

Financial Empowerment Curriculum

Moving Ahead Through Financial Management



Module Two:

Learning Financial Fundamentals

Income and Assets
Debt and Liabilities



MODULE TWO: Learning Financial Fundamentals

This module outlines the fundamental financial information you'll need if you have recently left, or decide to leave, an abusive partner. It will help you review your income, debt, budgeting and other finance options.

Please note that the information in this curriculum is intended to be general advice for individuals involved in an abusive relationship. However, not everyone's situation is the same. So, if you need specific advice regarding your particular situation, you should contact a domestic violence advocate, financial adviser or attorney.

The objectives of this module are:

- Explain the basic concepts related to finance management.
- Evaluate possible financial resources and assistance.
- Review budgeting basics and saving strategies.
- Identify sources of income and uncover your assets.
- Recall how to manage your debt and determine your liabilities.
- Explain the various banking options available to you.



Key topics covered in this module include:

- Finance Management
- Budgeting and Saving
- Assets and Liabilities
- Banking Options



National Domestic Violence Hotline: 1-800-799-SAFE (7233)



Story of Survival

Deanna lived with her abusive boyfriend, Martin, for two years. She has no family to call for help and Martin does not allow her to have a job, friends or money. She plans to leave him.

The last time she left, she ate at a soup kitchen three nights a week. The women running the program gave her clothing and let her use the bathroom in the staff office to freshen up. Although they offered to help her find additional resources, Deanna refused. She was ashamed. They also encouraged Deanna to get her GED, but she was afraid to start something she might fail.

So she lived in her car and worked for a day-labor program, earning enough money to buy gas, food and personal items from time to time.

This time she wants to find a job that's stable and pays better. Before she met Martin, Deanna dreamed of opening her own childcare center, but that dream seems out of reach now.

Deanna's story is one of many domestic violence survivors. However, remember, there is hope and there are people, programs and organizations willing and ready to help Deanna.

Deanna gained financial independence by securing a part-time job at a daycare that also had a tuition reimbursement program that paid for her schooling. She not only got her GED but also attended a community college and received an Associate's Degree in Early Childhood Education. She has since pursued her dream and has opened her own childcare center. Although this took over five years to accomplish, she could not be more proud, happy or secure. Deanna gained independence by working hard, staying focused, and never giving up despite the challenges that continued to cross her path.

The Allstate Foundation's Financial Empowerment Curriculum, along with support partners like the National Network to End Domestic Violence (NNEDV) will help you do just that: gain personal and financial independence.

Finance Management

If you are like most people, you have a limited amount of money to buy what you need and want, so you must make careful decisions about how to use your money most effectively. Limited money could mean \$25 a week for one survivor, but \$500 to another as everyone's situation is different. Regardless of your personal finances, the first step to finance management is to become knowledgeable and be prepared.

❑ **Become Informed**

Knowledge is the key to overcoming fear and achieving economic success. Talk to friends and co-workers who you trust and ask them for advice on financial planning. Watch money-management television programs and read about personal finances. Schedule time to attend financial workshops offered by community organizations and banks.

❑ **Worst-Case Scenarios**

Ask yourself "What's the worst thing that can happen to me in my situation?" Is the worst-case financial scenario something you can handle? By being aware of the worst-case scenario, you can eliminate the fear that prevents you from moving forward.

❑ **Take Action**

Once you've gathered sufficient data and information, be decisive and take action. Set small and obtainable goals and begin to implement them, even if you are still learning

Another way to help you better manage your finances is to determine the difference between a want and a need. A "need" is something you must have in order to survive and live. Needs are the essentials, the "must haves" like food and shelter. If you have children and are in school or employed, childcare is a need. Since needs are essential, you must pay those expenses first.

Some things, however, are "wants." Wants are not essential, but make life easier or more fun. You may want to buy a candy bar, rent a video, eat at your favorite restaurant or buy a new pair of shoes. It's good to treat yourself once in awhile, but learn to recognize the difference between "wants" and "needs." By prioritizing these items, you can better plan your expenses. Needs and wants are individual and may change over time.

In addition, find out what community resources and financial options are available to help you make more informed decisions. Domestic violence advocates can also help you get control of your finances.

Private and public resources may provide free or low-cost services to support you and your children. They may also offer benefits to help pay for basic day-to-day needs, including housing, food, utilities and clothing. Visit www.govbenefits.gov to learn more about your state's benefits.

Finance Management (cont'd)

Most domestic violence programs offer services such as shelter, transitional housing, support groups, economic planning, referral programs, legal advocacy and peer support.

Sometimes accessing other public resources can be difficult. Work with a domestic violence advocate to learn more about what's available in your community and to develop strategies for accessing these resources.

The Personal Responsibility and Work Opportunity Reconciliation Act gives each state the choice of electing Family Violence Options (FVO) as part of its Temporary Assistance for Needy Families (TANF) state plan. FVO provides special provisions for individuals who are victims of family violence, such as:

- Domestic violence or abuse screening;
- Confidentiality protections for domestic violence survivors and individuals who are victims of family violence;
- Information and referrals to domestic violence support and advocacy services; and
- Waivers for program requirements including time limits, residency requirements, child support cooperation requirements and family cap provisions (if these requirements make it more difficult to escape abuse, present safety risks, or unfairly penalize domestic violence victims).

For more information on the FVO in your state, contact your local domestic violence program.

Additionally, contact your local department of Human Services or Department of Social Services to apply for other public assistance programs. An advocate from your local domestic violence program can help you locate the contact information and complete the application process. Before you meet with a representative for public assistance, consider the following with an advocate.

- Discuss the pros and cons of disclosing domestic violence before you share any details about your experiences.
- Request domestic violence indicator flags to be placed within your personal TANF file.
- Know that federal and statewide public assistance programs have a "welfare-to-work" policy that requires participants in public assistance programs to undergo job training and find work.

Finance Management (cont'd)

- ☐ When you contact the Department of Human Services or Department of Social Services, request the following:
 - A list of all programs and services available in your city and state;
 - Applications for all programs;
 - A list of required documents (proof of identity, income, Social Security numbers for household members, etc.);
 - Eligibility qualifications; and
 - Income and assets limitations documents.
 - Ask how applications should be completed (face-to-face or online).
 - Ask how to apply for food stamps, free school lunch and breakfast programs for your children, as well as Medicaid (medical insurance).
 - If you are homeless or in shelter, ask about priority processing to receive emergency assistance services.
- ☐ Once you receive public benefits, you will have regular contact with your caseworker. You must demonstrate that you meet program requirements to continue receiving these benefits.
- ☐ If you receive Supplemental Security Income from the Social Security Administration, you may qualify for Medicaid.
- ☐ Be prepared to answer questions and provide documentation about your finances since eligibility for most programs is based on your income level.
- ☐ If your claim for benefits or your application is denied, consider filing an appeal.

Lastly, if you are 62 or older, remember that you are eligible for Social Security benefits. These benefits are determined by the amount of income earned over your working life. Additionally, if you were married for at least 10 years and have an ex-spouse who is also 62 or older, you are also eligible to obtain benefits based on the working life of your spouse. Drawing upon these benefits does not affect the benefits that the ex-spouse receives and can be an important source of income.

- ☐ You can apply for Social Security benefits in person, online or over the phone. To apply online, go to www.socialsecurity.gov. You can also make an appointment to apply over the phone by calling 1-800-772-1213.
- ☐ For people who are deaf or hard of hearing, you can also use the Social Security Administrations toll-free "TTY" number at 1-800-325-0778. The Social Security Administration can be reached by phone or TTY between 7 A.M. and 7 P.M. on Monday through Friday.

Finance Management (cont'd)

- When you apply for benefits, you will need the following information:
 - Your Social Security number;
 - Your birth certificate;
 - Your W-2 forms or self-employment tax return for last year;
 - Your military discharge papers if you had military service;
 - Your spouse's birth certificate and Social Security number if he or she is applying for benefits;
 - Children's birth certificates and Social Security numbers, if applying for children's benefits;
 - Proof of U.S. citizenship or lawful alien status if you (or a spouse or child is applying for benefits) were not born in the U.S.; and
 - The name of your bank and your account number if you want your benefits directly deposited into your account.

You will need to submit original documents or copies that are certified by the issuing office or take them to the Social Security Administration (SSA) office. The SSA will make photocopies and return the documents to you.

Budgeting and Saving

Financial planning is critical and starts with budgeting. Whether you're living with your partner and have never married or are seeking separation or divorce, you may be able to get help resolving your debt, accessing insurance and obtaining other financial support to increase financial security.

The definition of financial security varies from person to person. For some, it means having food, shelter and a decent job. For others, it means being able to live where they want, afford childcare and own a car. And for others, financial security is defined by preparing for a comfortable retirement, enjoying vacations, owning a home, and paying for college.

Financial security is one of the many reasons why making the decision to end an abusive relationship can be difficult. Most women find that their standard of living declines after ending a relationship and those without employment may have to work to support themselves and their children. This can be overwhelming and frightening.

Regardless of how you define financial security, if you make the decision to leave an abusive partner, remember, you are not alone. Community service providers will help you address safety concerns, identify assistance programs, devise appropriate plans and strategies to regain control of your life.

Begin by developing a budget. A budget will help you to understand where your money goes.

To create a budget, follow these steps:

Step 1: Identify your net monthly income

This is the money that comes into your household, after deducting taxes, Social Security, insurance, etc.

Step 2: Identify your monthly expenses

Monthly expenses include rent and utilities, as well as those that occur periodically, like car insurance and medical expenses.

Step 3: Subtract your monthly expenses from your income

The difference between your income and expenses indicates whether or not you have any money to spare. If you have extra money, you'll need to decide whether to spend or save it. Can you reduce expenses or earn more money to cover shortages? By distinguishing between needs and wants, you can better identify areas where you might be overspending.

To continue the budgeting process, complete the form on the following page.

Budgeting and Saving (cont'd)

Personal Budget Form

Monthly Income (checks or cash):	
Monthly Fixed Expenses:	
Rent/mortgage (principal, tax, insurance)	_____
Life insurance	_____
Medical/health insurance	_____
Vehicle insurance	_____
Disability insurance	_____
Household insurance	_____
Car payments	_____
Other loan payments	_____
Savings	_____
Emergency savings	_____
Other (list)	_____
Monthly Flexible Expenses:	
Utilities (electric, gas, water, phone, fuel oil, etc.)	_____
Credit card payments	_____
Auto upkeep (gasoline, oil, maintenance)	_____
Food (at home and away from home)	_____
Clothing	_____
Household supplies	_____
Medical/dental costs	_____
Recreation/entertainment	_____
Church donation/other charities	_____
Childcare	_____
Education	_____
Personal allowances	_____
Other (list)	_____
Total Monthly Expenses:	_____
Total Income Minus Total Expenses:	_____
Add or Minus Balance from Previous Month:	_____

Budgeting and Saving (cont'd)

Savings is listed as a category because it should be treated as part of your budget. It is important to put aside money each month for savings, if possible, no matter how small.

Start by deciding how much you are comfortable saving each month. Once you determine that amount, pay yourself first. Before you pay bills, set aside money for your savings. Then pay your other bills. If you do not have enough money to cover all the expenses, find ways to reduce your spending or increase your income. This may mean you have to work a few extra hours, avoid eating out or limit treats for your children. This may sound difficult, but you will feel good knowing you have money saved for your future. Over time, paying yourself first will get easier, and you'll wonder why you didn't do it sooner!

A budget is a tool that will help you make critical spending decisions. If you're considering or have ended a financial relationship with your partner, it's important to review all of your assets to find out if they will support you and your family. When you end a relationship, your income and financial assets may change dramatically. If you take time to determine how much money you need to support your family, you can prepare in advance to meet your family's financial needs.

In addition to paper-based budgeting tools, there are also free budgeting tools available online, such as www.MINT.com or www.QuickenOnline.com.

If you don't have enough money to support your family, or if you have substantial debt, don't despair! Debt is common in the United States, and there are many resources to help you manage it. Don't allow your fear of debt to prevent you from ending a relationship with an abusive partner or moving forward.

- Document the assets you currently have such as housing, child support, employment, health insurance, car, etc.
- Review your financial liabilities. Do you have credit-card debt or do you owe money to family or friends? By understanding how much debt you have, you can better manage your finances.

This exercise will help you determine if you need additional financial support. If you don't have assets in a particular category, develop a plan to access resources in your local community.

Work with your domestic violence advocate to develop a plan to access resources in your community. An advocate can also help you identify your financial resources and reduce debt. Once you have a clear picture of your liabilities, create a plan to lower and eliminate them. Your local domestic violence program may have partnerships with organizations that can help.

Budgeting and Saving (cont'd)

Reviewing Expenses and Financial Responsibilities

Review each category and check the box that best describes your situation. If there are areas where you need additional resources or need to reduce your liabilities, work with your advocate.

Your Personal Worksheet: Reviewing Your Assets			
	I feel pretty comfortable that resources will support my children and me	I'm not sure if my current resources will support my children and me	I need additional assistance to support my children and me
Income – Salary, child support (through a protection order or a divorce decree), public assistance, etc.			
Savings – Money for emergencies, children's education, retirement, etc.			
Housing – Safe, affordable housing			
Insurance – Health, life, auto, disability, etc.			
Transportation – Access to public transportation or a reliable car and resources to pay for car insurance and maintenance expenses			
Childcare – Daycare, babysitting			
Other assets			
Your Personal Worksheet: Reviewing Your Liabilities			
	I have no problems managing this debt	I can continue making payments but may need help managing	I can no longer make payments on this debt and need assistance
Car loan			
Credit card debt			
Student loans			
Medical debt			
Payday loans			
Title loans			
Loans from family			
Home loans			
Other liabilities			

Budgeting and Saving (cont'd)

To manage your money wisely, set financial goals and establish a budget to help you achieve them.

What are your personal financial goals? For example, if you had \$1,000, what would you do with it? Buy a car? Set up a savings fund for emergencies? Whatever you have identified, can likely be categorized as a financial goal; therefore, to achieve your financial goals you'll need to manage your finances and put money aside regularly to meet those goals.

Financial Goals and Emotions

For many of us, emotions and money are closely tied and spending to fill an emotional need can be a challenge when sticking to a budget. If you are having trouble sticking to your budget, ask yourself the following questions: Am I shopping to make myself feel better? What emotions am I experiencing and is there another way that I can fill this need?

For example, after her divorce Carrie finally felt free. In her marriage, her husband controlled all of the spending and she rarely got to even choose what clothes she could wear. Carrie felt like she deserved to buy new clothes and enjoy her new freedom. At first, she kept her purchases to a minimum but over time the shopping increased. Carrie was struggling financially and angry about the abuse she had suffered. Shopping was becoming a way of demonstrating her anger but it was putting her further in debt. After identifying what was happening, Carrie worked with her advocate to find other ways of expressing her feelings and was able to get her spending under control.

Another example is with Maria and Vincent. Maria fled to a shelter with her three children to escape Vincent's abuse. After spending two months in a shelter the family moved to a transitional housing program. The family was now safe but it was hard to live with less income. The children often complained that they missed their old neighborhood and frequently threw temper tantrums for not getting the new toys that they wanted. Making matters worse, every time the children went to visit Vincent he bought them things and took them to places that Maria couldn't afford. The children blamed Maria for the situation and she felt guilty that they had experienced Vincent's abuse and now that she could not give them the material things that they wanted. She didn't understand why the children didn't give her more credit, after all, she had been the one who had always worked so hard to get them to safety and was doing the best she could. Not knowing what to do, Maria began buying things for the children that she couldn't afford.

These are just a couple of examples of how spending can take on an emotional element in your life and how it can pose challenges in keeping a budget.

Budgeting and Saving (cont'd)

Strategies for Dealing with Emotions and Money

Having a plan can help you overcome emotions that may cause you to buy things you don't need.

Step 1:

Write your goals down and identify how much time and money it will take to get there.

Step 2:

Keep your written goals in a place you'll see them and remind yourself often of the priorities you have set. This may help keep you on track if your emotions start to take over.

Step 3:

Examine your feelings and consider if you are being tempted to overspend based on emotion. If so, consider an alternative way to meeting your need and remind your self of how you will feel when you are successful in meeting your financial goals.

As a final tip before making a purchase, compare prices to be sure you are paying a fair price. Don't overpay because you "fall in love" with something. And don't spend more than you can afford. If you pay more than you can afford, it will take longer to achieve your financial goals.

If your children are old enough to understand the benefits of spending less today to reach future goals, discuss this with them. They may be able to help you reach your financial goals.

Teaching children how to manage money can be a challenge. But if you teach them the difference between "needs" and "wants," how to budget and how to save, they will know more than many adults. If you don't teach these important lessons, they will be more likely to join the millions of Americans who accumulate massive debt.

Budgeting and Saving (cont'd)

The best way to teach children about finances is to be a role model. They will pay attention to what you say about money and to how you manage money. Show restraint with money. Let your children see your budget, comparison-shop and make regular contributions to a savings account.

Inexpensive ways to treat yourself and your children ... without breaking the bank	
<p>Treating yourself:</p> <ul style="list-style-type: none"> • Give yourself a manicure • Enjoy your favorite dessert • Read a good book • Spend time with a good friend • Go for a walk • Invite friends over for a potluck to share the cost of food 	<p>Treating your children:</p> <ul style="list-style-type: none"> • Bake them a cake • Read them a story • Rent a video or borrow one from the library • Play their favorite game with them • Invite their friends for a sleep-over

Experts advise an emergency savings fund should have enough money to pay three to six months of basic living expenses for such things as repairs on a car or leaky roof, allowing you to avoid paying interest on a credit card or simply doing without. If you do not think you can ever save this amount of money, begin saving as much as you can. Every dollar helps and adds up over time!

It's important to put money away consistently and spend it only for true emergencies. It's better to save \$10 every month than to save \$25 only occasionally. Put money aside by making a deposit to your account as though you were paying a monthly bill.

Earning interest on your money is important and the best way to ensure your future financial success is to start saving today. The secret to growing money is by saving coupled with the miracle of compound interest. Even modest returns can generate real wealth given enough time and dedication.

Compound interest arises when interest is added to the principal, so that from that moment on, the interest that has been added also itself earns interest. This addition of interest to the principal is called *compounding* (for example the interest is compounded). A bank account, for example, may have its interest compounded every year: in this case, an account with \$1000 initial principal and 20% interest per year would have a balance of \$1200 at the end of the first year, \$1440 at the end of the second year, and so on. For more information on compound interest, visit <http://www.myallstatefinancial.com/financial-calculators.aspx> .

Budgeting and Saving (cont'd)

There are a number of types of accounts where you can earn interest on your savings. When deciding where to put your money, consider how available you need it to be and what kind of interest rate you can earn on your money. For example, emergency funds need to be readily available so a typical savings account is a good choice. However, funds that won't be need immediately can usually earn a higher interest rate in a money market account or certificate of deposit (CD).

Here is a summary of typical types of accounts for savings:

☐ **Interest-Earning Savings Accounts**

You'll earn about 1%-2% percent interest on your savings and receive a monthly statement in the mail. Funds can be withdrawn at any time.

☐ **Money Market Accounts**

These pay about one-half percent higher interest than savings accounts, but may require a higher minimum balance. You can usually make as many deposits as you like for free, but there are limits regarding the number of withdrawals that can be made each month.

☐ **Certificates of Deposit**

If you have money that can be tied up for three months to six years, certificates of deposit will likely offer the highest interest rates, depending on the term you choose. There are stiff penalties for early withdrawals, so choose a term you can live with.

Assets and Liabilities

The next step to financial management is to begin identifying your income and assets, as well as your debts and liabilities. This includes your own assets, your joint assets and your partner's individual assets.

Consider the following:

- Are your property and financial assets held in both of your names or is everything in your partner's name?
- Is your apartment lease in both your names? Is your home titled to both of you jointly?
- Do you have joint bank accounts? Individual bank accounts?
- Has your partner threatened to make you cash-in any property or financial assets you own, so that he can share the proceeds?
- Does your partner have more than one pension or retirement plan from current and previous jobs?
- Do you know what information is required in the court order, decree or property settlement before your partner's pension plan will pay benefits directly to you?

The answers to these questions will be useful if you pursue child support, need to divide property or if you are going through a divorce. Remember to share this information with your advocate and attorney. If you suspect that your partner may attempt to hide assets, it's important to start investigating your finances before you initiate divorce proceedings. If you have the resources, investigate the following:

- Does your partner own antiques, tools, artwork or collections whose value could be underestimated?
- Does your partner receive income that has not been reported on tax returns or financial statements?
- Is your partner the co-owner of a custodial account with your children or in your children's names?
- Does your partner own any certificates of deposit, municipal bonds or Series EE Savings Bonds that aren't registered with the IRS?
- Could your partner have asked his employer to delay any bonuses, stock options or raises?
- Has your partner recently paid any "debts" to a friend or family member that you think may be phony?
- Could your partner have retirement accounts you're unaware of?
- Does your partner own a business?

Although you may not be requesting access or ownership to the above items or accounts – it's important that they be counted as an asset so the division of property can be fair and equitable.

Assets and Liabilities (cont'd)

Sorting through a financial relationship you shared with an abusive partner can be difficult, challenging and sometimes dangerous. Remember, creditors, credit counselors, financial planners, attorneys, certified public accountants or forensic accountants can assist.

Following separation and during a divorce process, abusive partners often refuse to cooperate or make attempts to manipulate the process. Be aware of your safety risks as you manage these challenges. You may discover that your partner has:

- Opened accounts and created additional debt in your name;
- Hidden or undervalued his own assets;
- Refused to comply with payment plans established by creditors; or
- Quit his job or obtained a low-paying job to escape financial responsibility.

You may be asked to use a mediator to resolve financial obligations you shared with your partner. Mediation may not be safe, helpful or comfortable for victims of domestic violence since it requires that the parties work together as equals to reach a settlement during numerous meetings. Let the court know mediation is not a safe option for you.

With that said, remember that you do not need to like or agree with everything the other party says or wants in order for mediation to work. The role of the mediator is to facilitate that communication so that each party is heard. Many times all it takes is to take the emotion and volatility out of a situation in order for the couple to reach a satisfactory agreement. www.mediate.com is an excellent website for more information regarding mediation.

Another good resource for finding a lawyer with experience in mediation and collaborative law is Nolo's Law Directory. Nolo's directory provides a comprehensive profile for each attorney that tells you about the lawyer's experience and training, and, perhaps most importantly, the lawyer's general philosophy of practicing law. For more information, see www.nolo.com.

Banking Options

Now that you have taken some time to identify your assets and liabilities, the next step is to open up a checking account (if you don't have one separate from your partners). Selecting a financial institution that meets your needs is critical to successful money management. Consider using one financial institution for all your services, bank accounts, and credit cards to limit the number of financial institutions that have information about you. This will also help in managing your finances.

Financial institutions:

Banks

Banks are financial institutions that accept deposits and channel money into lending activities. A traditional bank issues stock and is therefore owned by its stockholders (shareholders). Banks and savings and loan institutions are for-profit entities whose interests include earning a return on their investments. Traditional banks serve customers from the general public.

Credit Unions

Credit unions are community-based financial cooperatives that offer a wide range of services. They are owned and controlled by members, who are also shareholders. Credit unions serve their members, who must be within the credit union's field of membership, as defined by its' charter. Credit unions often offer lower interest rates on loans.

Payday Lenders

Payday lenders provide small cash advances, usually \$500 or less. To get a cash advance, a borrower gives the payday lender a postdated personal check or authorization for automatic withdrawal from the borrower's bank account.

Payday loans come with hefty fees. For a two-week payday advance, a borrower will pay at least \$15 for every \$100 borrowed. Although the loans are short-term, the loan fees are nearly equal to a 400 percent annual percentage rate (APR). While these types of loans may appear to be an easy option, expensive loan fees may push the borrower into deeper debt in the long run. Consider this option carefully.

Check Cashing Stores or Services

Check cashing stores are small businesses that cash checks for a fee. In general, the fee is about four percent.

Choosing a Financial Institution

When considering which financial institution to choose, shop around for the services and features that are going to work the best for you and your situation.


Banking Options (cont'd)

Generally speaking, a large national or international financial corporation will offer a wider range of services, but may provide less personalized service than a smaller institution. Instead of a bank, you may wish to consider a credit union.

For some women culturally-specific services are important. Look for banks that have bi-lingual employees or websites and information in other languages.

Some institutions are specifically owned by, and run for, specific ethnic, religious and cultural clientele. For instance, are you interested in wiring money to family in another country? Does the bank offer this and what are the fees?

In order to compare banks, consider the services they offer and discover the fees that are charged for these services.

- Think through your needs for a branch location; do you need a branch close to your home or work?
- Compare services.
- How comfortable you feel with the staff.
- Does the bank meet cultural needs and requirements?
- Checking accounts: what are the fees, minimum balance requirements and overdraft charges?
- Automated Teller Machines (ATMs): where are they available and what are the fees?
- Savings accounts and products: what are the interest rates, restrictions and penalties on withdrawal?
- Bank branch hours: are they convenient for your work schedule?
- Telephone services: are they available 24 hours, is the service automated or can you get an immediate connection to a consultant?
- Is online banking and bill pay available?
- Safety of money: look for the FDIC logo 

FDIC stands for Federal Deposit Insurance Corporation. If a bank is "FDIC Insured", an individual is currently insured for up to \$250,000 in deposits in the event that a bank is financially unable to meet its obligations to repay deposits.

A financial institution that is FDIC insured will display a government logo at its front door, in the lobby and at the tellers' counter to indicate that it is federally insured.

Banking Options (cont'd)

Using an ATM

According to Money Instructor (www.moneyinstructor.com), banking used to be mostly done by using a bank teller, however today banking is often done electronically. Banking transactions done by an ATM include depositing money, withdrawing money (getting cash), or checking your balance from either your savings or checking accounts.

The benefits of using an ATM include easy access to banking services and easy access to cash. This reduces the need to carry large amounts of cash.

To use an ATM, you will need a bank account, and you will also need an ATM card. With this card you will get a code, also known as a Personal Identification Number (PIN).

To begin using an ATM, you will first place your card into the machine and enter your PIN. Then you will be able to do your banking. When entering your PIN, be sure no one is looking over your shoulder, and position yourself to block anyone from seeing your PIN code.

Keep your PIN number a secret, and do not disclose it to anyone (especially your abusive partner). Do not write your PIN number on your ATM card, on a piece of paper in the same location as your ATM card, or in your wallet. For added security, change your PIN number periodically. If your ATM card is ever lost or stolen, report it immediately to your bank.

If you are going to do a deposit, try to have all the necessary paperwork ready. In fact, try to keep some deposit envelopes with you so that way you minimize the time spent at the ATM. Also, make sure the ATM location is well lit. Do not approach or use the ATM if the area looks unsafe. Look for suspicious people around the ATM. Use a machine that is visible to nearby traffic. If possible, bring a friend along to stand nearby when using an ATM. Lastly, avoid talking to strangers when using the ATM.

When your transaction is complete, be sure to take your money and place it immediately in your wallet or purse. Also, don't forget to take your ATM card before leaving. Do not count your money at the ATM. If there is a discrepancy between the amount withdrawn, and the cash received, then notify your bank immediately (be sure to identify the machine that you used).

Lastly, be sure you are aware of the banking fees for using an ATM, as fees will vary by bank and machine. Using an ATM owned by your bank will often result in lower (or no) fees compared to using an ATM from another bank; however each bank sets their own fees.

Banking Options (cont'd)

Be especially careful if you only make small (for example twenty-dollar) withdrawals. If, for example, the fee per withdrawal is \$1.50, then you will be paying a lot of unnecessary fees. In this case, it is better to make a single withdrawal of \$100, then multiple withdrawals of \$20. Try to use a bank account that does not charge you for using their machines, and try to stick to using your own bank's ATM machine.

By identifying your income, assets, debts and liabilities, and opening an individual bank account (separate from your partners) with an ATM card, you will begin to better manage your finances. Continue to read through this curriculum to learn more about money-saving strategies and budgeting techniques.

On-line Banking

On-line banking may save you significantly in postage and avoiding late fees; however make sure you use a secured, safe internet connection.