

**Student Manual**

Table of Contents	1
Introduction	2
Unit 1 – Setting your Financial Goals	3
Unit 2 – Banks and Checking Accounts	4
Unit 3 – Banks and Savings Accounts	5
Unit 4 – Credit and Loans	6
Unit 5 – Privacy, Fraud and Scams	7
Unit 6 – Buying a Car	8
Unit 7 – Buying a Home	9
Unit 8 – Understanding Insurance	10
Unit 9 – Starting a Business	11
What’s Next?	12

## **Introduction**

Most newcomers to the United States need to begin the process of wealth building again. Some newcomers may not have had the opportunity to begin to accumulate wealth yet. The goal of this program is to help you learn about your money so that you can, over time, build wealth that will help you meet your financial goals.

For the next nine weeks, you will be learning the basics of financial wealth building, such as setting financial goals, investing money at the best rate, maintaining your checking account properly to avoid unnecessary bank fees, protecting yourself from fraud, scams and identity theft, understanding insurance, and buying cars and homes. For those who might want to start a business, the last session is devoted to that. You may already know some of the information that will be covered. Other information in this course may be new and could help you learn how to keep more of the money you earn.

After you complete this program, you should continue to learn about wealth building through other programs that are available in the community.

Please read this manual often and learn all the parts of it before you continue your financial education.

**Unit I – Setting Your Financial Goals**

1. **Think about the future.** What do you want to do in the next 5 years or 10 years?
  - a. Now write it down. *Tell your family and friends what you want to do.*
  
2. **Make a plan** so you can meet your goal. Start with a budget.
  - a. How much money do you need for your goal?
  - b. How much do you need to save from each pay?
  - c. Do you need to get another job or does someone else in the family need to work so you can meet your goal?
  - d. Are you spending less than you earn? Keep track of ALL your spending. What spending can you cut out?
  
3. **My notes from class:**

**Unit 2 – Banks and Checking Accounts**

1. **Ways to take money out of a checking account:**
  - a. Write a check.
  - b. Counter withdrawal
  - c. ATM
  - d. Debit card
  - e. Bank fees and debits (including charges for bounced checks)
  
2. **Check writing**
  - a. Write with blue or black pen – no pencil
  - b. No erasing
  - c. Parts of a check:
    - 1) Date
    - 2) Payee – person or company that will get the check
    - 3) Amount – write it twice – first in words then in numbers
    - 4) Signature
  
3. **Check register** – Write down ALL money in and money out:
  - a. Deposits
  - b. Interest payments
  - c. Checks written
  - d. Counter withdrawals
  - e. ATM transactions
  - f. Debit card transactions
  - g. Bank fees and credits
  
4. **Balancing the checkbook** – Follow instructions on back of the statement.
  
5. Go to the bank for any help you need – writing checks, balancing the checkbook, or any other questions or problems. They are there to help you.
  
6. **My notes from class:**

**Unit 3 – Banks and Savings Accounts**

1. **Use the right savings account for your needs –**
  - b. Simple savings account for money you might need for emergencies.
  - c. Certificate of Deposit (CD) for money you don't need right away.
  - d. High-Yield Money Market Account – usually combines checking and savings (usually for \$10,000 or more) but you can only write 2-4 checks per month and if your balance goes below a certain amount, you will be charged. This account is best for money you don't need right away.
  - e. Individual Retirement Arrangement (IRA) CD – for money that you want to save for retirement.
  
2. **Shop for the best interest rates on your money --**
  - a. Different banks have different programs, different interest rates.
  - b. [www.emigrantdirect](http://www.emigrantdirect.com) (American Dream Savings Account) links to your checking account and pays one of the highest rates in the country.
  - c. Local banks periodically run CD specials paying higher interest rates, but you must check with them to get the information.
  
3. **My notes from class:**

**Unit 4 – Credit and Loans****1. Loans**

- a. **Secured Loans** – you give the title or something else of value to the lender until the loan is paid off. Examples – car loan, home mortgage, check cashing or payday loan.
- b. **Non-secured Loans** – you promise to pay and the lender trusts you.
- c. **Credit Cards**
  - a) Pay your balance in full each month so you won't pay interest.
  - b) Never take cash advances! They are too expensive.
  - c) Cut up checks that come in the mail and new credit card offers.
  - d) One credit card is enough.
  - e) Report a lost or stolen card immediately!
  - f) Any disputes about charges or changes to your credit card account must be in writing.
  - g) If you want to close your account, it must be in writing.
  - h) You will be charged a penalty if you spend more than your limit.
  - i) The phone number for your credit card company is on your card.
- d. **Department Store credit cards**
- e. **Types of lenders**

Banks, auto dealerships, auto manufacturers, mortgage companies, credit card companies, department stores. **Beware of check-cashing stores and places that will give you a loan for your next paycheck!!**
- f. Get a lower interest rate by paying bills on time or early.

**2. Your credit rating**

- a. To get the best interest rate for a loan, you must have the highest credit rating.
- b. 3 agencies – *Experian, Equifax and TransUnion* – they each record what you pay or don't pay.
- c. Get a free credit report once a year: [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com). Read it and report any errors.

**3. My notes from class:**

**Unit 5 – Privacy, Fraud, and Scams****1. Phone scams**

- b. You don't have to talk to someone you don't know! It's ok to hang up.
- c. Don't give out ANY personal information over the phone unless you know and trust the person who is calling.
- d. Use an answering system to screen your calls.
- e. Register your phone with the *National Do Not Call Registry* (1-888-382-1222). You must call from the phone you want to register.

**2. Email and U.S. mail scams**

- a. No one gives money and prizes for free.
- b. If it sounds too good to be true, it is.
- c. Trash any and all claims that you have won free prizes.
- d. Do not give out ANY personal information.

**3. Identity theft**

- a. Carry as little as possible in your wallet or purse.
- b. Check your free credit reports once a year to be sure no one is opening new accounts with your name. [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com)
- c. Report lost or stolen cards immediately.

**4. Free computer protection**

- a. antivirus AVG: [free.grisoft.com/doc/1](http://free.grisoft.com/doc/1)
- b. spyware AD-Aware: [www.lavasoftusa.com/software/adaware](http://www.lavasoftusa.com/software/adaware)
- c. spyware Spybot Search & Destroy: [www.safer-networking.org/en/download](http://www.safer-networking.org/en/download)

**5. My notes from class:**

**Unit 6 – Buying a Car**

1. **Do your budget first.** Find out what you can afford to pay monthly.
  - b. Car loan payments
  - c. Car insurance – at least \$100/month
  - d. Gas and oil
  - e. Car maintenance, tires and repairs – at least \$100/month to emergency savings account to cover this
  
2. **Shop carefully.**
  - a. Do not buy the first car you see.
  - b. Do not respond to coupons, free offers and other mailings.
  - c. Ask the car dealer to pay for the Carfax report (car history report)
  - d. Pay a mechanic to check the car before you buy.
  - e. People selling cars are salesmen. Do not believe everything they say.
  - f. Always ask for a better price than the first price they give.
  
3. **Take care of your investment.**
  - a. Check oil weekly/change every 3,000 miles.
  - b. Check fluids weekly (battery, water tank, windshield washer).
  - c. Check tires weekly/replace when treads are worn.
  - d. Buy the right gas for your car.
  - e. Have repairs done sooner rather than later.
  
4. **My notes from class:**

**Unit 7 – Buying a Home**

1. **Do your budget first.** Find out what you can afford to pay monthly.
  - a. How much do you have saved?
  - b. Mortgage, taxes and homeowners insurance
  - a. Heat, electric, water, trash pickup
  - b. Homeowners insurance
  - c. Cost of new equipment – lawnmower, hoses, paint, etc.
  
2. **Shop carefully.**
  - a. Do not buy the first home you see.
  - b. Realtors can help find a home and get a mortgage.
  - c. Pay a home inspector to check the house before you buy.
  - d. First-time homebuyers program can help with lower mortgage rate.
  - e. Habitat for Humanity is another option, but you have to qualify.
  
3. **Take care of your investment.**
  - a. Maintain your property (mow the lawn, put out the trash, make repairs).
  - b. You may need to sell some day – no one wants to buy a rundown property.
  
4. **My notes from class:**

**Unit 8 – Understanding Insurance**

**1. Health insurance**

- a. Purpose is to help with big costs – surgery or major illness
- b. Costs for routine doctor’s visits, checkups, etc., may not be covered – depends on individual plan.
- c. Other options for medical care:
  - 1) Medicaid/CHIPS
  - 2) Merci Free Clinic – you’ll be there all day and you must qualify.
  - 3) Health Department – free or sliding scale

**2. Auto insurance**

- a. Liability – covers damage YOU DO to other people or their property.
- b. Collision and Comprehensive – covers damage done to your car

**3. Homeowners insurance**

- a. Mostly for fire/smoke damage
- b. Covers house, furniture and personal belongings for homeowners.
- c. Most policies do not cover wind damage or flooding.
- d. Renters can get a policy covering their furnishings and possessions.

**4. Deductibles**

- a. The amount YOU pay when you have a claim.
- b. The higher the deductible the lower your premium.

**5. Insured’s responsibilities**

- a. Understand what your policies cover and what they don’t cover.
- b. Ask questions when you don’t understand.
- c. Report all claims immediately.

**6. My notes from class:**

**Unit 9 – Starting a Business**

1. **Craven Community College classes**
  - a. Small Business Center Entrepreneur Academy Program (free)
  - b. R.E.A.L. (Rural Entrepreneurship and Acting Learning) (\$60)
  
2. **Small Business Administration (SBA)**
  - a. Website: [www.sba.gov](http://www.sba.gov)
  - b. Government agency that helps small businesses
  - c. Free online courses
  - d. Financial assistance (guaranty to lending bank)
  
3. **Service Corps of Retired Executives (SCORE)**
  - a. Website: [www.score.org](http://www.score.org)
  - b. Nonprofit agency that helps people start or maintain a small business
  - c. Free online training, advice and forms
  - d. Free mentoring from local volunteers
  
4. **My notes from class:**

**What's Next?**

Study and learn from this manual. Then, when you understand this material, continue your financial education.

1. Interfaith Refugee Ministry has a computer lab with a CD that you can use during office hours. Contact someone at IRM to learn more. Call 638-8705.
2. Take free classes when they are available so you can learn more. Check with Craven Community College to find out what is available.
3. If you have a computer, take free online classes when they are available. Be sure you have a good anti-virus, anti-spam program first.