

MONEY MANAGEMENT BASICS



TIP SHEET

HOW TO BALANCE YOUR BANK ACCOUNT

Although many people no longer use checkbooks to reconcile their checking account, it is still an important skill to help you keep track of your spending.

- Balance your account or “checkbook” by monitoring account activity against your bank balance.
- To do this, make sure to accurately record the date and location any deposits (credits) came from, where the money was spent or deducted (debits) or cash was taken out of the account (withdrawals).
- Check these transactions against your bank statement at least monthly.
- This will make you more aware of your spending and might even help you save money.
- If you have a tight budget, keeping an accurate checkbook balance will help keep you from overdrawing your account (spending more money than you actually have) and being charged costly service fees.

IMPORTANCE OF BANKING WITH A GOVERNMENT-INSURED FINANCIAL INSTITUTION*:

- More secure than having cash as all transactions, including paying bills via your checking account, are recorded and therefore, safer
- Allows you to keep track of your money
 - Have a separate savings account will help to ensure that you’re not spending your emergency funds.
- Monthly statements from the bank will also help you see where you are spending your money

***Each account is insured by the federal government up to \$250,000**

TIPS FOR BANKING

- Questions to ask yourself when choosing a bank
 - Are there branches near where I live and work?
 - How large a balance is needed to avoid fees?
 - How high are the fees for using another bank’s ATM?
 - What are any overdraft protection options?
 - How soon are deposit funds available?
 - How much interest is paid on deposit accounts?

FINANCIAL WELL-BEING FOR PEOPLE WITH DISABILITIES



TIP SHEET

- Are there mobile and online banking options?
- Is there a rewards program?
- Are there withdrawal or transfer limits?
- Look out for bank fees and don't be afraid to call to challenge the fees
- Know the rules for using the type of bank account you are opening
- Research your options
 - Shop around and see which bank offers the best plans for your lifestyle
 - Ask for a complete written description of fees and compare to other banks
 - **Remember that Payday Lenders are Illegal in New York State** for charging huge interest rates

HOW TO KNOW WHETHER TO SPEND

Ask yourself these questions before you buy something: Do I really need this item?

1. If I don't need it, why do I really want it?
2. Am I sure that I'll use it? Wear it?
3. If I buy this now, will I have enough money for other things I might need later on?
4. Will this purchase take money away from paying off any debts I owe?
5. Can I buy it at a later date, so I can think about it longer?
6. Can I get it cheaper somewhere else?
7. If it is on sale, am I really saving money?

HOW TO READ A PAY STUB

A pay stub comes with your paycheck as an explanation of how much money you earned for a certain time period

- Gross pay is how much you earned before deductions, based on how many hours you worked and your pay rate per hour, or based on your salary
- Net pay is how much you have after deductions
- Deductions are the amount taken out of your paycheck
 - Depending on how much you make, there will be state and federal taxes taken out
 - Next will be Federal Insurance Contributions Act (FICA), which pays for Medicare and Social Security contributions
- You may also see any other authorized deductions, such as health insurance, labor dues, if you are a labor union member, or retirement savings programs