



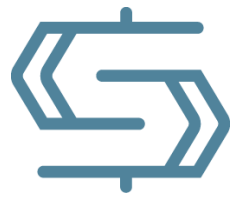
MONEY POTHOLES

Swerving to Miss Life's Financial Hiccups

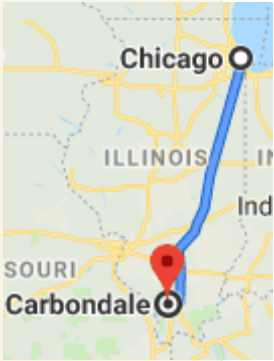


Picture credit - <https://www.insurancejournal.com/magazines/mag-features/2016/03/21/401900.htm>

Presented by: Christina Gilroy, Sr. Academic Advisor, College of Education



A little about me & why I'm presenting on this topic



- New to UNM – this June
- Moved here from **southern IL** (*not Chicago...*but I do love Da Bears!)
- Undergrad: Southern IL Univ. Carbondale – go Salukis!
- Grad: NC State Univ. – I'm part of the Wolfpack again!
- Not new to academic advising – experience in my current College

- Used to work for TRIO Student Support Services Program
 - 2 rural community colleges in IL
- Responsible for Financial Literacy Education
 - Presented this workshop to my students
- Discovered Financial Wellness (in addition to academic advising) is my jam!
 - Getting certified to become an Accredited Financial Counselor®



This is a judgment-free zone!

- Please feel free to share, *if you feel comfortable*
- I've made some of these mistakes before, but I've also learned from my prior financial missteps 😊



Picture credit -
<https://www.someecards.com/usercards/viewcard/MjAxMi05NmEzYzlmN2FjZGY2NDU3/?tagSlug=confession>



After this workshop, you will be able to:

- Recognize some of the most common money traps
- Determine needs vs. wants
- Create a savings plan
- Understand the value of budgeting



Photo credit - <http://www.winsoc.org/money-traps-aware/>



How Much Money is Enough?

- College costs
- Cell phone
- Cable/TV streaming services
- Entertainment
- Clothes
- Food
- Transportation
- Other?





Why Tax Paperwork Matters

- Big refund vs. money in hand
- Tax refund anticipation loans (RAL)





No Such Thing as a Free Check



Photo credit - <https://strategicdc.com/tricks-and-traps-your-chiropractic-emr-company-wont-tell-you-about/>



Pawn Shops are Not Your Friend





Pawn Shop Example

- Your grandmother's wedding ring: \$300
- Pawn shop's offer: \$30
- Pawn shop's fees: \$6 fee + \$0.60 interest = \$6.60
- To get ring back in 30 days: \$36.60
- To extend loan for additional 30 days: either \$6.60 or \$8.05 (22% of \$36.60)
- And on, and on, and on





When You Run Out of Money a Week Before Payday

- Payday Loan Terms:
 - Minimum \$100; Maximum \$500
 - Average loan term: 2 weeks
 - Finance charge: \$15-\$30 to borrow \$100
- Typically 400% annual interest (APR) or more (for a 2-week loan!)





Payday Loan Example

Loans	Amount	Finance Charge/Interest
Loan: February	\$200	\$30
Loan: March	\$100	\$15
Loan: June	\$200	\$60 (2 weeks)
Loan: August	\$100	\$15
Loan: October	\$400	\$60 (2 weeks)
Loan: December	\$400	\$120 (2 weeks)
Total	\$1,400	\$300

**Paying \$300 to get YOUR income early is not a good financial strategy.
Interest rate in this example: 124%**



Cash It Now!

Why use a bank when you can cash your paycheck at a check cashing outlet?

Because it all adds up...

- Weekly paycheck: \$250
- Check-cashing fee: 5% = \$12.50
- Cash in hand: \$237.50
- Annual: \$250 x 50 weeks = \$12,500
- **Fees: \$12.50 x 50 weeks = \$625**





Get Rich Quick? NOT!

- “Refer your friends & make \$\$\$!”
- “*Work from home: Easy & fast cash!*”
- “**Get paid to shop!**”
- “All you need is a laptop & we’ll pay you!”



Photo credit - <https://www.hoax-slayer.net/charles-f-feeney-grant-donation-advance-fee-scam/>



Photo credit - <https://adespresso.com/blog/facebook-ad-placement-improve-conversions/>

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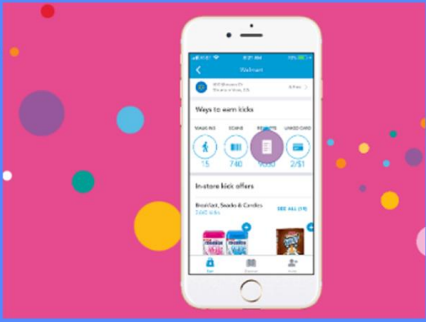
INDEPENDENT  CONSULTANT

TOUCHSTONE CRYSTAL
BY SWAROVSKI



APPS!

What is the Shopkick App?



Have Fun and Get Your Kicks!

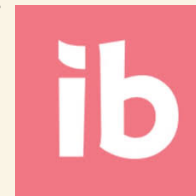
Photo credit -

<https://retiredandearningonline.com/shopkick-app-get-kicks/>



Photo credit -

<https://moneysavingmom.com/how-to-earn-money-with-ibotta/>





Rent to Own? Not So Much

New TV from regular store: \$400



- Weekly rental (65 weeks): $\$15 \times 65 \text{ weeks} = \975
- 5% sales tax: $\$0.75 \times 65 \text{ weeks} = \48.75
- Possible delivery fee: $\$10 \text{ (one-time)} = \10.00

Total cost of rent-to-own TV = \$1,033.75



Nice Car... for a While

Your car's worth: \$5,000

- Loan amount: \$1,000 (pawn shop keeps the car title)
- Interest charged: \$600 (10% per month for 6 months)

Total cost: \$1,600

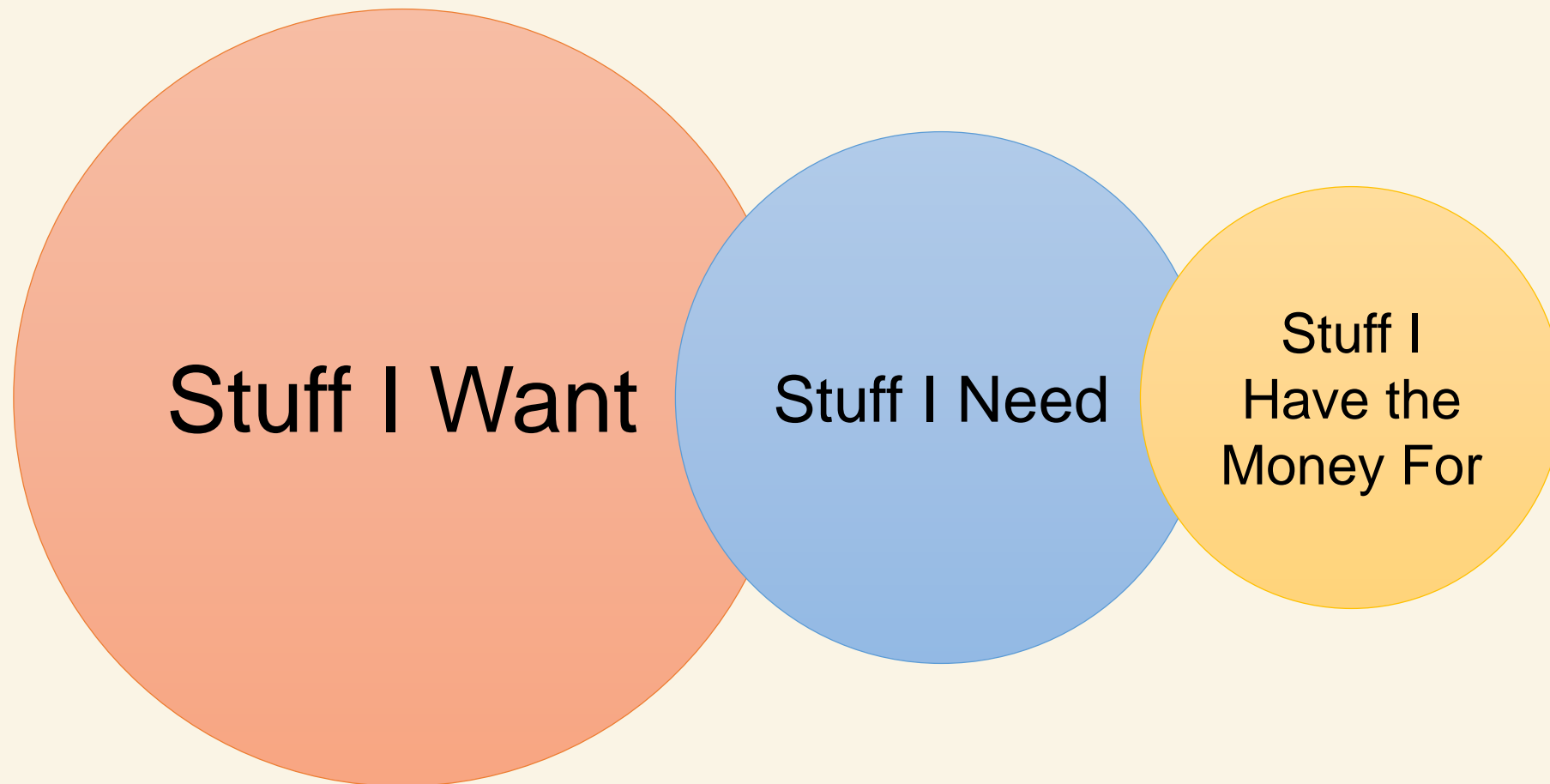
- Additional costs: Storage fees, non-payment/repossession fees, car gone forever?



Fast cash – is it worth it?



Needs vs. Wants





Needs vs. Wants

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NEEDS VS. WANTS WORKSHEET

One way to help you spend wisely is to separate your needs from your wants, and to spend money primarily on your needs. You probably understand that, for example, groceries are a need and dining out is a want. But some nights, after cramming for a test or working late, takeout is sure to feel like a need. Maybe food is a need in that instance, but ordering takeout is a want. List some of your needs in the spaces below. Write down some of your regular expenses and then consider whether they are truly a need or if they are a want.

Item	Cost	Need?	Want?	Alternative if Want



Make a Plan

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SAVINGS GOAL WORKSHEET

List your short-, medium-, and long-term savings goals. Include a target achievement date, total cost, and the amount you'll need to save each month to reach your goal. A short-term goal generally will take 3-6 months, a medium-term goal will take less than 3 years, and a long-term goal will take 3 or more years to achieve. Be sure to include some strategies you will employ to achieve each of your goals.

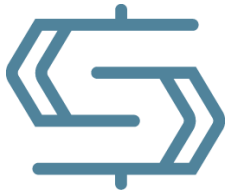
Time Frame	Savings Goal	Target Date	Total Cost	Monthly Savings Needed	Savings Strategies
Short term					
Medium term					
Long term					

3-6 months

6 months-3 years

3+ years

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Track Your Spending

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MONTHLY BUDGET WORKSHEET

Income	Monthly Amount
Scholarships	
Work-study pay	
Loans	
Grants	
Work	
Family support	
Other	
Other	
Total Income:	

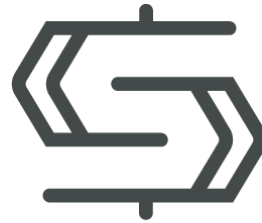
Expenses	Monthly Amount
Housing	
Rent or mortgage	
Utilities (electricity, heat, water)	
Condo/homeowner's association fees	
Property taxes (if not included in mortgage payment)	
Savings Goals	
Emergency fund	
Other saving goals (car, computer, vacation, etc.)	
Retirement	
Insurance	
Health insurance	
Homeowner's or renter's insurance	
Auto insurance	
Life insurance	
Disability insurance	

savings built in

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Budget Electronically



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Create a budget & track your spending online

CashCourse Budget Wizard:

<http://budget.cashcourse.org>



This Website is Available for Free!

Log In

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We teach financial skills that make sense in the real world.

Students

CashCourse is your guide to making informed financial choices. [Register for a free account](#) to find your assignments and other financial tools and start taking charge of your money.

School Administrators

If your school is already enrolled in CashCourse, [log in](#) with the username and password your Administrator provided you, or [click here for more information on how to get started](#).

Other Learners

If you aren't affiliated with a college or university, you can still register for CashCourse. [Create a free account](#) and get access to all of CashCourse's great resources.

Already registered? [Log In here](#).

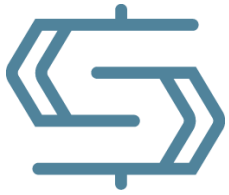
Help

Other Learners



Recap

- Money potholes are easy to fall into if you are unprepared
- It's important to differentiate between needs and wants
- A savings plan is very useful
- Budgeting is the best way to avoid money potholes



Now What?

- Identify your own needs vs. wants
- Set financial goals
- Create a budget: <http://budget.cashcourse.org>
- Avoid money traps and tell your friends what you now know
- Visit www.cashcourse.org for more money info



I'm here to help – for free!

I need experience hours for certification

Whom can I help:

- You
- Someone you know
- A local non-profit

- Session topics can include:
 - Budgeting
 - Understanding Credit
 - Setting Savings Goals
 - Understanding Student Loans
 - Basic Identity Theft Prevention
- Sessions can be 1-on-1 or in a group
 - Or I can help with creating financial wellness curriculum



*Contact me if you're interested at
gilroy.christina@gmail.com*

THANKS FOR ATTENDING THIS WORKSHOP!

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