

A guide to your personal finances

Your Money Matters

GOT QUESTIONS? CONTACT OUR SOLUTION CENTER

Call Toll-Free at (833) 732-8351

Hours of Operation: Monday – Friday

8:30 am until 5:00 pm

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Manage Checking Account

You can use these strategies to help you manage your checking account.

Read the rules of your account

You should read the rules of your accounts or ask a customer service representative at your financial institution questions, so you understand the rules. You may want to ask about:

- **Fees.** What kind of fees are there, and when are they charged? What can you do to avoid paying the fees?
- **Balances.** Is there a minimum balance you have to keep in your account? What happens if your account goes below that amount?
- **Overdrafts.** What happens if a transaction is for more money than you currently have in your account? Does the account offer a program to handle overdrafts? How does it work?

Keep track of your deposits and withdrawals

Online and/or mobile access. If your account provides online and/or mobile access, you can use a mobile app, your financial institution's online banking system, or another program to regularly track your checking account use. It usually gives real-time or almost real-time information.

Account balance. Transactions may not show up online or in the mobile app immediately, or they may show up as "pending" or may not be subtracted from your balance yet. For example, often the tip you add to a restaurant bill you pay with a debit card may not show up right away. It's important to realize that the account balance shown online or in your mobile app may not reflect all of the purchases or payments you have already made.

Track your transactions. You also need to keep track of transactions that will take place in the future, such as automatic deposits or automatic payments. They likely won't show up online or in the app until they happen. However, you need to know when they will happen to make sure you have enough money in your account to cover them.

Keep records. You can also keep your own records. You may receive a small booklet called a transaction register or check register to help you track transactions. If you choose to use the register, make sure to record:

- Each check you write
- Each deposit you make
- Each ATM withdrawal you make
- Every automatic payment you authorize from this account
- Every automatic deposit you authorize into this account
- Every purchase or cash back transaction you make with your debit card
- Every fee you are charged

Monitor your account activity frequently

Monitor your account activity online if possible. Many financial institutions have mobile apps that can show you real-time or near real-time transactions and account balances. If there are any deposits or withdrawals that don't look right or you know you didn't make, tell your financial institution right away.

Review your monthly account statements. Some financial institutions give you the option of reviewing your statements online. If you request online statements only (choosing "paperless"), you may have to pay a fee if you also want a paper statement. However, if you need a paper copy of your statements as a reasonable accommodation, ask for that.

Keep track of holds on your debit, records card. An "authorization hold" may be placed on your funds if you use your debit card at a gas station, to make a rental car reservation, or to pay for a hotel room. Holds reduce the money available in your account. Depending on the business, an authorization hold may last up to 15 days.

Set up email or text alerts. Many financial institutions offer several alerts regarding your account. For example, you may be able to receive an email, a text message, or both when balances fall below a certain level, when there is a transaction over a certain amount, or when a transaction is made outside of the United States.

Ask about linking accounts

Ask your financial institution if it can link your checking account to your savings account or a line of credit. If your financial institution provides this service, the financial institution can then automatically transfer money between accounts if you empty your checking account. The transfer fee may be considerably less than an overdraft fee.

Protect your debit card or ATM card

Be wary of unsolicited calls or text messages asking you for your card number or personal identification number, called a PIN. If you lose your debit card, or you notice an unfamiliar purchase on your statement, report it to your financial institution immediately.

Stay safe online

Make sure websites are secure if you are entering personal or financial information. Only give personal and financial information using encrypted websites.

- **Encryption means the information is secure.** The data is changed into code before it is transmitted. That masks the information in case it is intercepted by thieves.
- **Check to see how the web browser you use indicates if a website is encrypted.** For example, there may be a lock symbol or the letters https:// may be in front of the web address.

Be careful on public Wi-Fi networks, as they may or may not be secure.

Make sure your passwords are difficult to guess. Mix lowercase and uppercase letters with numbers and, if permitted, symbols. Avoid keyboard patterns, such as "1234," and don't use names, numbers, or words connected with you, like a birthday, name of pets or relatives, or phone number.

For more information about online security, visit **OnGuardOnline.gov** (ftc.gov).

Make Your Money Matter

In our society, money matters; and how you manage it is even more important. Imagine that you receive a birthday card with \$50 inside. What's going through your mind? What could you buy with this windfall? Everyone who spends money has the responsibility of determining the best way to manage it.

Here are some tips for making the most of your money:

1. **Develop a spending plan.** Money can burn a hole in your pocket if you don't have a plan for using it. Creating a spending plan—also called a budget—helps you decide how to spend and save your money. Learn more about creating a spending plan on the next page.
2. **Identify your wants and needs.** Food, shelter and clothing are basic necessities, but you have other needs, too. You may need a cellphone to communicate with family, friends and maybe your employer. However, a smartphone with all the newest apps and features is a “want.” You need clothes to wear to school, but expensive brands aren't a necessity. See the difference?
3. **Focus on saving.** Make it a priority to set aside some money to spend later on unexpected expenses and big-ticket items. Don't be discouraged if you can't save a lot in the beginning; even small dollar amounts will grow when you make saving a habit. First, save for emergencies, because you never know when your cellphone might break or your car will need new tires. Aim to set aside 10% of each paycheck and save it for a true emergency. Next, set saving goals for big-ticket items, like a new vehicle, prom or graduation items. Skip buying something you don't need today so you can have something better in the future.
4. **Don't try to keep up with others.** If your friends seem to own everything you want, it's natural to feel jealous. But remember, keeping up with others is a never-ending battle; someone will always have something newer, faster and shinier than you. Instead of focusing on what you don't have, focus on making the most of what you do have.

Of the four tips, which is the easiest for you to implement? Why?

Which of the four tips is the hardest for you to put into practice? Why?

Share your answers with your classmate or parent. Do they agree or disagree?

Spending Plan Worksheet

Creating a spending plan helps you use your money wisely. To learn how to create a realistic spending plan, review this three-step process and the sample monthly budget worksheet below.

Know what's coming in. Calculate how much money you have to work with each month. Income can include money from jobs, allowance from your parents and unexpected cash, like birthday or graduation gifts.

INCOME		
	<i>Expected</i>	<i>Actual</i>
Job		
Gifts/Misc.		
Total		
EXPENSES		
	<i>Expected</i>	<i>Actual</i>
Savings total		
Car payment		
Fuel		
Car insurance		
Entertainment		
Cellphone		
Clothes		
Dining out		
Total		

Know what's going out. Track your spending for at least one month to see how and where you spend your money. Whether you write it down, keep receipts or use an app, pay close attention to what you purchase and decide what spending habits should go.

Assign categories. Once you're aware of your spending habits, assign categories to your spending plan (see examples above.) At the end of the month, subtract the actual amount you spent in each category from the amount you expected to spend. If you find yourself spending more or less, adjust your categories (or spending) accordingly.



Make Saving a Habit

Focus on your goals. Set short-term and long-term saving goals that will inspire you to stay motivated and make it easier to spend your money wisely.

Reduce expenses. Little expenses can really add up. If you routinely pay for games or apps, or hit the vending machine or drive-thru more often than you should, consider limiting extras and transfer that money into your savings.

Plan ahead. Unexpected expenses are part of life. Be prepared by reserving a portion of every paycheck for emergencies. Aim to save at least \$500 in your emergency fund.

Save gift money. When you receive a gift or any other unexpected money, put it away for later. To maximize your efforts, consider putting your money in an interest-earning savings account at a bank or credit union.

Save early, save often. Make savings a habit! The earlier you begin saving, the more money you'll have later thanks to the power of compound interest. Check out the chart on the next page to see just how quickly your money can grow.

What's Compound Interest?

Compound interest is interest earned not only on the principal (the money you save), but also on interest already earned. In other words, it's money earned on money earned!

The earlier you begin saving, the more time you have for compound interest to grow. Check out the chart on the next page to see compounding interest at work!

Want to save, but don't know where to start? Use the space below to brainstorm savings options.

What habits could you change to save \$5 a week?

What habits could you change to save \$10 a week?

What habits could you change to save \$25 a week?

What habits could you change to save \$50 a week?

Savings Growth Chart

The more money you save and the earlier you begin saving, the more your money will grow. The chart below shows how large your account can grow by age 65, depending on the age you begin saving and the amount saved weekly. On the flip side, check out how much you'll lose if you wait a few years to start saving!

Age Saving Begins	\$10	\$25	\$50	\$100
amount contributed each week				
 20	total savings at age 65			
	\$85,143	\$212,859	\$425,176	\$851,432
	<hr/> -\$4,562 -\$11,406 -\$22,811 -\$45,622 total amount lost by waiting a year (age 21) to start saving			
 30	total savings at age 65			
	\$48,154	\$120,385	\$240,768	\$481,537
	<hr/> -\$2,801 -\$7,002 -\$14,003 -\$28,008 total amount lost by waiting a year (age 31) to start saving			
 40	total savings at age 65			
	\$25,445	\$63,614	\$127,227	\$254,454
	<hr/> -\$1,719 -\$4,299 -\$8,597 -\$17,194 total amount lost by waiting a year (age 41) to start saving			
 50	total savings at age 65			
	\$11,504	\$28,761	\$57,522	\$115,045
	<hr/> -\$1,055 -\$2,639 -\$5,278 -\$10,556 total amount lost by waiting a year (age 51) to start saving			

This chart assumes a five percent return, compounded annually through the use of various investment options.

Bank On It

A checking account is a great tool for handling your money. It's safe, secure and, thanks to a variety of features, easy to access and manage. A checking account allows you to write checks and use a debit card to withdraw cash or make purchases.

It's important to shop around when opening a checking account. Different banks and credit unions have different policies for account requirements, charges and fees, such as the ones listed below.

- **Minimum balances.** Some institutions require you to keep a minimum amount in your account. If your balance falls below this amount, the bank may charge a fee or close your account within a certain time period.
- **Annual or monthly fees.** Some institutions charge a fee just for housing your account.
- **Insufficient funds charge.** If you spend more money than you have in your account, some financial institutions will allow the purchase and charge you an insufficient funds fee, usually \$20 to \$35 per purchase! These fees can quickly add up, but they're easily avoided if you keep tabs on your account balance.
- **ATM fees.** If you use your financial institution's ATM, there may be no cost. However, if you use a non-network ATM (one owned by a different bank or credit union) you may be charged as much as \$6, plus fees charged by your institution for using a machine outside their network! All these extra fees can quickly deplete your account balance, so do your best to avoid them.

When selecting a financial institution, make sure that your money is properly insured by either the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA). Both are federal agencies that protect consumers in the event a bank or credit union fails.

Once you open an account, it's important to manage it well. Check out these must-know facts about using your checking account.

A debit card differs from a credit card. Debit cards are directly connected to your bank account. When you use your debit card to purchase an item, money is immediately removed from your account. Using a credit card means you're borrowing money from the credit card company. You pay nothing at the time of purchase, but agree to pay the charged amount at a later date, plus interest.



The ATM can't give you your true account balance. It's important to keep track of how money flows in and out of your account, including deposits made, checks you've written, debit card transactions and various account fees. Most ATMs allow you to check your account balance, but the amount shown may not reflect transactions that haven't cleared your account. For the most up-to-date information, track your spending daily.

Writing Checks

While you may not need to use checks often, you could find yourself in a situation where you need to know how to write one. It is important to know that those funds won't be debited from your account until the payee cashes or deposits the check. It's important to keep track of any checks you write so that you don't accidentally over-draw your account. Most mobile banking apps will allow you to photograph and upload the check for deposit.



Write the name of the person or company you're paying. Never leave this line blank.

Write out the amount of the check in words.

Put the date here.

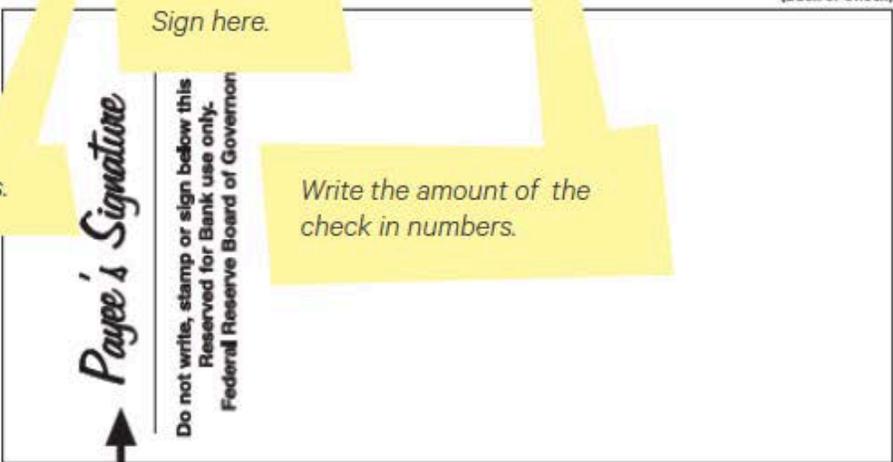


To help you remember why you wrote the check.

Zero cents.

Sign here.

Write the amount of the check in numbers.



E Endorsement

Crash Course in Credit

Have you ever borrowed money from a friend? If so, you've used credit. Credit allows you to use funds today that must be repaid at a later date. But unlike borrowing from your pals, credit card companies and other lenders make you pay interest for the privilege of using their money.

Credit comes in handy when you're ready to buy a vehicle, house or other big-ticket item. It can also impact your ability to get a job or rent an apartment, so it's important to make wise financial decisions now that will help you in the future.

Building a Good Credit History

Lenders need to know that you're a good financial risk before they will extend credit to you. Credit card applicants who are under 21 must have an adult co-signer or an established, steady source of income before they'll be approved for credit. Talk to your parent(s) or guardian(s) about the best way to build your credit. Here are some options you may want to consider together.

- Ask someone with an established credit history to co-sign your credit account. Co-signing is a big commitment, because this individual is obligated to repay the debt if you don't.
- Apply for a credit card issued by a local store. Often, local businesses are more willing to grant credit to someone with no credit history.
- Apply for a secured credit card. This type of card requires you to deposit money first as collateral for your line of credit. Some secured credit cards charge application and processing fees, and many charge a higher interest rate than traditional, non-secured cards.

Once you demonstrate that you're a responsible credit manager, banks, credit unions and major credit card issuers may be more willing to extend credit to you.

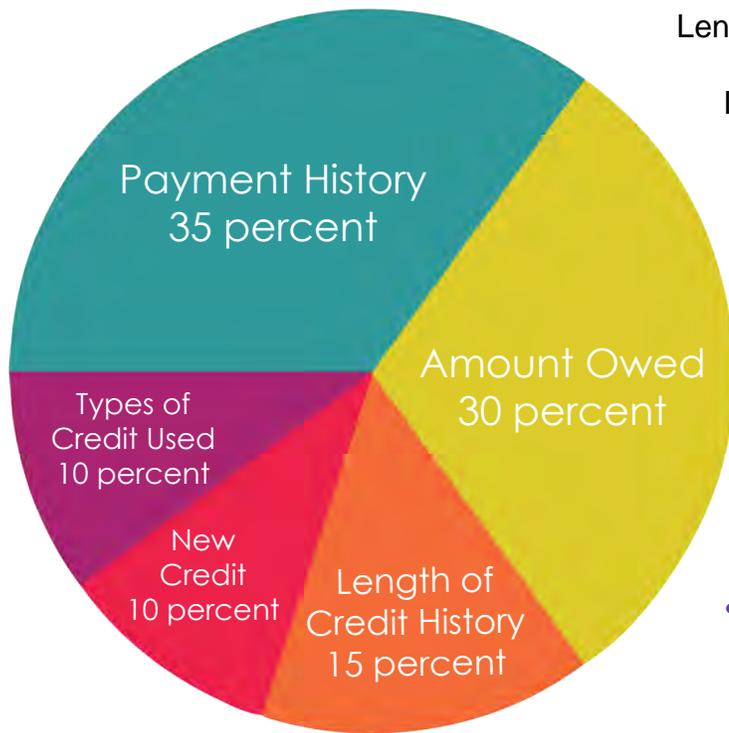
Managing Your Credit

Don't use credit to live a lifestyle you can't afford. The fastest way to get into credit trouble is to spend with the attitude, "I'll pay it off later."

- It's best to pay off your credit card balance at the end of each month before interest can accrue. To make this easier, keep your credit limit low. For big-ticket items, it's not always possible to pay your balance in full, so make sure you have a repayment plan in place before you charge it.
- Making only the minimum required monthly payment isn't an ideal repayment plan. If you paid only the minimum due on a \$1,000 balance at 18% interest, it would take you **eight years** to pay off the debt! If you can't pay the balance in full, always pay more than the minimum payment.



Maintaining a Good Credit Score



Lenders use your credit score to determine how likely you are to repay the money you borrow. The Fair Isaac Corporation's FICO score is the most widely used credit evaluation system. Scores range from 300-850; those with a higher score are seen as creditworthy and have access to more credit, typically at a lower interest rate.

Your credit rating is based on five categories:

- Payment history (35 percent).
- Amount owed (30 percent).
- Length of credit history (15 percent).
- New credit (10 percent).
- Types of credit used (10 percent).

As you can see, your payment history has the most impact on your score. That's why it's important for you to pay your bills on time, every time! To learn more, check out [MyFICO.com](https://www.myfico.com).

Monitoring Your Credit Report

Your credit report is similar to a report card, because it "grades" your experience handling credit. Just like you monitor your grades during a semester, you'll want to keep tabs on your credit report to make sure nothing is falsely reported or new credit isn't taken out in your name without your knowledge. Many experts recommend viewing your report at least once per year. The Annual Credit Report Service (877.322.8228, [AnnualCreditReport.com](https://www.annualcreditreport.com)) will provide one free copy of your credit report per year from each of the three major credit bureaus as required by the Fair Credit Reporting Act. Instructions for ordering your report and addressing any errors are available on the website. If you're under 18, your parent(s) or guardian(s) may need to make the request on your behalf by contacting the credit bureaus directly.

- Equifax: 800.685.1111 ([Equifax.com](https://www.equifax.com))
- Experian: 888.397.3742 ([Experian.com](https://www.experian.com))
- TransUnion: 800.888.4213 ([TransUnion.com](https://www.transunion.com))

Avoid an Identity Crisis

Identity theft occurs when someone gains unauthorized access to your personal identifying information (PII), like your name, Social Security number (SSN) or bank account information. If that information is used to commit a financial crime it's called identity fraud. If that happens, it could take years to clear your good name. Take these steps to protect your personal information.

Watch what you put online. Social networking sites are popular places to connect with friends, but posting a picture of your new driver's license, or listing your birth date, hobbies or pet's name can give identity thieves important information.

Shred sensitive information. Never toss papers that include information such as user IDs, passwords, account numbers, birth date or SSN, in a trash can. This may include ATM receipts, pay stubs, credit card offers, old bank statements or unused deposit slips. Talk to your family about investing in a cross-cut paper shredder, so you can safely destroy all unnecessary documents that contain PII.

Protect your SSN. Never carry your Social Security card in your wallet and don't use your SSN as an identification number. If you're asked to provide your SSN, like at your doctor's office, try to avoid saying it out loud. Instead, type it on a calculator or on your cellphone's display so you can delete it later.

Mind your money. Don't leave your checks, debit card, credit card or financial paperwork lying around for people to see. If someone gets your account numbers, they can order new checks in their name or shop online with your card numbers. Never attach your PINs to your cards.

Be suspicious of requests for information. Don't give out your personal information over the phone, through email or on the internet unless you initiated the inquiry. Banks and credit card companies will never ask you to verify your information by email.

Monitor your credit reports. Visit [AnnualCreditReport.com](https://www.annualcreditreport.com) to order a free credit report from each of the three largest consumer reporting agencies: Equifax, Experian and TransUnion.

Be password savvy. Change your password frequently and choose one with a mix of characters and numbers that would be hard to guess. Never use your birth date, name or phone number as a password. A website like [HowSecureIsMyPassword.net](https://www.howsecureismypassword.net) can help you gauge the strength of your password.

Shop secure. When shopping online, make sure the web address starts with <https://>. The "s" is very important; it signifies that the site is secure. If you don't see the "s", don't shop on the site.

