Financial Empowerment

PLAN

- ➔ Budgeting
- ➔ Smart Purchasing
- ➔ Loan Management
- ➔ Good Credit
- ➔ Personal Investment
- ➔ Miscellaneous:
    - ◆ Banking options: Credit unions
    - ◆ Investment Strategies and risks
    - ◆ Open topics

Budgeting

→ Where to Budget

What categories do you need to set aside money for?

→ How to Budget

Takeaways.

Activity

SMART BUYING

- Buy smartly → Save money
- Read Advertisements and between the lines of them

Store A
Beans at $1 a pound

Reg.$4
For every lb over one.

Store B
Beans at $2 a pound

Reg. $4

So what are the three things we need to analyze while shopping?

1. How much is needed.
2. The Prices for different package sizes and/or stores.
3. “The fine print” conditions to get advertised prices.

Remember in addition to the prices, there are also often coupons. Coupons can reduce the cost by EIGHTY PERCENT or even more if used smartly.

With a little extra work and planning, we can eat healthier and cheaper.

1. Cooking at home.
2. Dry beans and fresh seasonal vegetables are cheaper and healthier than canned version.

One pound of dry beans produce about 4 cans of canned beans, and if bought wisely, dry beans can be 1/4th price of canned beans.

Activity

Loan Management

Know when the offer sounds too good.

Payday loan is a small loan lent at a **high rate** of interest on the agreement that it will be repaid when the borrower receives their next paycheck.

Look at Interest Rates.

Be aware of “loan sharks”

Micro-financing.

Credit Score

A number based on a person's credit files that represents the creditworthiness of that person, i.e. the likelihood that people will pay back the loan.

USA, generally a number between 350-800.
Higher the number, better is the creditworthiness.

In order to borrow easily and cheaply, it is important to have good credit score.

Borrowing: Credit Cards vs Bank and Student loans

Key Terms

Interest: A charge for borrowing money, most often based on a percentage of the amount owed.
Fixed interest rate: When the interest you are charged on borrowed money remains constant.
Variable interest rate: When the interest you are charged on borrowed money changes based on outside influences.
APR: This stands for annual percentage rate. With credit cards, APR is the amount of interest a cardholder pays in a year in addition to the regular balance. It's important to note that an APR can be fixed or variable.
Credit limit: The maximum amount of money you are allowed to borrow.
Grace period: The time between your purchase and the point when you start having to pay interest on the amount you borrowed.
Minimum payment: Credit cards typically demand you pay a minimum amount of money on what you owe each month. Remember, though, you will be charged interest on the amount of money you don't pay.
Annual fee: Many credit cards, particular those that offer rewards like airline miles, charge an annual fee to use the card. This is important to pay attention to, as the fee can actually be more than any rewards you might be able to use.

Activity

Personal Investment

Higher Education

- 4 year degree colleges vs. vocational training

Starting a Business

- What that entails.
- How to get a loan.

Buying a house/vehicle

- Renting vs buying

Miscellaneous

Credit Unions

What they are.

Investment Strategies

And the risks involved

Borrowing Stories


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