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## **TIPS TO KEEP MORE OF YOUR MONEY**

### **STAY AWAY FROM FRINGE OUTLETS**

Fringe outlets are places like check cashers, payday lenders, rent-to-own stores and pawn shops. They charge high fees to cash checks and to borrow money. Once you take out a loan there, it is really hard to pay it back. The average person pays back \$800 to borrow \$325—this is way more than you would pay elsewhere. Banks and credit unions are the best places to get financial services.

## **10 REASONS IT IS A GOOD IDEA TO HAVE AN ACCOUNT**

### **KEEP YOUR OWN MONEY**

1. You can lose up to 10% of your paycheck in fees every year if you cash your check at a check cashing outlet. It might not seem like much when it is \$20 on a \$200 check, but that adds up over the year.
2. Stay away from check cashers because they don't offer savings accounts or any way to save.
3. Save yourself a trip to the bank and set up direct deposit and conveniently access your funds through the coop network.

### **KEEP YOURSELF AND YOUR MONEY SAFE**

4. Without an account, you will end up carrying large amounts of cash away from the check casher, making you a potential target.
5. It is easier to spend money if you have it on you (and to lose it).
6. If your money is under your mattress, it may not be safe.

### **KEEP YOUR MONEY MAKING MORE MONEY**

7. You earn interest on your money if you keep it in an account.
8. Credit unions usually pay about 3% interest annually.

### **KEEP YOUR MONEY IN YOUR OWN COMMUNITY**

9. If you keep your money in a community development credit union, you are putting your money to work in your own community.
10. At CDCUs your money goes to loans to local people, not big businesses.

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## **THINGS TO CONSIDER WHEN DECIDING WHERE TO OPEN AN ACCOUNT**

You can see a list of the financial institutions that are participating in the Bank on San Francisco program, which means they will give people second chance accounts. As you look at those listed at this link, think about the things listed below: <http://bankonsf.org/>

### **INTEREST**

You want to pick the financial institution with the best interest rate on your savings account. Look to see what limits there are. Some don't pay interest if your balance is lower than \$500 or \$1,000. Some may not let you make transactions without a parent/guardian if you are younger than 18 years old.

### **FEES & CHECKING ACCOUNTS**

Ask about all the different fees charged by the financial institutions, for example the fees charged if a check bounces, if your balance goes below a certain amount. Look carefully at your monthly statements to see what fees are being charged. Don't be afraid to call your financial institution and ask them to refund you for fees that you were not aware of.

### **SIZE OF THE LOANS OFFERED**

Ask if they offer small emergency loans and if so, at what rates. Some financial institutions have loans starting at \$5,000 or more, which may be more than what you want or can afford.

### **CREDIT REPAIR AND CREDIT BUILDING**

If you have no credit history or if you have credit problems, you need a financial institution that will help you repair or build credit. Usually community development credit unions and credit unions have good credit repair programs.

### **CONVENIENCE**

Think about how much access you have to your money (branches and ATMs) and how easily you can reach people to help with account questions (over the phone or in person) or online if you prefer managing your money that way.

### **INVESTMENT**

Some people choose a financial institution based on how it uses or invests their money. With a local community bank, a community development credit union, or a credit union, you know where your money is being invested—into your community or within the field of membership.

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## **WHY USE COMMUNITY DEVELOPMENT CREDIT UNIONS?**

Community development credit unions are community-based financial institutions that offer small emergency loans, credit counseling and financial services like check cashing, savings and checking accounts, loans and much more. Their mission is to serve their members, NOT to make a profit.

There are two CDCUs in San Francisco:

Community Trust Federal Credit Union: serves the Mission, Bernal Heights, Bayview, Excelsior

Location 3269 Mission Street (at 29<sup>th</sup> Street)

Website [www.mission.coop](http://www.mission.coop) / [www.self-helpfcu.org/communitytrust](http://www.self-helpfcu.org/communitytrust)

Phone 415-431-2268

415-206-0846

Northeast Community Credit Union: serves Chinatown, SoMa, Vis Valley

Location 683 Clay St

Website [www.necfcu.org](http://www.necfcu.org)

Phone 415-434-0738

Tenderloin Branch:

Location 288 Jones Street (at Eddy)

Phone 415-441-7283

Visitacion Valley Branch:

Location 29 Leland Ave. (by Bayshore)

Phone 415-333-9966

### **PREPARE YOURSELF WITH FINANCIAL TRAINING**

There are resources in San Francisco if you are interested in getting basic training on how to manage your money. Don't be intimidated! Call them to find out about the training they offer. You can save yourself a lot of trouble by getting skills upfront.

Mission SF Community Financial Center offers youth training through Youth Trainers for Economic Power. 415-206-0846

EARN offers financial training and savings programs to help you get more money for saving. 415-217-3660

JUMA Ventures offers training and specialized saving accounts for youth up to 19 years old. 415-371-0727

## **BE SMART WITH YOUR CREDIT**

Credit card companies want you to charge up a big balance and then pay the minimum payment for the next 20 years or more. It makes them money and costs you MUCH more than it would cost if you paid cash. Here are the things we suggest you do if you get a credit card:

1. It is best to have ONE credit card. The more you have, the more tempted you will be to spend money you don't have.
2. Find a credit card that has no annual fee, and a low interest rate (11% to 15%).
3. Look at the grace period for payments. Find one with a good one- (20-30 days).
4. Speak up with your credit card company. If you ever make a late payment, always call to ask that the late payment be waived. And ask whether your interest rate has changed. Many credit cards will increase your rate for a late payment. If it goes over 18%, CHANGE companies.
5. Consider a credit card that is secured by your credit union or bank. In other words, if you have an account with \$500, then your credit card would have a credit limit of \$500. That way you build credit without risk.
6. Always try to make your WHOLE payment when you get your credit card bill. You don't want to have to pay interest over time. Don't charge anything you can't pay for right away.
7. Send in your payment several days before the due date so you won't be charged late fees.
8. DO NOT use cash advance from you credit card unless you have a serious emergency. There is a high fee, plus interest charges. Check with your credit union first about their emergency loan program because their rate may be better.

## **TRY TO SAVE A LITTLE EVERY MONTH**

Even if it is a little bit, we think everyone can save each month. You never know when an unexpected expense will come up. If you have savings, it is much better than getting a loan where you have to pay it back with interest. If you think you can't save, then try the change method. Use a cup or a jar and empty the change out of your pocket into the cup or jar every day. It will surprise you how much you will have to deposit each month.

## **MAKE YOURSELF A BUDGET AND STICK TO IT**

Having a budget will help you figure out how much money you have coming in and what you spend. This helps you see where you can cut expenses and save money to use for something else. Pay yourself first. In other words, include your savings deposit in your budget. This website link explains more about how to create a personal budget and has budget worksheets.

[http://member.teen.growingmembers.com/Build\\_Your\\_Budget\\_23738.html](http://member.teen.growingmembers.com/Build_Your_Budget_23738.html)

## **THINK BEFORE YOU BUY**

Before you make a purchase, do some research. See what different places are charging and ask around about the different brands and styles of whatever you are buying. Think about checking out websites like Craig's List ([www.craigslist.org](http://www.craigslist.org)) to see if there are people selling what you need. You can find great deals there, sometime for things that have hardly been used.

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## **INCREASE YOUR EARNING POWER THROUGH EDUCATION**

College is important for many reasons, including the access it gives you to new ideas, new people and experiences, as well as what it means for your earning power. College graduates make \$6,000 more on average per year compared to high school graduates. Here is a resource guide for California students that touches on everything from scholarships to financial aid, including deadlines, and websites to find more information on finding and applying to schools. Also included is a database of all scholarships available for undergraduate study.

<https://secure.californiacolleges.edu/admissions/california-state-university-csu/applying-for-admission.asp> ----- <http://scholarships.berkeley.edu/>

## **LEARN MORE**

### **New ERA (Economic Rights for All) workshops**

Call or visit our website to schedule a time for our youth trainers to work with your youth group and cover basic financial topics in a fun and interactive way. **(415) 206-0846**

<http://neweramissionsf.wix.com/newera>

### **National Endowment for Financial Education**

<http://www.smartaboutmoney.org/> This website includes many resources and lessons on financial topics, as well as calculators.

### **MoneySmart for Young People**

<http://www.fdic.gov/consumers/consumer/moneysmart/young.html> Order a free copy of this curriculum that covers financial issues in English and in Spanish.

### **Financial Firsts from By Design Financial Solutions**

<http://www.bydesignsolutions.org/> This curriculum can be purchased at this website.

### **Financial Resource Center**

[http://member.teen.growingmembers.com/Teens\\_Home\\_23652.html](http://member.teen.growingmembers.com/Teens_Home_23652.html) This website is an introduction to basic terms and concepts related to personal finance.

### **The Beehive**

<http://www.thebeehive.org/> This website covers many topics, including money management and how to choose a financial institution.