Budgeting 101
Introduction

What is a Credit Union?

• Banking services for all your banking needs
• Checking accounts, Savings accounts, & more
• Educational programs such as SavvyOne Teen
• Credit Unions are owned by their members
Introduction

How is a CU different than a bank?

**Credit Union**
- Not for profit
- Member-owned institution
- Earnings are paid back to members: Higher savings rates, lower loan rates
- Must be part of Field of Membership

**Bank**
- For profit
- Owned by investors, controlled by stockholders
- Declared earnings paid to stockholders
- Open to the general public

**Both:**
Offer financial services like Checking & Savings Accounts, Credit Cards, Home Loans, Car Loans, Retirement Accounts
What is a budget?

**Budget:**
A plan used to decide the amount of money that can be spent and how it will be spent

Why is it important to have a budget?

Sample Budgeting

One of the best ways to keep yourself from overspending is to write a budget plan that helps you stay within your limit. How much would you spend in each category to make sure your weekly spending doesn’t exceed $300?

**Weekly Income: $300**

**Expenses per week:**

- [ ] Food (groceries and eating out)
- [ ] Transportation (including gas)
- [ ] Clothing
- [ ] Music (CDs, concerts, etc.)
- [ ] Entertainment (movies, travel, fun)
- [ ] School supplies
- [ ] Savings (10% from paycheck)
- [ ] Charity

- [ ] Remainder
Saving/Spending vs. Earning

**Savings:**
The amount of money you have saved over a period of time

**Savings Account:**
An account at a financial institution where you keep the money you’ve saved up

**How & when** can you deposit into your savings account?
Goals For Earning

A good college education is important: What You Need To Know

“What you do” impacts your money!
Be careful not to spend more than you make
What is a Checking Account?

Checking Account:
An account at a financial institution that lets a person deposit & withdraw his/her money

Checking Accounts are NOT always free!
Ways To Use A Checking Account

Debit Card  
Check  
Bill Pay

How many of you are familiar with checks?
Use Your Checking Account On-the-Go

**Mobile Apps** allow you to do your banking anywhere

Transfer funds, deposit checks, pay bills, & check your Balances from your phone!

Now, even pay with your phone using **various types** of mobile payment apps!
How to Balance Your Checking Account:

To “balance” your account means to make sure the money you spent matches what the bank says you spent.

### Sample Balancing Sheet

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>-</th>
<th>+</th>
<th>Amount</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/3/2015</td>
<td>Movies</td>
<td>✓</td>
<td></td>
<td>$10.00</td>
<td>$40.00</td>
</tr>
</tbody>
</table>

What other ways can you track your checking account balances?
Be Savvy! For Now & For Your Future

Know the difference: Needs vs. Wants in College

<table>
<thead>
<tr>
<th>Needs</th>
<th>Wants</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Food &amp; water</td>
<td>• A nice car</td>
</tr>
<tr>
<td>• Textbooks</td>
<td>• Gifts for friends</td>
</tr>
<tr>
<td>• Tuition</td>
<td>• The latest phone or tablet</td>
</tr>
<tr>
<td>• Apartment/Dorm</td>
<td>• Designer jewelry or clothing</td>
</tr>
<tr>
<td>• Transportation costs</td>
<td>• To go out with friends</td>
</tr>
</tbody>
</table>

What are some expenses you think you’ll run into in **college**?
Be Savvy! For Now & For Your Future

Keep your personal information secure.
Beware of identity theft, account fraud, phishing, & skimming

What can you do to protect yourself?
Your Financial Resource:
www.premieronecu.org

SavvyOne teens

Welcome to SavvyOne teens. We’re here to help you have more financial freedom & be financially savvy. Take a peak at resources that can help or click here for a Savvy read.

Debit Card 101
What is a Debit Card?
Find Out!

Tweets & Posts
@PremierOneCU
Connect with your Credit Union on Twitter, Facebook, and Instagram to learn about finances & get free stuff!

Teen package
What’s included:
- Standard checking
- Savings account
- Your very own debit card (with parental approval)!
Follow us on social media!
See More

Checking vs Savings
The difference:
A Savings is your Credit Union membership & the account where you can save money for your future, or something you want. A Checking is your spending account for purchases & deposits. For more SavvyOne tidbits, click here.

What’s Next?
Graduates - take the next step!
Congrats, Graduate! Now that you’re 18, make sure to enter the Credit Zone and learn about credit for now & for your future.
Enter the Credit Zone
Your Future

What to know: Debit vs. Credit

Debit
- Directly connected to your checking account
- Use at stores to take funds immediately from your account
- Use at ATMs to withdraw cash
- Must have enough funds in checking account to cover transaction

Credit
- Not directly connected to checking account. Charges the transaction to your line of credit; adds up how much you owe
- You pay back the balance. Credit company charges you interest on your balance
Your Future

What is a loan?
An amount of money you borrow from a financial institution that is expected to be paid back with interest.

When do you want one?
- Responsible Debt:
  - Student Loans
  - (Affordable) Car Loan
  - Home Loan
Enter the Credit Zone
premieronecu.org/CreditZone
Your resource for everything credit, college, and beyond
What Did You Learn Today?

- Difference between Credit Unions vs. Banks
- How to use your checking account
- Budget: Don’t spend more than you earn!
- Needs vs. Wants – Be smart with purchases!
- Protect yourself from fraud
- Use your resources! www.premieronecu.org
Any Questions?
Thank you for your time!

Contact us with any questions:
Email: mbd@premieronecu.org
www.premieronecu.org