

Financial Checklist

Checking and Savings Accounts

Youth should do their research before choosing to establish a checking and savings account at a bank. Youth should review the services offered by different banks and the fees associated with these services. Youth should also explore whether the bank requires the youth to maintain a certain minimum amount of money in each account or whether there are limits on how much money a youth can withdraw from each account. Youth may need to have multiple forms of identification in order to successfully establish a checking and savings account.

Debit Cards

A debit card is a card which automatically withdraws cash from your checking account. Accordingly, the card basically functions as cash. The pros of debit cards are that they are often more convenient and safer than cash and youth can't rack up debt as they could on a credit card. However, youth must track the amount of money they are spending on the debit card because they can incur overdraft fees as a result of spending more than is available in their checking account.

Credit Cards

Credit cards are often seen as an "easy" way to make purchases. Credit cards can also help youth build a credit history. However, overusing a credit card can be a costly mistake. Youth who decide to undertake the responsibility of a credit card should aim to start with just one card, which they pay off in full and on-time each month. Youth should also be sure to pay attention to credit limits, annual interest rates, and fees associated with credit card usage. In addition, if a youth is under 21 years old, the card issuer cannot issue a credit card unless youth can show an independent ability to make the minimum periodic payment on the account or someone at least 21 years old guarantees or otherwise agrees to be liable on the account. The guarantee may come from anyone at least 21 years old with the financial ability to make the payments and does not have to come from youth's parents.

Quick Tips for Managing Your Money

This is a special guide for young adults provided by the Federal Deposit Insurance Corporation packed with strategies and tips to navigate the complex world of credit, banking, and general financial management. The guide is accessible [here](#)

Monthly Budgeting

In this practice kit is a sheet to help youth budget. Monthly budgeting is a way for youth to track their income and expenditures and to practice financial responsibility. [Click here for the monthly budgeting sheet.](#)

Credit Reports

The nation's consumer protection agency, Federal Trade Commission, answers the frequently asked questions regarding the importance of reviewing one's credit report, how to request a credit report, how to read a credit report and how to correct any inaccuracies on the credit report. This helpful guide can be found [here](#)

Understand Your Credit Score

Consumer Financial Protection Bureau offers guidance on interpreting the calculation used to determine one's credit score. This guide also offers tips on how to raise one's credit score. All this and more can be found [here](#)

Building a Better Credit Report

This Federal Trade Commission guide take a deeper dive in to the complexities of one's credit report. Topics focus on how negative information on the report can impact buying a car, home and even employment and how to address this negative information. The guide can be accessed [here](#)

Making Money Grow

Youth in care are eligible to participate in this program starting at age 15. The program offers a 10-module online curriculum to help youth develop basic financial literacy and financial management skills. There are also workshops on banking, credit scores, credit cards, student loans, and mortgages, among other relevant topics. Social workers or other professionals can refer a youth by contacting Brian Stone at 202-909-3737. More information available [here](#)

Child and Family Services Agency

Office of Youth Empowerment

M.M.G

MAKING MONEY GROW



Everfi Online Platform

Match Savings

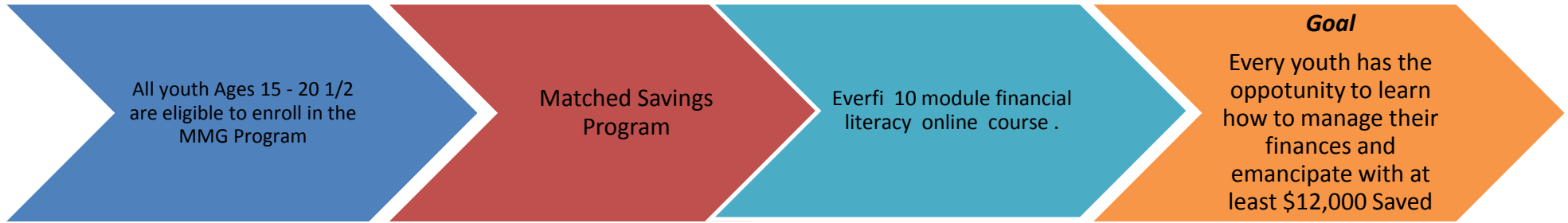
Financial Stabilization

Building Futures

The Goal:

Financial Education enables young developing professionals to start positive habits early such as saving money and budgeting, as well as avoid making “wrong” decisions that could result in years of financial pain, such as incurring an unmanageable level of credit card debit.

CFSA FINANCIAL LITERACY PROGRAM (MMG) STEPS & REQUIREMENTS



Age 15	<ul style="list-style-type: none"> Youth Invest \$500 Match Savings \$500
Age 16	<ul style="list-style-type: none"> Youth Invest \$500 Match Savings \$500
Age 17	<ul style="list-style-type: none"> Youth Invest \$500 Match Savings \$500
Age 18	<ul style="list-style-type: none"> Youth Invest \$1,000 Match Savings \$2,000
Age 19	<ul style="list-style-type: none"> Youth Invest \$1,000 Match Savings \$2,000
Age 20	<ul style="list-style-type: none"> Youth Invest \$1,000 Match Savings \$2,000
TOTAL POTENTIAL MATCHED SAVINGS	• \$12,000

15 -17 Years Old

OPEN MATCH SAVINGS ACCOUNTS
Matched (1:1)

Everfi Online 10 Module Platform
Must Be Completed Within 6 Months of Starting Everfi

18 - 20.5 Years Old

OPEN MATCH SAVINGS ACCOUNTS
Matched (1:2)

Everfi Online 10 Module Platform
Must Be Completed Within 6 Months of Starting Everfi

Instructions for the Everfi Online Platform

1. Go to WWW.EVERFI.COM/LOGIN
2. Click on “Sign Up” in the top right corner
3. Enter your registration code/class code (fca43dfa)
4. Click “I am a student”
5. Enter your name, create a unique username, password and enter your email. Then click Finish.
6. Click the blue “Get Started” Button and begin with the Overview.

Frequently Asked Questions

What is matched savings? Matched saving provides YDP with the opportunity to develop the skills to save and build assets. YDP who enroll in the program will receive one-on-one financial coaching and will be matched 1:1 (15 – 17 years old) or 1:2 (18 – 21 years old) for a maximum amount per year.

What is CAAB? Capital Area Asset Builders is a local non-profit organization granted by CFSA to manage the matched savings program for YDP.

How do I enroll in the Match Savings Program? YDP are able to join by attending an CAAB held the last Thursday of each month from 5-6pm or scheduling a one on one with Deon Myers.

Can I use the matched savings money however I want?

No. The matched money can only be withdrawn for allowable uses, which include:

- Education – Tuition, textbooks, and school fees
- Housing – Security deposits, rent, or a down payment on a home
- Vehicle expenses – Car, insurance, taxes and fees
- Start up business pursuits
- Healthcare, health insurance, or other medical expenses

What if I want to use my saved money for something other than the allowable use? You can voluntarily dis-enroll from the program and withdraw your personal savings; however you will not have access to the funds matched by CFSA. If you want to use the match savings funds then you need to submit a special request to CFSA for consideration

How can I participate if I’m away at college?

The modules can be completed online and your deposits into your savings account can be done via online banking. The orientation for the matched savings program can be completed via telephone or internet on a one to one basis.

Is this mandatory? No. However, we INSIST that all YDP participate.

What is the quarterly \$250 requirement? This requirement was developed to develop habitual savings instead of lump sum deposits.

Who should I contact if I have any questions? Deon Myers (202)727-7329 or deon.myers2@dc.gov

***YDP = Young Developing Professionals

MATCHED SAVINGS PROGRAM APPLICATION

Applicants must provide all requested information and documentation in order to be considered for participation in the matched savings program. Any information provided to OYE/CAAB is treated as confidential and will be used for internal purposes only.

APPLICANT INFORMATION:

FULL NAME: _____

HOME ADDRESS: _____

CITY: _____ STATE: _____ ZIPCODE _____

DC WARD: _____ HOME PHONE: _____ WORK PHONE _____ CELL PHONE _____

E-MAIL ADDRESS: _____

SOCIAL SECURITY NUMBER: (OR ITIN): _____ DOB: _____

GENDER: ___M ___F

HOW DID YOU HEAR ABOUT US? _____

MARTIAL STATUS: ___SINGLE ___DIVORCED ___MARRIED ___WIDOWED

PRIMARY LANGUAGE: ___ENGLISH ___SPANISH ___AMHARIC ___OTHER

RACE/ETCHNICITY: ___BLACK/AFRICAN AMERICAN ___ASIAN/PACIFIC ISLANDER ___HISPANIC/LATINO
___NATIVE AMERICAN/AMERICAN INDIAN ___WHITE/CAUCASIAN ___OTHER

WHAT IS THE HIGHEST LEVEL OF EDUCATION YOU HAVE COMPLETED? (CHECK ONE)

___K – GRADE 8

___HIGH SCHOOL

___GED

___VOCATIONAL/TRADE/TECHNICAL SCHOOL

___COLLEGE – 2 YEAR DEGREE

___COLLEGE – 4 YEAR DEGREE

___GRADUATE SCHOOL – MASTER’S DEGREE

___GRADUATE SCHOOL - PHD

WHAT IS YOUR CURRENT EMPLOYMENT STATUS? (CHECK ALL THAT APPLY)

- ___ STUDENT
- ___ FULL TIME (EMPLOYER NAME)
- ___ PART TIME (EMPLOYER NAME)
- ___ SELF EMPLOYED
- ___ UNEMPLOYED/LOOKING FOR WORK
- ___ HOMEMAKER/NOT LOOKING FOR WORK
- ___ RETIRED

THE FOLLOWING QUESTIONS ARE FOR OYE/CAAB GRANT REPORTING PURPOSES. THE ANSWERS WILL NOT AFFECT YOUR IDA ELIGIBILITY. PLEASE CIRCLE "Y" FOR YES AND "N" FOR NO.

- Y N HAVE YOU EVER BEEN A TANF OR AFDC RECIPIENT?
- Y N ARE YOU CURRENTLY RECEIVING TANF?
- Y N ARE YOU CURRENTLY RECEIVING FOOD STAMPS?
- Y N ARE YOU CURRENTLY RECEIVING SSI OR SSDI?
- Y N DO YOU CURRENTLY HAVE HEALTH INSURANCE?
- Y N DO YOU CURRENTLY HAVE LIFE INSURANCE?

- Y N DO YOU PLAN TO USE DIRECT DEPOSIT WITH YOUR MATCHED SAVINGS ACCOUNT?

APPLICANT INCOME INFORMATION

- FULL-TIME OR PART TIME EMPLOYMENT \$ _____
- SELF EMPLOYMENT \$ _____
- GOVERNMENT ASSISTANCE (TANF, SSI) \$ _____
- CHILD SUPPORT \$ _____
- MONEY FROM FAMILY/FRIENDS \$ _____
- OTHER: (SPECIFY) _____ \$ _____

APPLICANT ASSETS & LIABILITIES

ASSETS

- ___ CAR VALUE: \$ _____ LOAN BALANCE: \$ _____
- ___ HOME VALUE: \$ _____ LOAN BALANCE: \$ _____
- ___ OTHER PROPERTY VALUE: \$ _____ LOAN BALANCE: \$ _____

___ CHECKING ACCOUNT	AMOUNT: \$ _____	SAVINGS ACCOUNT: \$ _____
___ RETIREMENT ACCOUNT	AMOUNT: \$ _____	COLLEGE SAVINGS: \$ _____
___ STOCKS/BONDS	AMOUNT: \$ _____	\$ _____
___ OTHER	AMOUNT: \$ _____	\$ _____
TOTAL ASSETS		\$ _____

LIABILITIES

___ STUDENT LOANS	AMOUNT: \$ _____	
___ MEDICAL LOANS	AMOUNT: \$ _____	
___ CREDIT CARD BILLS	AMOUNT: \$ _____	
___ MONEY BORROWED	AMOUNT: \$ _____	
___ UNPAID HOUSEHOLD BILLS	AMOUNT: \$ _____	
___ OTHER (EXPLAIN):	_____	
___ OTHER (EXPLAIN):	_____	
TOTAL LIABILITIES		\$ _____

NET WORTH (ASSETS MINUS LIABILITIES) \$ _____

MEDIA REQUESTS:

OYE/CAAB MAY RECEIVE REQUESTS FROM REPORTERS AND OTHER MEDIA REPRESENTATIVES FOR MATCHED SAVINGS PROGRAM WHO WOULD BE WILLING TO BE INTERVIEWED FOR NEWS STORIES AND OTHER PRESS REGARDING THE MATCHED SAVINGS PROGRAM. WOULD YOU BE WILLING TO BE PLACED ON A LIST OF POSSIBLE INTERVIEWEES?

___ YES ___ NO

BY SIGNING BELOW I VERIFY THAT ALL INFORMATION PROVIDED IN THIS APPLICATION IS ACCURATE AND COMPLETE.

APPLICANT NAME

DATE

OTHER CONTACT INFORMATION

NAME: _____

TITLE (IF APPLICABLE): _____

AGENCY AND ADDRESS: _____

OFFICE PHONE NO.: _____

CELL PHONE NO.: _____

CURRENT CAREGIVER OR GUARDIAN

NAME: _____

TITLE (IF APPLICABLE): _____

AGENCY AND ADDRESS: _____

HOME PHONE NO.: _____

OTHER PHONE NO.: _____

Account Opened Date: _____

Applicant Last Name: _____

CFSA Grant Period: 11/22/2014 – 11/21/2016__

SAVINGS PLAN AGREEMENT

This Savings Plan Agreement between Office of Youth Empowerment (OYE), Capital Area Asset Builders (CAAB) and _____ details the responsibilities of all parties in connection with the CFSA Matched Savings Program.

INTENDED ASSET PURCHASE:

- _____ HOME/APARTMENT (SECURITY DEPOSIT, DOWN PAYMENT)
- _____ EDUCATION (TUITION, TEXTBOOKS, OTHER FEES)
- _____ VEHICLE (COST, INSURANCE, TAXES, OTHER FEES)
- _____ HEALTH/DENTAL CARE
- _____ SMALL BUSINESS

CAAB AGREES TO PROVIDE:

- One-on-One financial mentoring (coaching).
- Asset Specific Training – to provide the Saver with access to asset specific training, coaching or counseling related to their intended asset purchase as indicated above.
- Account Statements – to provide the Saver with a timely and accurate monthly account statement, listing accumulated savings, earned matches and account activity.
- Confidentiality – to protect the Savers privacy by securing personal and financial records and keeping all such information confidential within the CFSA Matched Savings Program.
- Individual Assistance – to create opportunities for the Saver to meet individually with Program and/or partner staff about financial, savings and asset goal-related matters.
- Match Rate – to provide the Saver with a _____ match rate on their total savings in the Savings Program.

SAVER AGREES TO:

- Deposits – to deposit a maximum of \$250 quarterly from earned income until his or her savings goal has been met. **The Saver must make deposits for the first 6 months of his or her enrollment before he/she will be eligible for a matched payout** and must continue consistent deposits thereafter until reaching his or her savings goal of \$_____ to remain eligible in the CFSA Matched Savings Program.
- **Orientation – The Saver must attend CAAB's Orientation for new savers prior to being eligible for a matched payout.**
- Attend one-on-one coaching sessions and actively participate in all workshop discussions and exercises, and complete all homework activities.

DC Child and Family Services
Office of Youth Empowerment

Account Opened Date: _____

Applicant Last Name: _____

CFSA Grant Period: 11/22/2014 – 11/21/2016__

- Confidentiality – to respect the right to privacy of other Savers by keeping confidential any personal or financial information divulged in the course of the Program.
- Change of Address – to provide CAAB staff with updated personal information in the event of a change of address, phone number or emergency contact information.
- Beneficiary – the Saver may designate a beneficiary to whom their savings can be transferred in the event of death during the Program period.
- Credit Score – Savers with credit scores below 600 have the option to participate in credit counseling and take action to build his or her credit score.

MUTUAL UNDERSTANDING

Both parties understand and agree that: (initials required)

- _____ Qualified withdrawals - are only available for the Program's stated allowable uses stated under Intended Asset Purchase above and after completion of all Program requirements outlined in the Savers Handbook. **Qualified withdrawals require a 14 day notice to process from the time OYE/CAAB is notified of the Savers intend to make a qualified withdrawal.**
- _____ I understand that the maximum match amount for my match savings program is:
 - _____ 18 years or older – \$2,000
 - _____ younger than 18 years - \$500
- _____ Voluntary Leave – the Saver may leave the program at any time and is entitled to receive their unused savings plus accrued interest. Voluntary leave withdrawals require at least **14 day notice to process**. Savers who have taken a Voluntary Leave may reapply to the program again at a later date.
- _____ Account Ownership – the savings account will be held in an FDIC insured custodial account in CAAB's name. Both parties will have access to all account activity information.
- _____ Death of Saver – In the event of the death of the account holder, the savings (without match) will be issued to the designated beneficiary in the form of a check and the CFSA Matched Savings Account will be closed.
- _____ Asset Planning – the Saver and OYE/CAAB staff will consider the cost of the asset goal together and will establish realistic savings goals based on this information.
- _____ Future Contact – CAAB reserves the right to contact the Saver via mail, e-mail or by phone to request updated information.

Account Opened Date: _____

Applicant Last Name: _____

CFSA Grant Period: 11/22/2014 – 11/21/2016__

CERTIFICATION

I have read and understand the contents of this Agreement and agree to meet my responsibilities under it. I understand that if I fail to meet these responsibilities my participation in this Program will be terminated. I also understand that this Agreement may be changed only by written consent of both Parties.

Savers Signature

Date

OYE Staff Signature

Date

CAAB Staff Signature

Date

BENEFICIARY INFORMATION

(If you are deceased who should receive your escrow account funds)

NAME: _____

ADDRESS: _____

PHONE NUMBER: _____

SAVER INTAKE SURVEY

Capital Area Asset Builders is continually improving its Matched Savings Program. The following questions will help us learn what information and services would be most beneficial for our applicants and participants. Your answers will be kept private and are for program evaluation purposes only.

Name: _____

Date: _____

A) Please answer the following questions by checking Yes or No (or Not Applicable if the question does not apply to your situation).

1. Do you have a savings account? Yes No
2. If so, are you making monthly deposits into your savings account? Yes No Not Applicable
3. Do you have a personal or family checking account? Yes No
4. Are you saving for a specific goal? If so, what are you saving for? Yes No Specify _____
5. Are you using direct deposit service for your paychecks or other income? Yes No
6. Are you using check cashing services for your paychecks and other income most of the time? Yes No
7. Are you depositing your income into a bank account most of the time? Yes No
8. Have you used a Commercial Tax Preparation Service in the past year? If yes, specify which one. Yes No Specify _____ N/A
9. Have you used a free Tax Preparation Service in the past year? If yes, specify which one. Yes No Specify _____ N/A
10. Did you prepare your own taxes this year? Yes No Not Applicable
11. Do you have a savings account for retirement? Yes No
12. Do you have a savings account for your children? Yes No Not Applicable

B) If accepted in the program, what asset will you be working towards?

- Home/Apartment
 Education
 Small Business
 Health/Dental Care
 Vehicle

C) For each of the following statements, please indicate how strongly you agree or disagree, using a five point scale where 1 is strongly disagree and 5 is strongly agree. (Circle one number)

	<i>Strongly Disagree</i>				<i>Strongly Agree</i>
a. I am disciplined with my money.	1	2	3	4	5
b. I can take care of myself.	1	2	3	4	5
c. I am fearful about the future.	1	2	3	4	5
d. I feel stressed about the future.	1	2	3	4	5
e. I do not trust others.	1	2	3	4	5
f. I feel trustworthy.	1	2	3	4	5
g. I feel hopeful about the future.	1	2	3	4	5
h. I feel in control of my finances.	1	2	3	4	5
i. I do not feel financially secure.	1	2	3	4	5
j. I feel knowledgeable about my finances.	1	2	3	4	5
k. I have power.	1	2	3	4	5
l. I am planning for the future.	1	2	3	4	5

	<i>Strongly Disagree</i>				<i>Strongly Agree</i>	
m. I do not have many opportunities ahead of me.	1	2	3	4	5	
n. I have a sense of assurance about the future.	1	2	3	4	5	
o. I spend sufficient time with my children.	1	2	3	4	5	N/A
p. I have a good relationship with my partner/spouse.	1	2	3	4	5	N/A
q. I have discipline in most areas of my life.	1	2	3	4	5	
r. I do not feel confident in myself	1	2	3	4	5	
s. I am able to overcome obstacles	1	2	3	4	5	

D) Please answer the following questions about your habits by checking Yes or No (or Not Applicable if the statement does not apply to your situation.)

- a. Are you currently living on a budget you created? Yes No
- b. Are you currently investing in something other than a savings account? Yes No
- c. Are you currently setting financial goals? Yes No
- d. Do you have a financial plan for retirement? Yes No Not Applicable
- e. Do your children have a savings account? Yes No Not Applicable
- f. Do your children set financial goals? Yes No Not Applicable
- g. Are you currently involved in any community organizations? Yes No
- h. Did you vote in the last election? Yes No Not Applicable
- i. Do you plan to vote in the next election? Yes No Not Applicable

E) On a scale of 1 to 5, how helpful do you feel each of the following Matched Savings Program components will be in obtaining your asset?

	<i>Not at all helpful</i>				<i>Very helpful</i>
a. financial literacy classes (Money Management 101,etc)	1	2	3	4	5
b. Match money from Matched Savings	1	2	3	4	5
c. Regular Savings	1	2	3	4	5
d. Support from Matched Savings Staff	1	2	3	4	5

F) On a scale of 1 to 5, how helpful do you feel each of the following Matched Savings Program components will be in developing your sense of self sufficiency?

	<i>Not at all helpful</i>				<i>Very helpful</i>
a. financial literacy classes (Money Management 101,etc)	1	2	3	4	5
b. Match money from Matched Savings	1	2	3	4	5
c. Regular Savings	1	2	3	4	5
d. Support from Matched Savings Staff	1	2	3	4	5

G) Considering everything, how satisfied have you been with the CAAB Matched Savings Program orientation and application process so far? Please indicate your satisfaction by circling a number on a scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied.

Very Dissatisfied Very Satisfied
 1 2 3 4 5

Thank you.



CREDIT REPORT AUTHORIZATION

*DISCLAIMER: This form is **NOT** mandatory. Please complete this form only if you would like the Capital Area Asset Building Corporation to obtain a copy of your credit report as part of your application. Social Security numbers are required in order to pull this report and the authorization form is filed in a locked cabinet at CAAB.*

I hereby authorize the Capital Area Asset Building Corporation to retrieve my Credco credit report. I understand that this report is for the sole purpose of credit and financial education. Please show ID with submission of this form. I also understand that my information is confidential, for internal purposes only, and will not be sold or shared with any third parties including CAAB affiliates.

Full Name _____

Current Address _____

City _____ State _____ Zip Code _____

Length of Time at Current Address _____ years _____ months

Previous Address _____

(Complete if less than 2 years at current address)

City _____ State _____ Zip Code _____

Length of Time at Previous Address _____ years _____ months

Social Security Number _____

Date of Birth _____

Signature _____

Date _____

Starting Out on Your Own: Personal Finance Tips for Young Adults

Have you ever taken \$40 out of the ATM and a few hours later asked yourself where that money went? Or, do you use your debit card to make purchases but don't keep track of them...and then wonder how your balance got so low?

While everyone can benefit from learning about money management and taking a more hands-on approach with their finances, young adults — including those just starting a career or a family and others still in high school or college — have plenty to gain by learning to be smart about money, and a lot to lose by making uninformed decisions.

“As a young adult, even if you don't have or earn a lot of money, the financial decisions you make today can affect your lifestyle now and for years to come,” said Luke W. Reynolds, Chief of the FDIC's Community Outreach Section. “The good news is you don't need to be a finance expert to take charge of your financial future. A few basic concepts can go a long way.”

Here are a few tips to get you started.

Create a personal financial plan that will make it easier to boost savings and control spending. “It isn't how much you *make* that's important, it's how much you *keep*,” said Paul Horwitz, an FDIC Community Affairs Specialist. Start by keeping track of what you earn and what you spend and where.

Then take a sharp look at how much you spend on optional purchases, such as restaurant food and entertainment, and instead put some of that money to work for your future by saving or investing it.

“The key is to make some hard decisions about ‘needs’ versus ‘wants,’” added Horwitz, “because every dollar we spend on something we don't really need is a dollar we don't have to save or spend on something we do need.”

What steps can you take?

- Open a savings account and regularly add to it. Also “pay yourself first” with a set percentage of every dollar you get going to savings. “Set a realistic savings goal and remember that even \$5 or \$10 a week can add up over time,” Horwitz explained.
- Arrange with your employer to automatically transfer some of your earnings to a savings or investment account.
- Build up an emergency savings fund you can use to pay for major, unforeseen expenses.
- Consider a separate account to save for big-ticket purchases, such as a new TV or bicycle, instead of charging them on a credit card and paying the money back over a long time with a lot of interest.
- Limit the amount of money in your wallet or purse and in your checking account, so you're less likely to spend it. Only carry a credit card when you plan to use it. Also do your best to limit regular living expenses, such as food, transportation and utilities.

Reynolds also advised that young adults protect against financial loss by making sure they have proper insurance (such as life, health and property insurance) and then reviewing the coverage at least once a year.

Start saving for both short-term and long-term goals, including retirement, even though that may be many years away. “Thanks to the miracle of compound interest, even a small sum of money saved regularly at a young age can quietly grow to a surprisingly large sum over the years,” said Reynolds. The sooner you begin saving, the easier it will be to reach your financial goals, which may include buying a home, owning a business or retiring, instead of having to save a high percentage of your income at an older age.



And if you are working, “it makes so much sense to start, on the very first day, to put money into a retirement savings plan, especially if your employer will match part of your contribution, which is like getting free money,” said Alberto Cornejo, an FDIC Community Affairs Assistant.

Keep your banking and bill-paying costs down. Comparison shopping for financial services can save you from paying unnecessary fees. A good strategy is to open a basic, low-cost checking account at a bank and pay attention to your balance so you don't spend more than you have in the account and pay high fees for overdrawing it.

“Maybe you can download an ‘app’ to your phone to help you track all money that comes in and out of your account or you can request electronic notifications when your balance drops to a certain level. Of course, you should always maintain a register to help you monitor your balance,” said Reynolds. “Another way to save money is to avoid fee-based overdraft programs and instead ask your bank to cover any shortages by linking your checking account to a savings account.”

Build a good credit record. As you pay your own bills and debts, you are building a credit record. Credit reporting companies collect information on your history of paying debts, which is used to prepare credit reports and credit scores that reflect your creditworthiness. In general, the better your credit history and credit score, the better your chances of borrowing money at lower interest rates. Your credit history may also be considered when you apply for a job, an insurance policy or an apartment.

A good credit score will be particularly important when you decide to buy a house.

One of the best ways to build and maintain a good credit record is to pay all bills and other debts on time. To do that, avoid charging more on your credit card than you can pay off in full by the due date each month. If you can't afford to pay that much, at least be sure to pay the minimum due, consistently and on time, to avoid late fees and a bad mark on your credit record. And if you cannot qualify for a regular credit card, you may consider a no- or low-fee secured credit card, for which you would keep cash in a deposit account that would serve as collateral.

Also obtain a free credit report once every 12 months from each of the three nationwide credit reporting companies at www.annualcreditreport.com. Review each report, correct any errors and check for suspicious activity that may indicate you are a victim of identity theft.

Stay safe online. Banking or conducting other personal business online can be a convenient way to handle your finances, but you need to take precautions. Among them: Install and automatically update antivirus software and firewall protection on your computer. Never give your Social Security number, credit or debit card numbers, personal identification numbers or any other confidential information in response to an unsolicited e-mail, text message or phone call, regardless of who the source supposedly is.

“Also, ignore online ‘friend’ invitations from people you don’t know, because these may be covers for fraud artists,” cautioned Michael Benardo, Chief of the FDIC’s Cyber Fraud and Financial Crimes Section. Likewise, he said, be careful about the profile and contact information you post on social-networking and employment-related Web sites, because in the wrong hands it can lead to identity theft and other crimes. For more guidance on how to conduct banking and other business online, see the Winter

2009/2010 *FDIC Consumer News* at www.fdic.gov/consumers/consumer/news/cnwin0910.

Keep important cards and numbers safe. Most experts suggest you carry in your wallet or purse only the plastic cards (ATM, debit, credit cards) you truly expect to use soon. Don’t carry your Social Security card, either.

Also, don’t leave your birth certificate or documents with your Social Security number unprotected at home, at school or anywhere else.

If you need to buy a car, consider the best way to pay for it.

Understand the difference between buying and leasing a car. The Federal Reserve Board has published a guide called “Keys to Vehicle Leasing,” online at www.federalreserve.gov/pubs/leasing. If you’re thinking about borrowing money to pay for a car, see our tips in the Summer 2007 *FDIC Consumer News* (www.fdic.gov/consumers/consumer/news/cnsum07/auto.html).

If you’re renting a house or apartment, consider whether it’s time to buy. Once you start earning a steady income, and you expect to stay in your community for a number of years, you may want to consider owning your first home. To learn more about homeownership and if it is right for you, consider talking to a HUD-approved counselor (start at 1-800-569-4287 or www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm).

Always keep learning about how to handle your money. Start at www.fdic.gov to find consumer information from the FDIC, including back issues of *FDIC Consumer News*. Visit www.mymoney.gov to find financial education resources and tools from more than 20 different government agencies and Web sites.

“Many young people find learning about money fascinating because of the power it gives them to achieve their dreams,” concluded Reynolds. “And anyone can get this power just by creating an action plan, the sooner the better.” 🏠

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Teens, Crime, and
TCC the Community

Teens: Protect Your Identity From Thieves

Your name was given to you when you were born. It belongs to you. So does a unique nine-digit number called a social security number, which was created for you by the government. You or your parents provide your name and social security number at very important times in your life, such as when you start school, apply for a driver's license, apply for a job, apply to college, or request a credit card or student loan.

Your name and social security number represent you to people who don't know you. How would you feel if someone stole your personal information, used it to take out credit cards or loans in your name, and ran up thousands of dollars in bills that they didn't pay? Or worse, used your identity to threaten national security or commit acts of terrorism?

That's called identity theft and it's the fastest growing crime today. The U.S. Department of Justice defines identity theft as a type of crime in which someone wrongfully obtains and uses another person's personal data in some way that involves fraud or deception, typically for economic gain. Anyone can become a victim of identity theft. In fact, it happens to millions of people every year, and about one-third of reported victims are between 18 and 29 years old. Victims of identity theft have trouble getting loans, credit cards, and even driver's licenses because of bad credit histories. They must spend many hours and sometimes money to clear their good names.



Educate Yourself

How Identity Thieves Work

Identity thieves don't need much information. Your name, address, social security number, and birth date are more than enough to let them pretend they are you. Here are some of the most common ways identity thieves could obtain your personal information.

- Steal your purse or wallet—and all the credit and identification cards inside
- Steal your birth certificate, passport, and other personal documents during a home invasion
- Steal credit card payments and other outgoing mail from your unlocked, curbside mailbox
- Dig through garbage cans or dumpsters for cancelled checks, credit card and bank statements, and pre-approved credit card offers
- Hack into computers that contain your personal records and steal the data
- File a change of address form in your name to divert mail and gather personal and financial data
- “Phish” by sending an email that looks legitimate but directs you to a phony website and asks for your personal and financial data

How To Prevent Identity Theft

You can't completely protect yourself from identity theft, but here are some steps you can take to reduce the chances that you will become a victim.

- Never give your personal information to anybody, including your friends at school. If someone asks for your social security number, driver's license number, or other personal information, say you want to know how the information will be used. Then talk to your parents about whether to give out this information.
- When you open your first checking account, find out how to safeguard checks and bank account numbers. Do the same if you open a credit card account. Learn how to monitor your account statements for suspicious activities.
- Shred any documents that contain your social security number, birth date, account numbers, and other personal information before throwing them in the trash. Cross-cut shredding is best, but scissors can also be used to cut up documents.

Protect Yourself

How To Prevent Identity Theft (continued)

- Keep your cellular phone with you at all times. Find out if your phone has security features such as a password or key lock and use them. If you have a laptop computer, password-protect it. Phones and computers often contain your personal information, which can be retrieved by identity thieves if the items are stolen.
- Beware of emails and pop-up ads on your computer that say you've won a prize and you must provide your personal information to claim it. They may direct you to a phony website that looks identical to that of a reputable company and ask you to provide your personal information there. Do not fall for these scams.
- If you participate in online social networking, limit the personal information that you post on a site. Don't post your full name, Social Security number, address, phone number, or bank and credit card account numbers. Don't post other people's information, either.
- Be mindful that cell phone cameras used by thieves can capture important personal information or PINs.
- Carry only what you need in your wallet. Limit identification cards and credit cards to what you absolutely need, and don't carry your Social Security card.
- Remember, the Internet is a public resource and any one can see what you post. People can misrepresent their identities in chat rooms and emails, so be cautious about the amount of information that you reveal to people over the Internet.
- Talk to your parents about monitoring your credit report. It will show if someone has established credit in your name after stealing your identity. Federal law requires the three major credit reporting agencies to provide you with a free report once a year. Request them from the website www.annualcreditreport.com or 877-322-8228.

If You Are a Victim of Identity Theft

If you think you are a victim of identity theft, talk to your parents. Together you can take the following steps:

- Call one of the three major credit-reporting agencies. The law requires the agency you call to contact the other two. They will place a fraud alert on your account.
- Dispute any bills that list charges that you did not authorize. Close any accounts you know or believe have been tampered with or opened fraudulently.
- File a complaint with the Federal Trade Commission (FTC), which maintains a database that law enforcement agencies use to hunt down identity thieves. To report your theft or to get more information on what to do, call the FTC's toll-free hotline at 877-IDTHEFT.
- File a report with your local police department or sheriff's office. You will need this report to pursue your case with creditors who have been victimized in your name.

Learn More About Identity Theft

Visit the following websites for information about identity theft.

The Identity Theft Resource Center
www.idtheftcenter.org

The Federal Trade Commission Identity Theft Site
www.ftc.gov/idtheft

The U.S. Department of Justice
www.usdoj.gov/criminal/fraud/websites/idtheft.html



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