



NUMERICA[®]
FINANCIAL EDUCATION

Starting Off RIGHT

PRESENTED BY:
NUMERICA CREDIT UNION

Starting Off RIGHT

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BUDGETING

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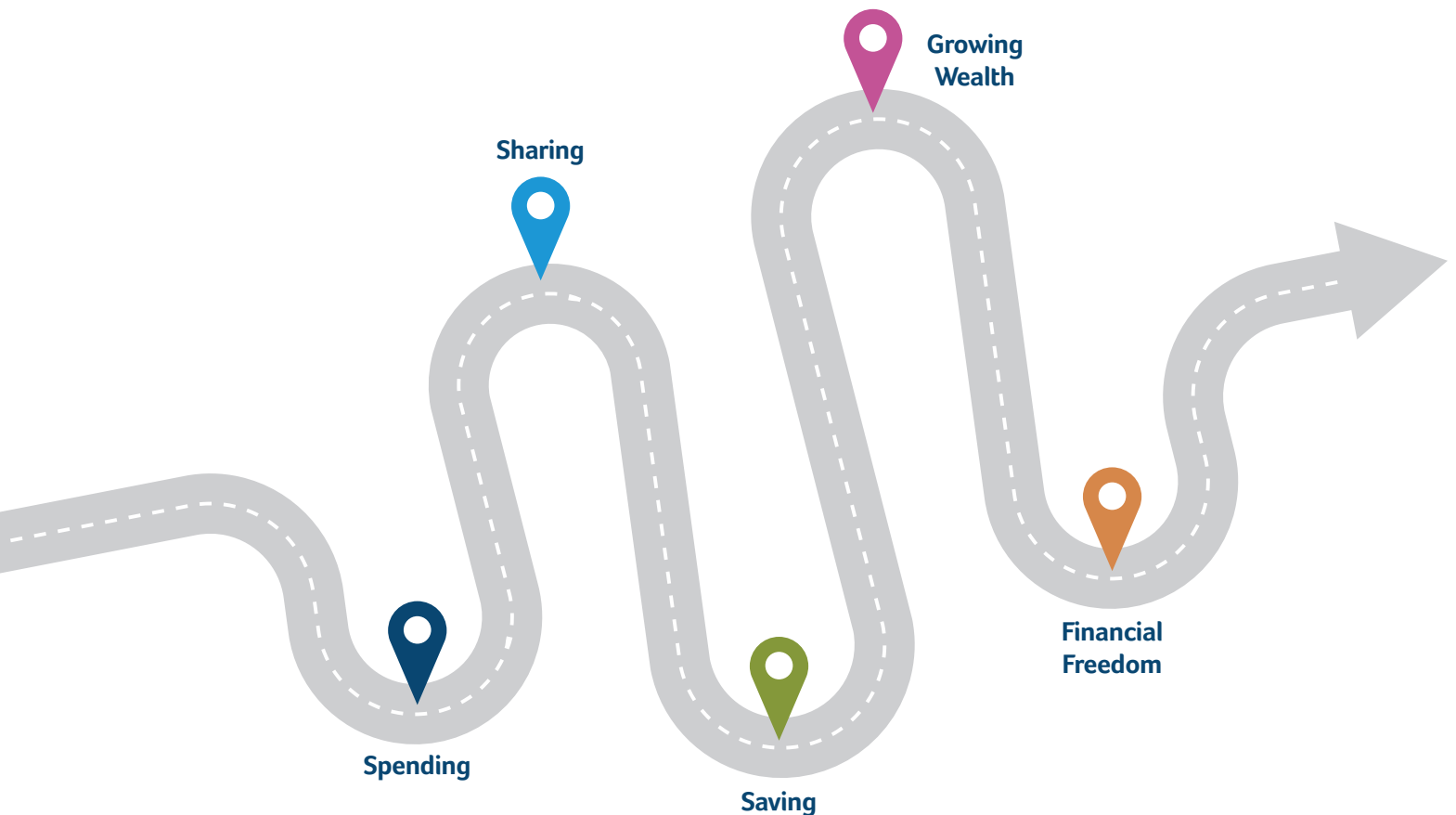
A BUDGET IS A MAP

Your budget is **your road map to success!** When you use a map, it's important to know where you want to go.

The same is true with creating a budget — or spending plan for your money. The budgeting process starts by answering a single question:

What do you want your money to do for you?

With that answer in mind, it's time to draw the map that will help you get there. Creating and sticking to a budget can help you reach your goals, grow wealth, and enjoy financial freedom.



SAVE, SPEND, SHARE

Let's start with the basics. A budget can be divided into three parts: save, spend, and share. At the start of each month, choosing where our money goes gives every dollar a purpose.

SAVE 25%
of your income:
Emergency fund,
savings buckets,
retirement, etc.

SPEND 70%
of your income:
housing, transportation,
food, basic needs, clothing,
entertainment, utilities, etc.

SHARE 5%
of your income:
Nonprofits, community
organizations, etc.



A budget for Jack

Meet Jack. Jack is a junior in high school. He just started his first job and is ready to create his first budget.

Jack makes \$16 an hour and works 15 hours a week, earning about \$1,040 a month before taxes. After paying 12% for taxes, about \$915 a month remains for Jack's budget.

Jack's budget using save, spend, and share	
Monthly income	\$915
Save 25%	\$228
Spend 70%	\$642
Share 5%	\$45

EMERGENCIES AND SAVINGS BUCKETS

Jack knows he needs to save for emergencies, so he is setting aside some of his money before he works on his other savings buckets. But how much?

Emergency fund recommendations

In high school	\$500
In college or trade school	\$1,000
Working full time	3-6 months of your essential expenses

What do you think? What are some emergencies Jack would want to save for?

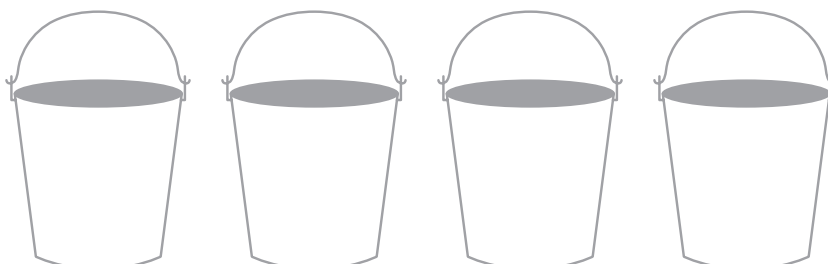
By saving 25% of his monthly income, Jack can build a \$500 emergency fund in a little more than two months. After his emergency fund is completed, he can start setting up his **savings buckets** — money saved for specific goals or needs.

Each month, Jack sets up automatic transfers to move money from his checking account into his “savings buckets.”

Savings bucket	12-month goal	Amount to transfer monthly	Balance after 6 months
Holiday fund	\$300	\$25	\$150
Car maintenance	\$480	\$40	\$240
Gaming console	\$600	\$50	\$300
College fund	\$1,356	\$113	\$678

Notice that by transferring 25% of his income into savings buckets each month (\$228 per month), Jack will have saved **\$1,368** in six months and **\$2,736** in one year. Awesome!

If you were setting up savings buckets for yourself, what would those be?



BREAKING DOWN JACK'S SPENDING

At 70% of his income, most of Jack's budget is made up of money he will spend that month. Breaking down spending into needs vs. wants is a great place to start.

What are some examples of needs and wants that you can think of?

Needs

Wants

_____	_____
_____	_____
_____	_____

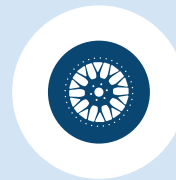
Remember, Jack had \$642 of after-tax income for spending each month. Considering his needs and wants, here is an example of a plan for Jack's spending.

Jack's monthly budget for spending

Car insurance	\$225
Gas	\$150
Clothing	\$75
Food	\$50
Cell phone	\$50
Entertainment	\$47
Video games	\$45
Total spent	\$642

**What do you think of Jack's budget?
What would you spend your money on
if you were in his shoes?**

THE FOUR WALLS



As a junior in high school, Jack might not have to worry about budgeting for his **four walls**, but in the future he will. **The four walls are the essentials in a budget that you spend money on before anything else.**

1. **Housing:** Rent, mortgage, utilities
2. **Food:** Groceries, eating out
3. **Transportation:** Car payment, insurance, maintenance, fuel, public transportation
4. **Clothing:** Work clothes, personal clothes, laundry

MOVING OUT ON YOUR OWN

Jack has graduated from high school and landed a full-time job. He makes \$20 an hour working 40 hours a week. Once he pays taxes on each paycheck (about 12%), it leaves him with about \$3,050 each month to budget.

Jack's budget using save, spend, and share



Monthly income	\$3,050
Save 25%	\$765
Spend 70%	\$2,135
Share 5%	\$150
Save (savings buckets)*	\$765
Car maintenance	\$150
Holidays	\$75
Vacation	\$75
Gaming console	\$90
Clothing	\$75
College/trade School	\$200
IRA/retirement	\$100
Spend	\$2,135
Rent (with roommates, includes utilities)	\$850
Food	\$350
Car insurance	\$225
Gas	\$175
Entertainment	\$150
Cell phone	\$150
Cable/internet/streaming	\$100
Clothing	\$75
Household (laundry, dish soap, toilet paper, paper towels)	\$60
Share**	\$150
Your favorite charity	\$150

Questions to take home with you

- Do we have a budget for our family?
- If so, what does that budget look like?
- How can we use save, spend, and share for our family budget?

*Assumes fully funded emergency fund of 3-6 months of essential expenses. **We would love to see you get to this point but understand that when you are first starting out this might not be a feasible goal.



CREDIT

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WHAT IS CREDIT? (AND WHO CARES?)

When you hear the word “credit,” what do you think of?

Maybe you think of financial terms like **credit card** and **credit score**. Maybe you think of reputation terms like **credibility** or an actor’s name listed in **movie credits**. Maybe you just like the idea of **extra credit**.

All of these concepts point toward something: Credit is something that is earned. And when it comes to your finances, the reputation you earn with your money is reflected by your credit.

If you have good credit, it means you have a good financial reputation. But even if your credit situation is not ideal, there’s good news. You can always rebuild your financial reputation.

Ways good credit is important

- If you need to borrow money to buy a car or a home, you’ll pay less interest.
- Many employers check your credit during the hiring process.
- If you want to open a business and need a loan, it can help you qualify.

From the perspective of a lender, credit is any type of arrangement that allows you to borrow money and pay it back later. When you have good a financial reputation, you simply have more options.

What is something you would like but don’t have money to pay for? How do you suppose your credit — or financial reputation — helps or hurts your ability to get a loan?



THE PROS AND CONS OF CREDIT

Benefits of using credit

Convenience: Credit cards are more secure than cash, and more and more retailers don't accept cash as a form of payment.

Protection: Many credit cards have added security features built right into them, including purchase protection, cell phone insurance, and rental car collision insurance.

Purchasing power: Credit can help you buy a car, home, or education when you don't have the cash on hand. **Rewards and cashback:** When used smartly, you can capitalize on the benefits that are offered by rewards credit cards without paying any interest.

Opportunity: Using credit responsibly is the best way to build your credit score.

Affordability: Life becomes less expensive when you have good credit.

Dangers of using credit

Interest: The amount paid for the convenience of using credit. If credit card balances are not paid in full at the end of each billing cycle, you could be charged interest and/or penalties. Make sure to review the interest rate on a credit card *before* applying. **Overspending:** Because you don't have to have the cash in hand at the moment of purchase, using a credit card can lead to overspending.

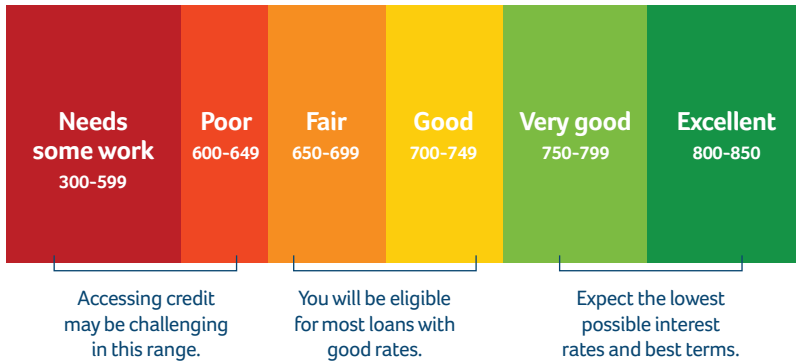
Debt: Taking on debt you can't afford to pay back can lead to stress, a decrease in your credit score, and other financial challenges for your future.

Building good credit

To enjoy the benefits of credit without experiencing the dangers, use these tips to start building credit:

- Make all of your payments on time! Missing a payment can severely hurt your credit score.
- Only open credit accounts you need. (One or two is more than enough.)
- When you turn 18, consider getting a credit card with no annual fee. Use it for regular expenses and pay it off in full each month.

CREDIT SCORE



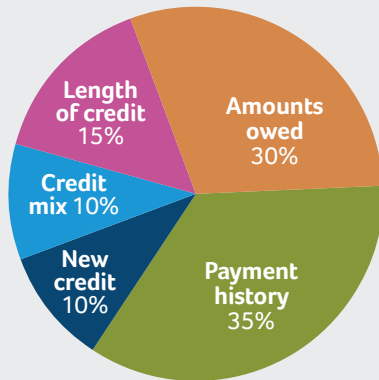
Credit can be a powerful tool but only when you know how to use it well.

You can start building credit when you turn 18 and get your first loan or credit card.

Your income doesn't impact your credit score.

The higher your credit score, the less interest you will pay when you need to borrow money.

You can check your credit report for free at annualcreditreport.com to see how you are doing.




Your credit score is based on five main categories.

FICO® SCORE BREAKDOWN

What do you think are some good reasons to borrow money?

CREDIT SCORE

Payment history – 35%

 Credit Score	Keep your accounts in good standing and your credit score will increase over time.
Payment history	
Amounts owed	
Length of credit	
New credit	
Credit mix	

Your payment history makes up **35% of your credit score**. Focusing on timely, full payments is the most important thing you can do to build your credit.

Paying all of your credit accounts on time will help build your credit. Paying things like your rent and cell phone bill won't help build your credit. But missing payments can hurt your credit, so stay on top of those bills, too.

Missing a credit account payment by **31 days** or more can drop your credit score by as much as **100** points. It can take up to **three years** to regain those points, and the missed payment stays on your credit report for **seven years**.

Negative items on your credit report (late payments, collections, bankruptcy, etc.) will stay on your credit report for at least seven years.


Credit-building tips

- **Pay all of your bills on time.** Any bill can impact your credit score. Paying your credit accounts (auto loan, credit card, etc.) on time will improve your credit score. Failing to pay a bill of any kind can drop your credit score.
- **Keep your bills under control.** Make sure your bills stay manageable so you can afford them when they're due.

Why do you think secured loans like auto loans and mortgages charge a lower interest rate?

CREDIT SCORE

Amounts owed – 30%

 Credit Score	How much you owe on all your credit accounts.
Payment history	The amount you owe on different types of accounts.
Amounts owed	How many credit accounts have balances.
Length of credit	Your credit utilization ratio on revolving accounts.
New credit	How much you owe on your loans compared to the original loan amount.
Credit mix	

Credit card utilization

Example of 50% utilization ratio:

\$10,000 total credit limit on all credit cards
 \$5,000 total balances on all credit cards
 \$5,000 available credit

This factor looks at what you owe vs. what you have available to you and makes up **30% of your overall credit score.**

Having too much debt can be a challenge for your money and your mental health.

If you make sure your credit card balances stay under 30% of your total credit limits, your credit score will be in good shape.

Credit-building tips

- Get a single credit card, charge small purchases, and pay it off each month. This will really help your credit score.
- Not a fan of credit cards? An auto loan, small personal loan, or student loan can help you build your credit.

Why do you think unsecured loans like credit cards and personal loans charge a higher interest rate?

CREDIT SCORE

Length of credit – 15%

📈 Credit Score	<p>This factor looks at the average age of all your credit accounts. The longer you've had them, the better.</p>
Payment history	
Amounts owed	
Length of credit	
New credit	
Credit mix	

New credit – 10%

📈 Credit Score	<p>This factor looks at how much new credit you've applied for.</p>
Payment history	
Amounts owed	
Length of credit	
New credit	
Credit mix	

Credit mix – 10%

📈 Credit Score	<p>Having revolving and installment credit is the ideal mix.</p>
Payment history	
Amounts owed	
Length of credit	
New credit	
Credit mix	

The average age of all your open credit accounts makes up **15% of your overall credit score**. Credit accounts you've handled responsibly can really help you increase your score. Think twice before closing a credit account, especially one that you've had for more than five years.

Your new credit makes up **10% of your credit score**, so only apply for credit when you need it. Don't open new accounts too rapidly, and don't initiate hard credit inquiries too often. A hard inquiry is when a lender pulls your full credit score and report. A soft credit inquiry is used to check on your credit score, but it doesn't cause it to go down. Apps like Credit Karma use soft credit inquiries to give you a credit score for free.

The mix of your credit accounts makes up the final **10% of your credit score**. An ideal credit mix includes having a revolving credit account (credit card), an installment loan (auto or student loan), and a mortgage (home loan).

Credit-building tips

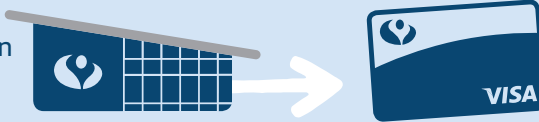
- Open one or two credit accounts and keep them open to increase your length of credit.
- Only apply for new credit when you need it. Hard credit inquiries and new accounts can drop your credit score.
- Mix up your credit a little bit. Having a credit card and a loan will help you increase your credit score.

USING A SECURED VISA TO BUILD CREDIT

Whether you are renting an apartment or financing your new car, your credit score matters. It could be the difference between being approved or not. If you are, it will also play into how much you will pay in interest over the life of a loan.

The good news: It's possible to build a strong credit score without a lot of debt. You just need to show an ability to handle debt responsibly. Once you turn 18, it's important to establish a credit score without taking on a lot of debt. One way to do this is through a Secured credit card. Here's how it works:

Visit your local Numerica Credit Union branch or apply at numericacu.com.



Talk to us about opening a Secured Visa Card. Secured Visa Cards require a deposit, which typically equals your credit limit; often \$250-500. That money will be held in a savings account as collateral until your credit has been established, normally about six months to a year. **You will get this money back once your credit is built.**

As your credit score increases, you may have more options to access additional credit. This will help you when it's time to buy a car, a house, and grow your financial future.



Pick one recurring expense, such as your Netflix subscription, to charge to your card.

Watch your credit score increase as you make your on-time payments. You'll normally see your score increase within six months.



Using your Numerica Mobile App, set up an automatic payment to your credit card to pay off the balance in full each month.

THE TRUE COST OF DEBT

Consider the credit card statement below. This shows **\$4,607.58** in charges for the month. The card has an interest rate of **18.99%**, but it only requires a minimum payment for the month of **\$78.39**.

Sound like a deal? Look closely at the statement. Can you spot how long will it take to pay off this balance if you pay only the minimum monthly payment and don't charge anything else to the card?

Answer: 15 years! And the cost of paying off this \$4,607.58 in debt is \$10,499.

SEPTEMBER 2022		
	1	2 3
4	5	6 7 8 9 10
11	12	13 14 15 16 17
18	19	20 21 22 23 24
25	26	27 28 29 30

New Balance
\$4,607.58

Interest Saving Balance
\$3,921.01

Minimum Payment Due
\$78.39

Payment Due Date
09/02/22

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a late fee of up to \$39.00.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance.

For example:

If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total of...
Only the minimum payment	15 years	\$10,499
\$173	3 years	\$6,212 (Savings = \$4,287)

Account Summary

Account Number: XXXX XXXX XXXX 1234

Previous Balance	\$6,380.18
Previous Credits	-\$9,590.00
Purchases	+\$7,686.40
Cash Advances	\$0.00
Balance Transfers	\$0.00
Fees Charged	\$0.00
Interest Charged	\$0.00

New Balance	\$4,607.58
Opening/Closing Date	08/02/22 - 09/02/22
Credit Access Line	\$24,700
Available Credit	\$20,092
Cash Access Line	\$1,235
Available for Cash	\$1,235
Past Due Amount	\$0.00
Balance over the Credit Access Line	\$0.00

Your best option

Pay off your balance in full each month. If you can't, pay as much as possible. Credit cards tend to have very high interest rates, so do your best to avoid paying interest.

How can you handle your first credit card responsibly?

WHAT DIFFERENCE DOES YOUR CREDIT SCORE MAKE?



Jack is looking to buy a \$15,000 car, but he has had some challenges with his credit.

He has a credit score of 580 and a 10% down payment. Many lenders prefer you to have a down payment when applying for a car loan. 10% is a good number to aim for, but the more you put down, the less you'll have to finance and the lower your monthly loan payment will be.

Here is what his loan could look like:

Car price	\$15,000
Down payment	-\$1,500
Loan amount	\$13,500
Interest rate with a 580 credit score	13.49%
Length of loan	60 months (5 years)
Monthly payment	\$311
Total loan amount	\$13,500
Total interest paid over the life of the loan	+\$5,134
Total cost for Jack's car	\$18,634 + \$1,500 down payment = \$20,134

There are other things Jack would have to pay for when he buys his car, like taxes (depending on where he lives), titling fees, and registration fees. Jack can include those in his loan, but it could increase his regular monthly payment.

What are some ways Jack could make his auto loan more affordable?

What if he were buying a \$15,000 car with a credit score of 730 and 10% down. How would his numbers be different?

Car price	\$15,000
Down payment	-\$1,500
Loan amount	\$13,500
Interest rate with a 730 credit score	3.74%
Length of loan	60 months (5 years)
Monthly payment	\$247
Total loan amount	\$13,500
Total interest paid over the life of the loan	+\$1,320
Total cost for Jack's car	\$14,820 + \$1,500 down payment = \$16,320



BUYING A HOME WITH GOOD CREDIT VS. POOR CREDIT



Jack is older now, and he's ready to buy his first home. He qualifies for a first-time homebuyers' program, and he's saved \$30,000 for a down payment.

Here is what his loan could look like:

Home price	\$300,000
Down payment 10%	-\$30,000
Loan amount	\$270,000
Interest rate with a 640 credit score	7.00%
Length of loan	30 years (360 monthly payments)
Mortgage payment — principal and interest*	\$1,796
Total interest paid	\$376,674
Total cost for Jack's home	\$676,674 (original amount + interest paid)

With a lower credit score, Jack is paying \$220 a month more on his mortgage — that's \$79,441 more in interest over the life of his loan. Your credit score can make a huge difference in how much you pay when you borrow money.

What if Jack was buying that same house but his credit score is 740?

Home price	\$300,000
Down payment 10%	-\$30,000
Loan amount	\$270,000
Interest rate with a 740 credit score	5.75%
Length of loan	30 years (360 monthly payments)
Mortgage payment — principal and interest*	\$1,576
Total interest paid	\$297,233
Total cost for Jack's home	\$597,233 (original amount + interest paid)

*Does not include mortgage insurance, taxes, property insurance, etc.

Why do you think lenders charge higher interest rates when you have a lower credit score?



CREDIT CARDS

Annual fee: An extra fee you pay each year for some credit cards. For your first credit card, choose one without an annual fee.

Balance transfer fee: The fee you pay when you move a balance from one credit card to another.

Cash advance fee: A fee charged when you take out cash on your credit card. It is normally very expensive, so avoid this.

Credit limit: The amount of money you can borrow at any one time. If you go over that limit, you may be charged a fee and your transaction may be declined.

Interest rate: The amount you are charged when you borrow money, expressed as a percentage.

Retail card: A credit card for a specific store (Best Buy, Home Depot, etc.) that typically carries a very high interest rate.

Secured card: A credit card secured by a cash deposit. The deposit amount will equal your credit limit on that card. This type of card is a great option for building or rebuilding your credit.

COMMON TYPES OF LOANS

Auto loan: A loan to buy a car, truck, or SUV. Auto loans tend to have a low interest rate since they are secured by the vehicle you buy.

Mortgage: A loan to buy a home. Normally 30 years in length, mortgages have a lower interest rate because they are secured by the home you buy.

Payday loan: This short-term, predatory loan could have an interest rate as high as 400%. Stay away from payday loans! This “cash advance” loan is so named because it’s typically meant to be repaid with the borrower’s next paycheck.

Personal loan: A loan used for personal expenses like large purchases or debt consolidation. These loans often have high interest rates since they aren’t secured.

Student loan: A loan to help pay for college, trade school, or a vocational program. These loans come in federal and private options. Federal student loans tend to have a lower interest rate than private student loans.

Credit unions and banks offer similar products (accounts, loans, etc.), but their structure is very different. A credit union is owned by its members; a bank is owned by the people who own stock in that bank. This means the money a credit unions earns is given back to its members and the communities it serves. This is often accomplished by charging lower interest rates on loans, paying higher interest rates on savings accounts, and charging fewer fees. Awesome!

Credit unions also work with people who have challenges with their credit and may not be able to get a loan, mortgage, or credit card at a bank.

How to apply to become a Numerica member


What do you need to open a Numerica account?

- Social Security number or ITIN
- Valid government-issued photo ID
- Date of birth
- Physical address
- Money to deposit into your new account
- Employer information
- Email address
- For minors, an adult to be a joint account owner

To be a Numerica Credit Union member, you must live, work, or worship in our member service area or be related by blood or marriage to, or reside with, a person eligible for membership.

Closing question

What have you learned today about credit that you'll remember for the future?



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IDENTITY THEFT

What you need to know

Identity theft happens when someone steals your personal information, such as Social Security number, date of birth, driver's license number, or any other personally identifying information. Your information is then used to commit fraud in your name. This serious crime can destroy your finances, credit history, and reputation — not to mention the large amount of time and effort it takes to resolve any issue.

According to the Identity Theft Assistance Center, 1 in 40 (2.5%) households in the U.S. have a child under 18 who have had personal information compromised by identity theft criminals. Unfortunately, much of the identity theft targeting children doesn't get discovered until after they are 18. Child identity theft is often committed by family members or friends. This is referred to as "friendly fraud" and accounts for 27% of the cases.

How does identity theft happen?

Low-tech methods

- Dumpster diving
- Stolen mail
- Stolen purse or wallet
- Shoulder surfing
- Fraudster bribes waiter or waitress for credit card numbers
- Open house theft (when buying or selling a home)

High-tech methods

- Merchant/credit bureau data breaches
- Telephone or text scams
- Email phishing scams
- Skimmers on gas pumps or ATMs to steal card information
- Unpaid or unresolved ransomware attacks
- Unsafe internet transactions

PREVENTING IDENTITY THEFT

Make protecting your identity part of your everyday routine

- Read your statements carefully each month and look for errors or things that seem suspicious. Report issues immediately to **reportfraud.ftc.gov**.
- Know when your payments are due. If a bill doesn't show up when you expect it, look into it.
- Read the statements from your health insurance plan. Make sure the claims paid match the care you received.
- Shred any documents with personal and financial information.
- Review each of your three credit reports at least once a year. Visit **annualcreditreport.com** to get your free reports.
- If asked for information, question how it will be used. Find out if there is some way to identify you other than date of birth and Social Security number. Verify how the requester protects information once it is provided to them, including how they discard documents.
- If you create online accounts, don't include your birthdate on the forms, if possible. Read the privacy policies of any site that will have access to your information. If it's too invasive, don't allow access.
- Don't carry Social Security cards with you. Keep them locked away in a cabinet at home. While you're at it, put the birth certificates in that locked file as well.

Warning signs that someone could have stolen your identity

- You see withdrawals from your bank account you can't explain.
- You don't get your bills or other mail.
- Merchants refuse your checks.
- Debt collectors call you about debts that aren't yours.
- You find unfamiliar accounts or charges on your credit report.
- The IRS notifies you that more than one tax return was filed in your name or that you have income from an employer you don't work for.
- You receive notice that your information was compromised by a data breach at a company where you do business or have an account.

If someone steals your identity

- Create an identity theft report at **identitytheft.gov** or by calling 877.438.4338.
- Get free copies of your credit reports at **annualcreditreport.com**.
- Place a freeze on your credit reports with Experian, Equifax, and TransUnion.
- Monitor your credit report for free with apps like Credit Karma, Credit Sesame, or Experian Credit Report.
- Gather copies of all documents relating to the identity theft.

WATCH OUT FOR THESE ONLINE SCAMS

Phishing

Phishing is where a scammer send you an email or social media DM posing as someone you know. It could be a business you've shopped at or your bank or credit union. The purpose of the message is to fool you into clicking on a malicious link in that email.

How to spot it

Look for inconsistencies in email messages, such as poor spelling, grammar, unusual sending email addresses, or links that don't lead to the place they should.

How to stop it

Only open or respond to messages from people you actually know. If you aren't sure about a message, delete it or report it as spam. If your bank or credit union is listed, call them directly to ask about the email you received.

Make money fast

Make money fast scams offer you the chance to get rich quick, making a bunch of money quickly without any risk. Scammers will often reach out via social media or payment apps like Venmo, PayPal, or Cash App. Remember, if something feels too good to be true, it probably is!

How to spot it

Making money takes time. When someone promises you easy money, you should be very skeptical. Also watch out for anyone who promises to send you money if you send them money back. That's a huge red flag.

How to stop it

Block email messages, social media DMs, and payment app messages for people you do not know. Remember there is no such thing as free money, so be suspicious of anyone who claims to be able to offer it to you.

Give us money

This scam can take on a bunch of forms — fake scholarships for education, phony modeling or acting gigs, and bogus training or employment opportunities are common examples. The scam is to convince you to send some form of payment before you get your scholarship, job, or training.

How to spot it

Whenever someone asks you to send money in order to get more money back, watch out! If someone is offering you a job, you don't have to pay them first before you get paid. Legitimate scholarships are free and never require payment to access them.

How to stop it

Block anyone who offers these opportunities to you. They aren't worth your time.

Social engineering

Social engineering is where a scammer takes on the persona of someone you may know, such as a friend, neighbor, or family member. It's an attempt to gain your trust and get you to hand over information, send money, or click on a malicious link.

How to spot it

The person reaching out to you will often claim it is an emergency and that they need your help or money urgently. If you suspect that the person is posing as someone you know, call the person directly at a number you know to confirm you are communicating with them.

How to stop it

Never hand over personal identifying information to anyone who reaches out to you online. This includes your Social Security number, address, and date of birth. Block the person on your phone and social media, and report the emails as spam.

Rental scams

This scam involves a fake listing for an apartment or room to rent on Craigslist or Facebook Marketplace. The person offering the apartment will try to get you to pay your first month's rent, security deposit, and other costs without you seeing the apartment or room. People moving to a new city — especially from a long distance — are especially susceptible.

How to spot it

The person offering the apartment will avoid wanting to meet you in person, push you to move in immediately, ask you to pay for rent before signing a lease, and waive a tenant screening process. They will emphasize speed, other interest in the apartment, and that they are the most affordable option you'll find.

How to stop it

Insist on meeting the landlord in person at the apartment offered for rent. If you receive pushback on this, finding a different place to live will be your best bet.

Tech support scams

Tech support scammers want you to believe you have a serious problem with your computer, such as a virus. They want you to pay for tech support services you don't need to fix a problem that doesn't exist. They often ask you to use payment methods that are hard to reverse — such as a payment app, wiring money, or putting it on a gift card, prepaid card, or cash reload card.

How to spot it

These scammers often call or email you. Keep in mind legitimate tech companies will not call you about issues pertaining to your PC. If someone reaches out via email, look for spelling errors, unusual sending email addresses, or links that don't lead to legitimate websites. Never click on those links!

How to stop it

Hang up the phone, report the emails as spam, and never send money to someone who claims to be able to remove a virus from your computer.

What are some scams you've heard of? How can you protect your information while online?

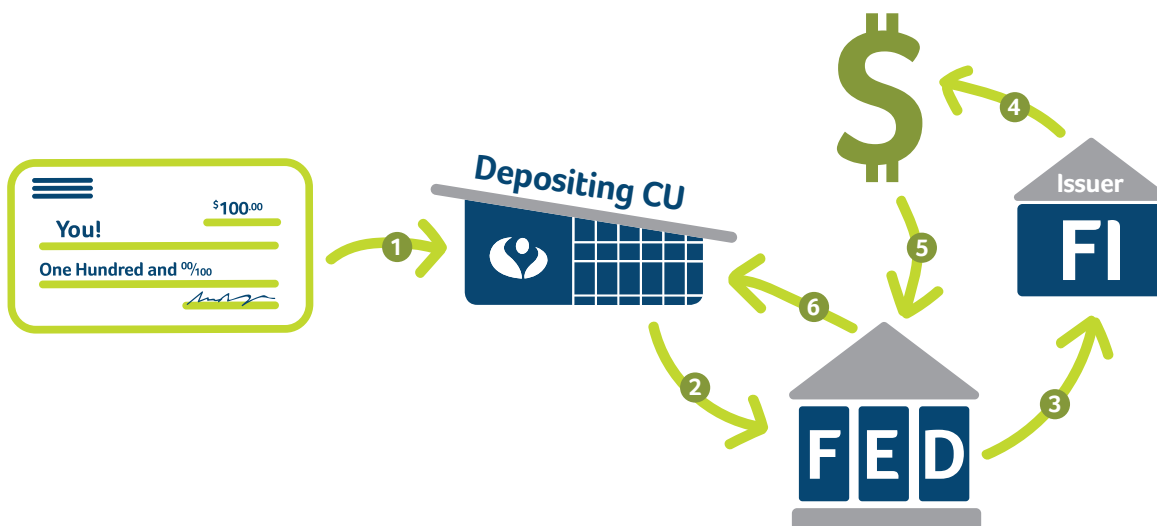
THE LIFE CYCLE OF A CHECK

Make protecting your identity part of your everyday routine

Once you deposit your check ①, the funds may appear in your account. However, funds may have a hold on a portion or all of the deposit amount. This hold protects you from using funds that are not really there. Typically, it lasts from two to seven days.

The check then goes to the Federal Reserve ②. They send it to the other person's financial institution to see if they have the funds in their account ③. If they do have the funds the other institution will then pull the money out of that account, and the check clears ④. If there are not funds in the account they say, "Nope! No good," and return the check back to the Federal Reserve ⑤.

If the Federal Reserve returns the "bounced" check to Numerica ⑥, those funds you thought you had will no longer be there, and you may be liable for a returned check fee. This process typically takes two days to two weeks.



Signs of check fraud

If you can say "yes" to any of the following questions, there is a heightened likelihood of fraudulent activity.

- Is the check for an item you sold online?
- Is the check for more than the selling price?
- Was the check sent overnight?
- Have you been informed of winning a lottery you don't remember entering?
- Have you been asked to wire, ship, or send money to a large U.S. city or outside the country?
- Have you been asked to pay money to receive a larger deposit from another country?
- Are you receiving pay or commission for facilitating a money transfer?

Concerned about fraud?

Numerica is always looking for ways to help reduce stress and help you live well. If you have questions or concerns about being a target for fraud, call 800.433.1837.

DIGITAL PAYMENT OPTIONS

There are a variety of ways to send money from person to person. Here are some of the most popular options and what should you know about how each platform works.

Venmo

Owned by PayPal, Venmo allows you to send money to over 50 million people in the United States. Money can be sent quickly from a linked account at a bank or credit union.

Venmo tips

- Never store large amounts of money in Venmo, and immediately transfer funds received to your linked bank or credit union accounts.
- Only use Venmo to exchange funds with familiar people. Don't send money to people you don't know!
- You cannot cancel payments to other Venmo accounts. Any money you send will be gone. Venmo will not reverse it.
- Never share your login information. Doing so will allow them to pull money from your linked accounts.
- Change your settings to private to hide your transaction history. Otherwise, strangers will be able to view your transactions and could pose as people you've previously paid.

PayPal

PayPal is used by 392 million people to send money internationally to more than 200 countries and 25 currencies. Money can be sent from a linked bank or credit union account instantly.

PayPal tips

- Only use PayPal to exchange funds with familiar people. Don't send money to people you don't know!
- You often cannot cancel payments to other PayPal accounts. Any money you send is likely gone. Only an unclaimed PayPal payment can be reversed.
- Never share your PayPal login information with anyone. Doing so will allow them to pull money from your PayPal account and your linked bank or credit union accounts.
- Be cautious about sending money internationally. There will be a fee, and the payment cannot be cancelled.

Cash App

Similar to Venmo, Cash App can be utilized to instantly send money to its 30 million users. It also allows users to buy Bitcoin, a cryptocurrency.

Cash App tips

- Never store large amounts of money in Cash App, and immediately transfer funds received to your linked bank or credit union accounts.
- Only use Cash App to exchange funds with familiar people. Don't send money to people you don't know!
- You cannot cancel payments to other Cash App accounts. Any money you send will be gone. Cash App will not reverse it.
- Never share your login information

Wire transfer

A wire transfer is an established way to send money from your account to the checking or savings account for another person or business. Wire transfers are initiated with your bank or credit union and are most commonly used for real estate transactions, such as buying or selling a home.

Wire transfer tips

- Sending money via wire transfer almost always costs a fee, sometimes for both the sender and the recipient.
- Wire transfers can take anywhere from 24 hours to five business days, depending on where you are sending funds.
- Money sent via wire transfer cannot be recovered. It is a very popular option for scammers for this reason.
- Use only for specific transactions, such as buying or selling real estate.
- You will need the recipient's name, address, exact account, and routing number for any wire transfer you send.

AVOID FRAUD WITH THESE QUESTIONS

Most fraud can be avoided by pausing before sending money or information to whoever is asking for it. Before you send money or personal information to anyone, ask yourself a few key questions:

- Do I know this person?
- How do I know they are who they say they are?
- Why do they need my money, Social Security number, address, or whatever they've asked me for?
- What are the potential consequences of me sharing this information with them?
- Am I being pressured to send this to them?
- Is the person in a hurry? If yes, why the sense of urgency?
- Does this feel off to me in any way?

Your personal information and your hard-earned money are two of your most precious resources. Protect them and set yourself up for future financial success!

How can I protect my personal information while browsing and shopping online?

Why should I be cautious about what I post online on my social media platforms?

How can I safely use payment apps?

PAYING FOR COLLEGE

PRESENTED BY:
NUMERICA CREDIT UNION

PAYING FOR COLLEGE OR TRADE SCHOOL

You worked hard, got good grades, and now you're preparing for your next big adventure. Whether you're considering a four-year university, a community college, or a vocational/ trade school, it's essential to evaluate all of your academic options and how they can impact your financial future.

What educational options are you considering after you graduate?

Start with your FAFSA

To access financial aid, you want to fill out your Free Application for Federal Student Aid, also known as the FAFSA. Available at studentaid.gov, you can complete the FAFSA as early as Oct. 1 of your senior year of high school. The FAFSA requests financial information from the "prior-prior" year. For example, if you are applying for financial aid for the fall of 2024, the FAFSA will use your information from 2022. The earlier you fill it out, the better!

The FAFSA determines your Student Aid Index, or SAI. Colleges and trade schools use SAI to determine financial aid eligibility and amounts. The lower your SAI, the more need-based financial aid you may receive. This can come in the form of Federal Pell Grants, federal subsidized and unsubsidized loans, work study, and state-specific college grant programs.

Before we look at loans...

Your FAFSA will determine what loans you have access to. Only access loans you need to pay for your education. While surplus loan funds may be dispersed to you directly for other expenses (books, rent, etc.), **remember that whatever you spend you have to pay back.**



STUDENT GRANTS AND LOANS

Federal SEOG Grant

- Federal grant for undergraduate students with exceptional financial need

Federal Pell Grant

- Federal grant for undergraduate students with financial need
- Does not need to be repaid — though if you leave school or fail a class you may have to!

Direct Subsidized Loan

- Federal loan based on financial need
- Must be paid back, regardless of graduation status
- No interest charged to student while in school
- Six-month grace period after leaving school before interest starts to accrue and payments are due
- Standard 10-year repayment term.

Direct Unsubsidized Loan

- Federal loan based on financial need
- Must be paid back, regardless of graduation status
- Interest accrues while student is in school and continues through life of loan
- Standard 10-year repayment term

Direct PLUS Loan

- Federal loans offered to eligible parents and graduate or professional students
- Loan a parent can take out to help child pay for college is commonly referred to as a parent PLUS loan
- Tend to carry higher interest rates than other federal loans
- Standard 10-year repayment term

Private student loan

- Loan offered by a lender, such as a bank, credit union, state agency, or school
- Higher interest rate is common
- Typically begins accruing interest as soon as the loan is dispersed
- Not forgivable through any government program

STUDENT LOAN STATS

- Student loan debt in the United States totals \$1.75 trillion
- 43 million student borrowers have an average debt of \$35,453
- 2.4 million borrowers owe an average of \$54,921 each in private loans
- The average college student borrows \$38,000 to earn a bachelor's degree
- The average monthly student loan payment is \$460, and the average borrower takes 20 years to pay off student loans
- The average trade school program costs \$33,000, compared to about \$90,000 to attend an in-state public college and live on campus all four years

Sources: 1. nerdwallet.com/article/loans/student-loans/student-loan-debt
2. bestcolleges.com/trades/the-value-of-trade-schools

DID YOU KNOW?

- Student loan repayment typically begins 6-12 months after you leave or complete school.
- Federal student loans are one of the only loans not forgiven in bankruptcy.

OTHER FUNDING SOURCES

Scholarships

Scholarships are a great way to help you pay for college! **Each year, over \$7 billion in scholarships are awarded to students.** Don't miss out on your share. There are several places to search for scholarships:

- Numerica scholarships (yep, your local credit union has a variety of scholarships available)
- University scholarships (from academic and athletic to volunteer and work-based)
- Community scholarships (check with your local Rotary and Kiwanis clubs)
- Local business scholarships
- Free websites (finaid.org, ed.gov, and fastweb.com)

A key to accessing scholarships — especially scholarships at your preferred school — is to fill out your FAFSA early and apply for early admission. Some scholarships are awarded on a priority admission deadline, so don't miss out by waiting.

Work more, pay less

Get a part-time job to help with your expenses. The more you work and save, the less you'll have to borrow in student loans. The more you can save before starting college, the less student debt you'll wind up with. (Your future, graduated self will thank you!)

While you're in school, look into work opportunities on or off campus. Work study allows you to work on campus to help pay your tuition bill but may have financial need requirements, depending on the school. An off-campus job may pay better and could lead to some hands-on experience for your career. Who knows — you could find a job where your **employer offers tuition assistance**.

You can also apply to be a resident assistant, or RA, after your freshman year at college or university. RAs often get their room and board paid for by serving as an on-campus resource for fellow students. It is a tough job but can save you thousands of dollars per year.

Start saving now

Open a 529 college savings plan, a state-sponsored investment plan that can help you save money for education expenses. These plans can be opened by parents, grandparents, aunts, uncles — anyone who wants to contribute to your education. The money saved in them can be used to pay for tuition, on-campus room and board, and student fees at any college, university, trade, or vocational school that offers federal student aid.

HOW MUCH WILL YOUR SCHOOL COST?

Net price calculator

Most colleges, universities, and trade schools offer a net price calculator to help you estimate your total cost of attendance, including tuition, room and board, books, and other fees.

Simply search for “net price calculator” on your chosen school’s website to see what your total cost of attendance could be and what financial aid could be available to you.

Sample financial aid award letter

Financial Aid		\$39,945		
GRANTS AND SCHOLARSHIPS				
	Fall	Spring	Total	
Faculty Scholarship	\$15,500	\$15,500	\$31,000	
Federal Pell Grant	\$1,323	\$1,322	\$2,645	
Federal Supplemental Education Opportunity Grants (FSEOG)	\$400	\$400	\$800	
LOANS				
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500	
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000	

Estimated Cost of Attendance		\$46,826		
DIRECT BILLABLE COSTS				
	Fall	Spring	Total	
Tuition	\$15,585	\$15,585	\$31,170	
Fees	\$180	\$180	\$360	
Room/Housing	\$4,010	\$4,010	\$8,020	
Meals/Meal Plan	\$2,688	\$2,688	\$5,376	
INDIRECT COSTS				
Book/Supplies	\$550	\$550	\$1,100	
Transportation	\$225	\$225	\$450	
Other Educational Costs	\$175	\$175	\$350	

Total Estimated Balance		\$6,881		
ESTIMATED MONTHLY PAYMENT OPTIONS				
\$689		\$573		
10 payments per year		12 payments per year		

ACCEPTING YOUR FINANCIAL AID AWARD

Log into our website and accept, decline or partially accept your financial aid award.

WORK STUDY		Fall	Spring	Total
Federal Work Study		\$1,250	\$1,250	\$2,500

PAYMENT PLAN

We offer 10 and 12 month payment plans. Payment plans are calculated by semester and subject to change. You need to sign up for a payment plan each semester.

If you have any questions or concerns related to this award letter, please contact the financial aid office.

Financial aid

All of the aid your college has offered you, including scholarships, grants, and direct loans.

Estimated cost of attendance

Total cost for a school year, combining direct costs (like tuition and your meal plan) and estimated indirect costs (like books and transportation).

Total estimated balance

This is the remaining amount you’d have to pay each year — your estimated cost of attendance minus your financial aid. You have several options for how to pay this, including a monthly payment plan.

Resources to pay your balance

This section gives you the opportunity to accept your financial aid award letter. Remember, you can decline any of the loans you are offered if you have another option to pay your bill.

Once you receive your award letter

Review your letter in full. Then, call your financial aid office and ask them to walk you through the letter. Ask questions like:

- How much debt would I graduate with based on the financial aid I’ve been offered?
- What would a monthly loan payment look like for me when I graduate?
- Is there anything else you can offer to help make this more affordable for me?

Some schools are willing to negotiate for financial aid for students. It never hurts to ask!

CHOOSING A SCHOOL



Meet Jill. She just graduated high school and is going to college to get her bachelor's degree in nursing. She is considering three different education options to get her degree.

In all three scenarios, Jill will be working part time to help pay for her college classes so she can minimize her student loan debt.

Scenario 1

Jill attends her local community college for two years while living at home. She will then transfer to her in-state, four-year university and live at home while pursuing her bachelor's degree.

Cost breakdown

Two years at community college, two years at state university (living at home)			
Expense	Cost	Paid out of pocket	Paid with student loans
Community college tuition and fees (two years)	\$4,750 per year	\$4,750 per year	\$0
Books and supplies	\$1,000 per year	\$1,000 per year	\$0
Room and board	Free — lives at home	\$0	\$0
Total cost of attendance first two years	\$11,500	\$11,500	\$0
In-state university tuition and fees (two years)	\$12,400 per year	\$6,000 per year	\$6,400 per year
Books and supplies	\$2,000 per year	\$0	\$2,000 per year
Room and board	Free — lives at home	\$0	\$0
Total cost of attendance last two years	\$28,800	\$12,000	\$16,800
Total cost of attendance	\$40,300	\$23,500	Total debt accrued \$16,800*

*Total debt accrued is an estimate, as it does not account for daily interest that might be accruing over the length of the loan.

If Jill does not receive any grants or scholarships but works and saves \$500 a month for tuition, her total debt accrued in scenario 1 is **\$16,800**.

Upon graduation, Jill will have a monthly payment of approximately:

- **10-year loan:** \$178 a month at 5% interest, paying a total of \$21,383 (\$4,583 in interest)
- **20-year loan:** \$111 a month at 5% interest, paying a total of \$26,909 (\$9,809 in interest)

What are some things Jill could do to bring her total amount of student loans down?

CHOOSING A SCHOOL

Scenario 2

Jill attends her local in-state, four-year university and lives on campus all four years. She receives a \$5,000 university scholarship toward her tuition each year.

Cost breakdown

Four years at in-state university			
Expense	Cost	Paid out of pocket	Paid with student loans
In-state university tuition and fees (four years)	\$12,400 - \$5,000 scholarship = \$7,400 per year	\$6,000 per year	\$1,400 per year
Books and supplies	\$2,000 per year	\$0	\$2,000 per year
Room and board	\$12,600 per year	\$0	\$12,600 per year
Total	\$22,000 per year	\$6,000 per year	\$16,000 per year
Total cost of attendance	\$88,000	\$24,000	Total debt accrued \$64,000*

*Total debt accrued is an estimate, as it does not account for daily interest that might be accruing over the length of the loan.

If Jill works while she's a student and saves \$500 a month for tuition in addition to her \$5,000 annual scholarship, her total debt accrued in scenario 2 is **\$64,000**.

Upon graduation, Jill will have a monthly payment of approximately:

- **10-year loan:** \$679 a month at 5% interest, paying a total of \$81,458 (\$17,458 in interest)
- **20-year loan:** \$422 a month at 5% interest, paying a total of \$101,369 (\$37,369 in interest)

CHOOSING A SCHOOL

Scenario 3

Jill attends an out-of-state public university and pays out-of-state tuition, which is much more expensive. She lives on campus all four years and receives an annual \$5,000 university scholarship toward her tuition.

Cost breakdown

Four years at out-of-state university			
Expense	Cost	Paid out of pocket	Paid with student loans
Out-of-state university tuition and fees (four years)	\$27,800 - \$5,000 scholarship = \$22,800 per year	\$6,000 per year	\$16,800 per year
Books and supplies	\$2,000 per year	\$0	\$2,000 per year
Room and board	\$12,600 per year	\$0	\$12,600 per year
Total	\$37,400 per year	\$6,000 per year	\$31,400 per year
Total cost of attendance	\$149,600	\$24,000	Total debt accrued \$125,600*

*Total debt accrued is an estimate, as it does not account for daily interest that might be accruing over the length of the loan.

If Jill works while she's a student and saves \$500 a month for tuition in addition to her \$5,000 annual scholarship, her total debt accrued in scenario 3 is **\$125,600**.

Upon graduation, Jill will have a monthly payment of approximately:

- **10-year loan:** \$1,322 a month at 5% interest, paying a total of \$155,862 (\$34,262 in interest)
- **20-year loan:** \$829 a month at 5% interest, paying a total of \$198,937 (\$73,337 in interest)



SCHOOL DEBT IMPACTS FUTURE YOU

The overall cost of attending college can add up quickly — especially when considering out-of-state options. It's important to consider the impact your monthly student loan payment will have on you as you graduate and begin your career.

A general rule to follow is that your total student loan debt when you graduate should be less than your first-year salary in your chosen career field. For example, if you want to become a nurse and your starting salary when you get your first full-time nursing position will be \$75,000, your total student loan debt would ideally be \$75,000 or less. That keeps your debt manageable and your life affordable.

Large loans mean large loan payments, and these payments could mean you will have to sacrifice in other areas. A manageable monthly payment or no payment in your future budget means financial freedom down the road to do the things you really want to do. Buy a house, a car, or retire early? We promise, future you will thank you!

Bottom line, **living within a budget is the key to keeping student loans to a minimum** before and during college. It's also the most important tool to help you pay down student loan debt afterward.

Think back to your answer on the first page of this section about educational opportunities you are considering after high school. How can you prepare now to pay for that education?

When should you solidify your future plans?

Are there alternatives to going to a college or university that might be a good fit for you (trade school, vocational program, military service, etc.)?

Questions? Want to continue your financial education journey?

Contact the Numerica Financial Education team at FinancialEd@numericacu.com or check out website articles and resources at numericacu.com.

Starting Off RIGHT

We partner with GreenPath Financial Wellness to offer free financial counseling and education resources. Their certified financial counselors provide individual advice to help you set up a budget, build credit, and more. They also offer interactive online courses on a variety of financial topics. Connect with a GreenPath counselor by calling 855-400-3710, or check out their online financial education tools by visiting greenpath.com/partner/numerica.





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