



Welcome



REI
WOMEN'S
BUSINESS CENTERSM

Leslie Browand

lbrowand@reiok.org

800.658.2823



Building Native Communities

Financial Skills for Families

Agenda

Day One

- Building A Healthy Economy
- Developing A Spending Plan
- Working with Checking & Savings Accounts

Day Two

- Understanding Credit & Your Credit Report
- Using Credit
- Being a Smart Consumer



Building a Healthy Economy



Objectives

- The flow of money through our community
- Actions we can take to build a healthier community economy
- How advertising influences our spending decisions
- Tips for being a savvy consumer

Spending in your Local Economy

Restaurants

Gas Stations

Grocery Stores

Small Businesses

Local Entertainment

Actions we can Take



Shop local small businesses

Use laborers in your community

Rent from local landlords

Support local entrepreneurs



The Persuasion of Advertising

How it Effects Your Spending

Persuasion Tactics

- Reciprocity - Giving Free Gifts w/Purchase
- Social Consensus – Everyone is doing it!
- Benefit – Telling you how it benefits you.
- Scarcity – Creating a false sense of urgency
- Source Credibility – “Highest Quality”



Tips to be a Savvy Consumer

- Limit the amount of time you spend on phone or TV
- Join the “Do Not Call List” for phone solicitation
- “Opt Out” of Unsolicited Mail and Email
- Use Caution when downloading Mobile Apps on your phone
- Beware of the “Free Gift” with Purchase
- Watch out for Emotional Triggers





Developing a Spending Plan

Determine Your Money Culture

Wants vs. Needs

Develop a Spending Plan

Create a Record Keeping System



“Culture” is a set of shared attitudes, values, goals and practices that characterize our institutions or groups.

“Money Culture” is related to values, emotions and how we feel about money.

Our values are the set of beliefs that make up who we are.

Ranking	Values
	Spending Time with Family
	Earning a lot of money
	Making sure I have nice things
	Taking care of my health
	Driving a Nice Car
	Providing for my Family Members

Discovering Your Values

Wants vs. Needs



The TATS System



Tracking & Assessing

When you **TRACK** your funds, you become aware of the flow of money in and out of your household. It will help you to answer the question:

Where does my money go?

When you **ASSESS** your spending, you can identify the areas to reduce spending and increase Savings.

Taking Action & Savings



When you **TAKE ACTION**, it allows you to plan or budget your money to reduce your spending and increase the money left over.

SAVING allows for extra money to go toward a short-term or long-term goal and also provides a greater sense of security for unforeseen issues.

Setting Up a Record Keeping System

1

Create folders –
paper or electronic

2

Check statements
carefully for errors
or unexpected
fees

3

Pay bills on or
before due dates

4

Mark statement
as paid with date
and payment form

5

Keep statements
for period time
until payment
shows received

Working with Checking & Savings Accounts



Account Benefits

Checking
Cashing

Debit Cards

Direct Deposit

ATM

Loans

Checks

Mobile Banking

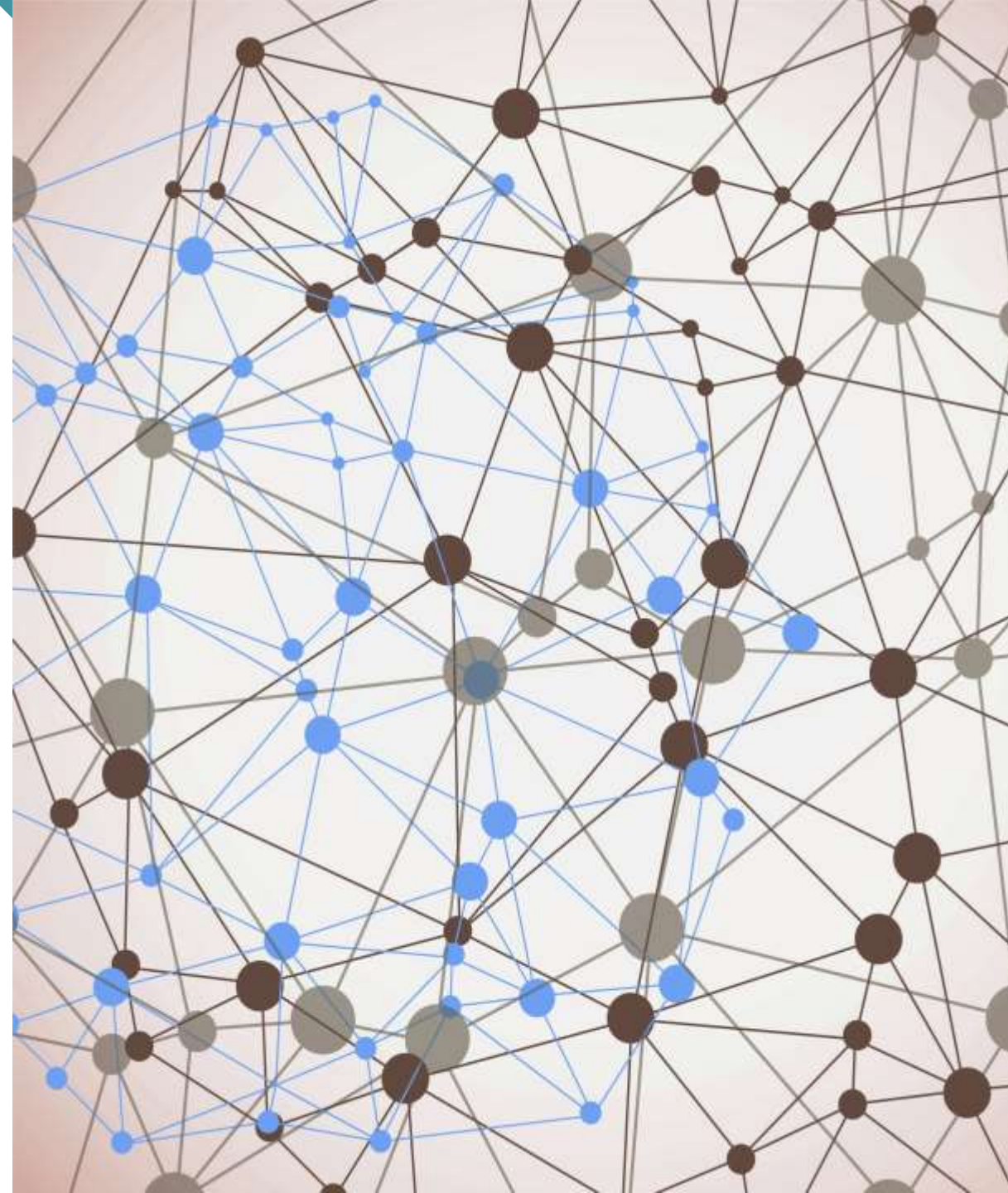
Money
Orders/Cashiers
Checks

Online
Banking/Bill Pay



Eligibility To Open Accounts

- Proper Identification
- Verifiable Address
- ChexSystems verification for history
- Ownership of account – who is on account
- SSN or Tax ID Number



Overdraft Protection

- Do I have to apply?
- Can I “Opt Out” if I do not want?
- What is Courtesy Pay?
- What is an Overdraft Line of Credit?
- How does a bank pay? Large to Small or Small to Large?
- Fees Associated with service





Monthly Balancing

Provides good money habits

Helps to know what is outstanding

Allows opportunity to check for errors

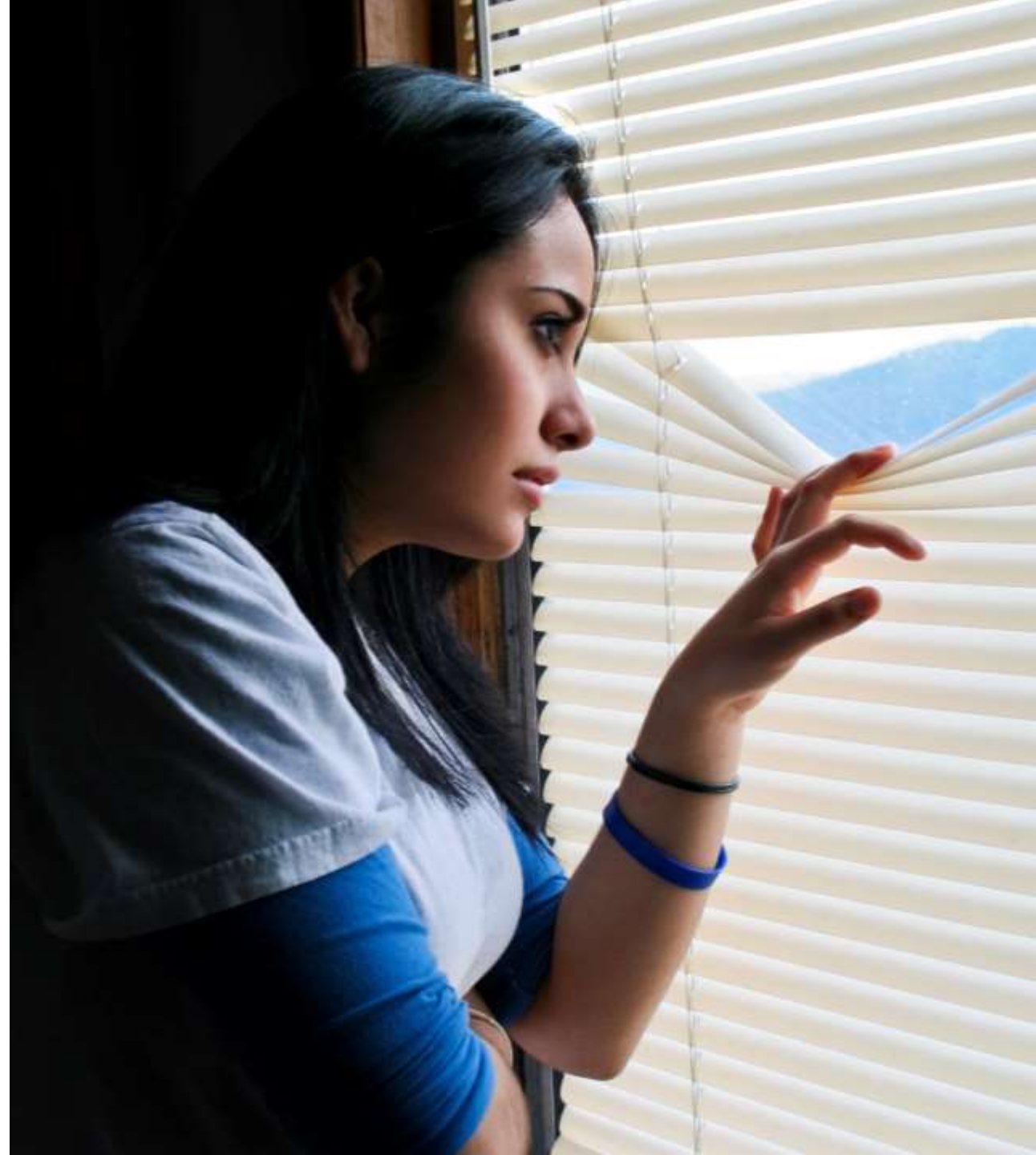
Keeps you on track with established goals

Debit Card vs. Credit Card

- Debit cards are “Plastic Checks”
- Funds come directly out of checking account
- Can cause issues if not recorded
- Has purchase limits established by bank
- Also serves as ATM card w/daily withdrawal limits
- Credit Cards a line of credit for use
- Credit Cards have monthly payment amounts
- Credit Cards must be applied for based on credit history
- Requires discipline for use and payment
- Provides immediate purchase power

Identity Theft & Consumer Fraud

- ❖ Don't give out Social Security Number
- ❖ Shred all financial documents
- ❖ Keep passwords, PIN #'s private
- ❖ Never give information over the phone
- ❖ Always use secure sites for online purchases
- ❖ Shred old credit cards
- ❖ Notify banks immediately if suspect fraud



Day Two

- Understanding Credit & Your Credit Report
- Using Credit – The 5 C's
- Being a Smart Consumer





Understanding Your Credit

Advantages & Disadvantages of Using Credit

Advantages:

- ✓ Afford it Now
- ✓ Convenience
- ✓ Helps to build your credit score
- ✓ Required by some companies
- ✓ Reward Points

Disadvantages:

- ✓ Expensive
- ✓ Supports Impulsive Buying
- ✓ Making purchases you cannot afford
- ✓ Often leads Bad Credit

Types of Credit



Revolving Credit – allows you to borrow, make payment, reuse.

Installment Credit – borrowings for a specific amount with established payment for a period time.

Noninstallment or Service Credit – purchase now pay within 30 days!

Secured Credit – borrowing with collateral.

Unsecured Credit – no collateral required.

Accessing Your Credit Report









TransUnion^{tu}

creditkarma[™]

EQUIFAX[™]

experian[™]

Tips for Maintaining Credit History

-  Pay your bills on time
-  Contact lenders if you have a payment problem
-  Borrow only what you can afford
-  Stay clear of “Payday Lenders”
-  Understand your agreements
-  Be cautious of “Co-Signing”
-  Apply for Secured Credit Cards
-  Avoid Inquiries and review your credit often

Using Credit – The 5 C's

Character – the overall history of ones credit

Capacity – what can one afford – Debt to Income

Conditions – work history, income

Capital – how much do you own

Collateral – what can you pledge

How much does it cost to borrow?

How To Calculate Your Loan Interest



Interest = Principal x Rate x Time

The equation is illustrated with icons: a bar chart with a red arrow pointing up and a dollar sign for Interest; a green money bag with a dollar sign for Principal; a blue percent sign for Rate; and a blue calendar showing 'JAN' for Time.

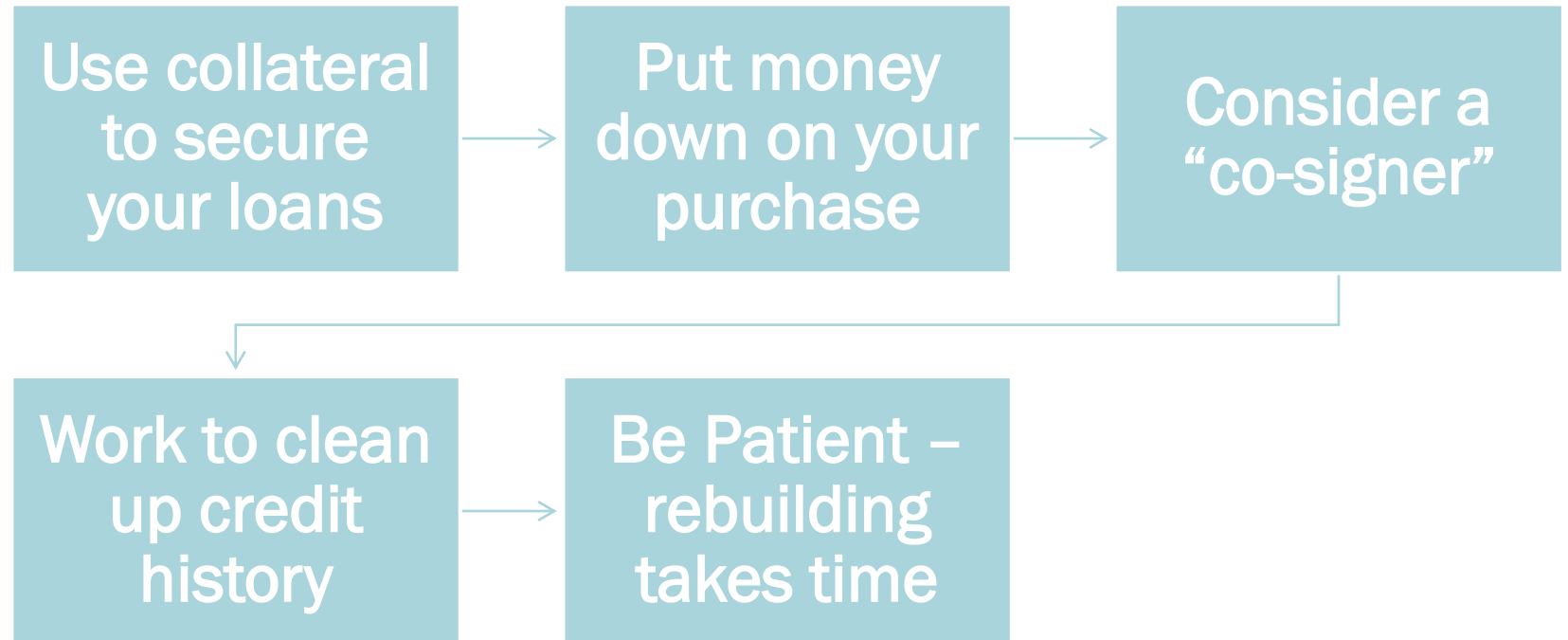
For Example:



$\$100 \times 6\% \times 1 \text{ YEAR} = \6

The example is illustrated with a cartoon man in a blue shirt and red tie holding a green money bag labeled '\$100'. This is followed by a large '6%' symbol, a blue calendar showing '1 YEAR', an equals sign, and a large '\$6' inside a yellow starburst.

Tips for Getting Approved for Credit



Being a Smart Consumer

- Using Different Types of financial institutions – Shop Around
- Tips for being a Savvy Consumer
- The importance of insurance
- Setting financial goals



Types of Financial Institutions

Banks

Credit Unions

Loan Funds

Finance Companies

Tribal Credit



Be a Savvy Consumer



Research

Affordability

Payment
Options

Negotiate

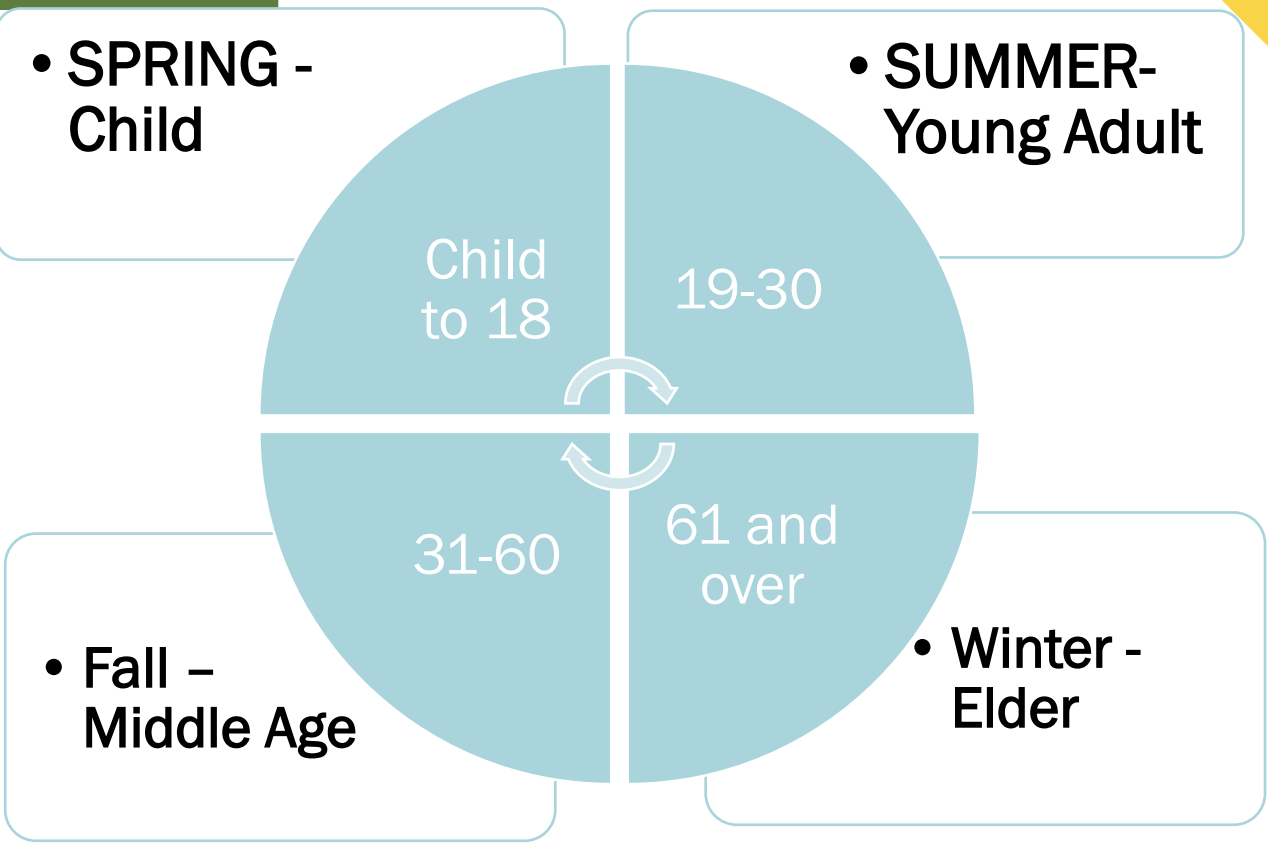
Plan Ahead

Insurance



Health Insurance	Pays for medical bills, doctor visits, emergencies
Auto Insurance	Required by state on all owned automobiles
Homeowners Insurance	Protects your home from damage, fire, tornado's
Renters	Covers your personal contents when renting
Disability Insurance	Protects your loss of income due to accident
Life Insurance	Provides for your family if tragedy occurs

Cycle of Life – Financial Checklist





Thank You!
It has been an Honor
to Share with you!
