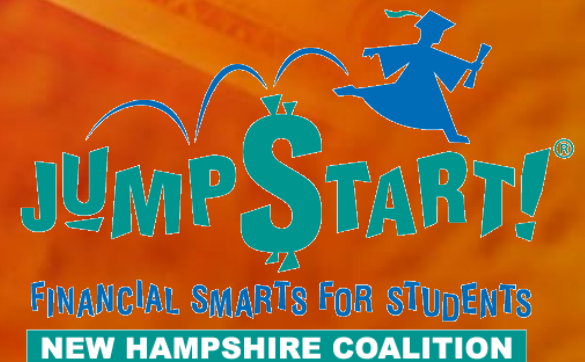


Money Management for Your College- Bound Student



Culture Change in 30 Years

- 1980's
 - Pre-credit cards
 - Cash or conditional sales contracts
- 1990's
 - Buy now, pay later
 - Bankruptcies soared due to credit cards
- 2000's
 - Online shopping takes root
 - Great recession
- 2010's
 - Technologies emerged to manage money
 - No associated emotion



Let's Crash with Five



1. Know Your Flow – do the Math
2. Choices (*needs vs. wants*)
3. Protect Yourself (*read, log in, turn on your radar*)
4. Power of Time
5. Don't Borrow More Than You Can Repay



Plastic is in Transition

#2



- ATM Card
 - Automated Teller Machine
- Charge Account
 - Business Arrangement
- Credit Card Account
 - Line of Credit - Loan
- Debit Card
 - Electronic checkbook
- Gift Card
 - Stored Value

Credit CARD Act of 2009

#3

- Official title is: ***Credit Card Accountability Responsibility and Disclosure Act of 2009***
- Provisions of the act fall into the following categories: *(effective February 22, 2010)*
 - Consumer Protection
 - Protection of Young Consumers
 - Miscellaneous Provisions
 - Enhanced Consumer Disclosures



What This Means for You

#2

#3

- People under 21 can only open credit cards if:
 - there is a co-signer over 21 or
 - the student submits financial information showing that he/she has the capacity to pay independently (*he/she has sufficient income*)
- Any increase in credit limits must include authorization from co-signer.



#3

Important disclosure box



Major Provisions of the Credit CARD Act of 2009

G-17(B) Account-Opening Sample

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99% This APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	15.99% This APR will vary with the market based on the Prime Rate.
APR for Cash Advances	21.99% This APR will vary with the market based on the Prime Rate.
Penalty APR and When it Applies	28.99% This APR may be applied to your account if you: <ol style="list-style-type: none"> 1) Make a late payment; 2) Go over your credit limit twice in a six-month period; 3) Make a payment that is returned; or 4) Do any of the above on another account that you have with us. <p>How Long Will the Penalty APR Apply?: If your APRs are increased for any of these reasons, the Penalty APR will apply until you make six consecutive minimum payments when due and do not exceed your credit limit during that time period.</p>
Paying Interest	Your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on cash advances and balance transfers on the transaction date.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$1.50.
For Credit Card Tips from the Federal Reserve Board	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at http://www.federalreserve.gov/creditcard .

Fees	
Annual Fee	None
Transaction Fees	<ul style="list-style-type: none"> • Balance Transfer: Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100). • Cash Advance: Either \$5 or 3% of the amount of each cash advance, whichever is greater. • Foreign Transaction: 2% of each transaction in U.S. dollars.
Penalty Fees	<ul style="list-style-type: none"> • Late Payment: \$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 • Over-the-Credit Limit: \$29 • Returned Payment: \$35
Other Fees	<ul style="list-style-type: none"> • Required Account Protector Plan: \$0.79 per \$100 of balance at the end of each statement period. See back for details.

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)." See your account agreement for more details.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

Repayment calculator



Browser address bar: <http://www.federalreserve.gov/creditcardcalculator/>

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Credit Card Repayment Calculator

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Welcome to the Federal Reserve's Credit Card Repayment Calculator. Based on the information you provide, the calculator will give you an estimate of how long it will take you to pay off your credit card balance. The calculator assumes:


- you make no more charges; and
- you make only the minimum payment each month.

A second calculation can help you develop a plan for paying off your balance sooner.

Please use your most recent credit card bill. You may get a more accurate estimate from your credit card issuer's website.

How long will it take me to pay off my credit card balance if I make only the minimum payment?


My total balance: \$ 

My highest annual percentage rate (APR) with a balance: % 

CALCULATE NOW

Last Update: April 21, 2009

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How Long Does It Take...?

#1

#5

#4

- To pay off **\$500** in credit card balances if you only make the minimum payment? (rate = 18%)
 - **\$1,000** ?
 - **\$5,000** ?
 - **\$10,000** ?
- **2 Years, 8 months**
(\$631.34)
- **4 years, 11 months**
(\$1,424.39)
- **10 years, 1 months**
(\$7,768.12)
- **12 years, 8 months**
(\$15,697.86)



“I’ll just use my debit card.”

#2



- Rules have changed too
- Now we’re talking about “real” money – YOURS!
- Different risks you need to be aware of



Debit Cards

#3

- Tied to your checking account
- Uses the same processing structure
- Can have overdraft & activity fees
- Greater level of inconvenience if compromised



America Catches Up

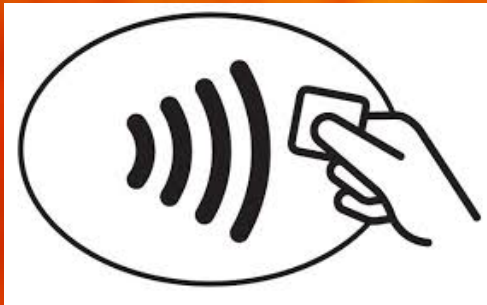
#2



- ✓ Secure chip stores payment information
- ✓ Chip card authentication prevents counterfeiting
- ✓ Adds cardholder verification methods
- ✓ Offers online or offline authorization



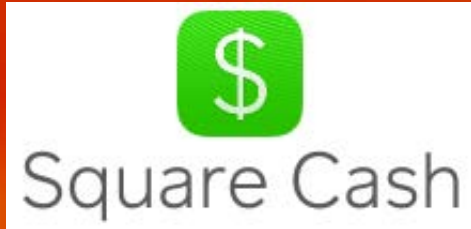
NFC - *Near Field Communication*



Peer to Peer Apps

#2

#3

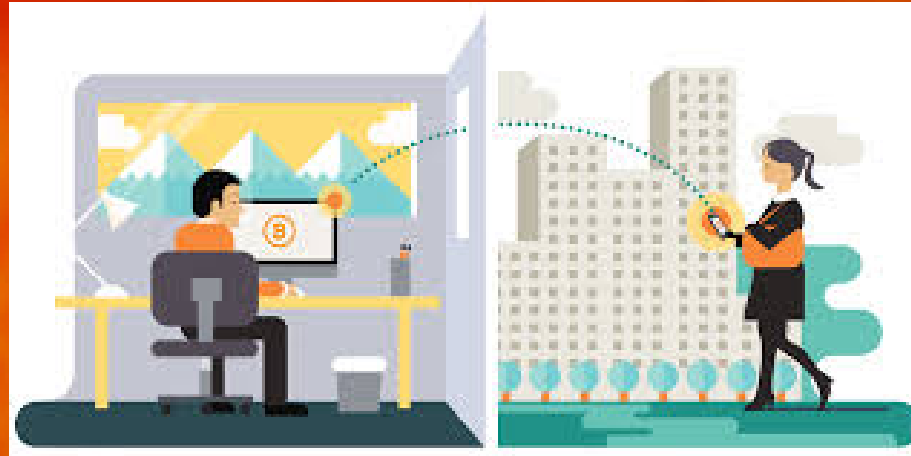


Digital Currency

#2



#3



21,000 retailers including Subway, Overstock, CVS (through eGifter) and Expedia

Some Gotta's

- Get a checking account – debit card
- Sign up for on-line banking
- Always know what balance is in account
- Know your flow - track your fees
- Use more caution on line
- Read the disclosures
- Watch your balances (all of them)
- Know how much stuff costs
- Treat your credit card like cash



Reality Check & Math

#2

#5

#4

- **Average** starting salary for the class of 2016 - \$50,359*
- **Average** NH student loan debt for the class of 2016 – \$36,367**



Salary	\$50,359.00	
Taxes	\$12,589.75	
Net	\$37,769.25	
Monthly	\$3,147.44	\$2,729.04
Rent		
Student Lns	\$418.40	
Car Pmt		
Gas		
Insurance		
Utilities		
Phone		
Food		
Net		\$2,729.04

*National Association of Colleges and Employers (NACE)

**Project on Student Debt



jumpstart.org/reality-check.html

РАУВАЏК

GET YOUR PAYBACK



Bottom Line

- **You have a zillion choices**
 - Banks, credit unions, technology
 - Access to your accounts
- **You have to step up**
 - Be a knowledgeable consumer
 - Take ownership of your money
- **Decide for your yourself the difference between a want or a need**



It's all about choices... *(and knowledge)*

Questions?

Contact for additional information

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President, NH Jump\$tart Coalition

email: dhebert@nhjumpstart.org



Money Management for Your College- Bound Student

