly account maintenance fee, mandatory insurance policy or other add-on to get approved.
- **Time to earn more credit than your initial deposit**
 - Typically 6 months - to - 1 year (with 100% on-time payments)

Secured Card **Tips**



- **Make sure you have a grace period**
 - Grace period = time between the end of each billing cycle and the date your payment is due. During that period, you can pay for what you've charged without paying any interest. Almost all cards have a grace period, but it's always worth double-checking. If you do have a grace period, it's legally required to be at least three weeks long.
- **Ignore Rewards – Focus on improving credit, **not** rewards.**

Why should I do this?

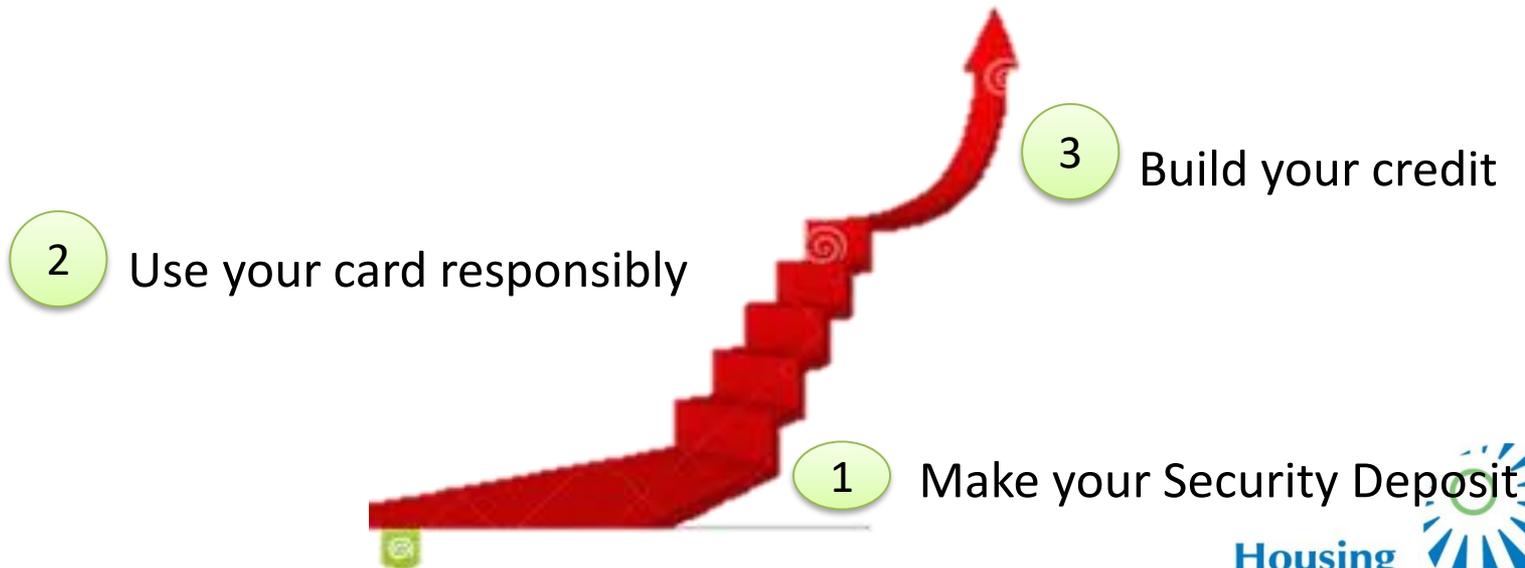
- Show that you can pay handle credit responsibly.
- Make ALL payments before the due date and pay the balance in FULL
- After one year, apply for a regular UNSECURED card.

Where are you going??



Secure Credit Card FACTS

- The maximum amount you can charge is usually equal to the amount of your deposit. However; you should treat it with the 30% rule.....
- Secure cards **ALWAYS** have annual fees.



How to Get Your Credit Report

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 - Experian
 - Trans Union
 - Equifax

The Consumer Financial Protection Bureau (CFPB), a U.S. government agency which makes sure banks, lenders, and other financial companies treat you fairly suggests this source for credit reporting.



Your Credit Report Includes:

- Your personal information
- History of payment of the last 7 years
- Child support, medical disputes, lawsuits, delinquencies, etc.
- Inquiries



Your credit report doesn't include a score.

Your Credit Report Includes:

Types of Debt:

- Installment and Revolving
- Car Loans
- Personal Loans
- Credit Cards
- Student Loans
- Public records information
- (bankruptcies, foreclosures, tax liens, etc.).



Your Credit Report Includes:

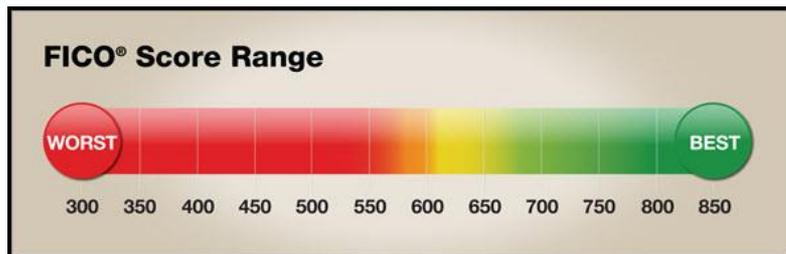
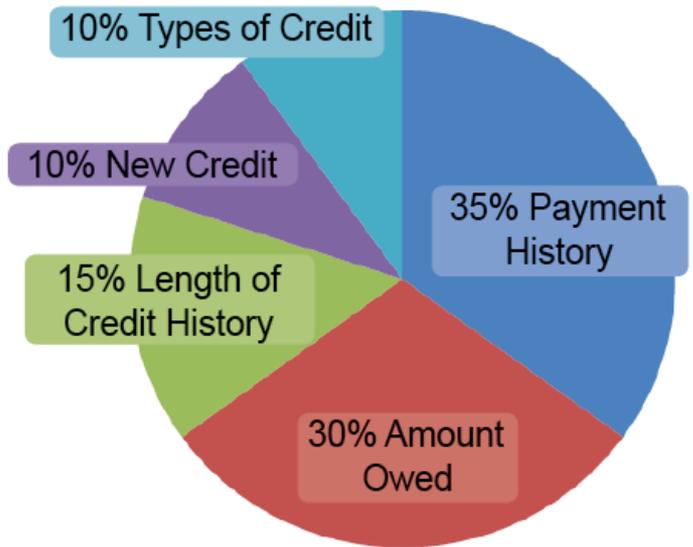
Common Credit Reporting Errors:

- Debt that is not yours
- A charge-off listed incorrectly
- Current account listed as past-due
- Balance already paid
- Math errors



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Non-traditional Credit

- Paid utility bills
- Landlord's cancelled rent checks
- Letters of recommendation from companies detailing timely monthly payments

Credit Repair

Yourself (Negotiate with your Creditors)

vs.

Credit Repair Companies

vs.

Credit Correction Companies

vs.

Non-Profit Credit Counseling Agencies



Solutions to Credit Problems



What is The “Lender” Looking For?

THE FOUR C's

- Credit
- Capacity
- Capital
- Collateral

I. Credit = Payment History

What kind of debt do you have?

- Car loan
- Personal loan
- Credit card
- Student loan
- Alimony, child support

Budget & Savings Tips

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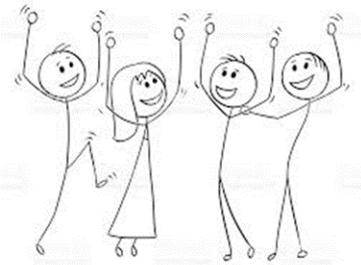
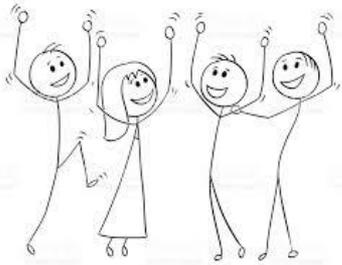
Or call **877-322-8228**



Evaluations

Tech Corner

digit 



Last Week Recap...

