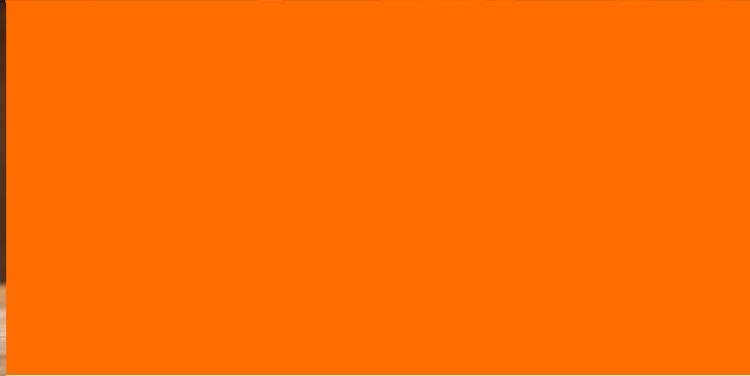


Planning For Your Financial Future



In this workshop, you will...

- Learn what debt is and how people get into debt.
- Make a plan for your money and making the most of it.
- Learn about different ways to pay off debt (money you owe).
- Make a plan for handling your money





- 3 of every 4 American adults are in debt.
- That's way more than half!

What is Debt?

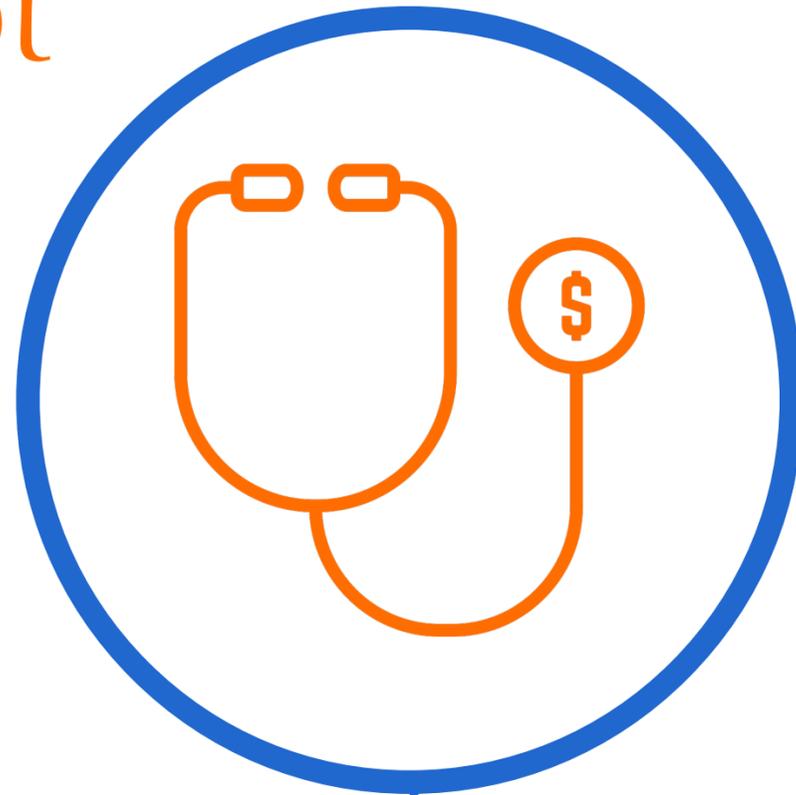
- Debt is “the amount of money owed by a person for things they bought with borrowed money.”
- This is money that you borrowed and must pay back to someone, such as a friend, family member, or a bank.



Know how much you owe!

- Make sure the money you spend each month is less than the amount of money you earn for work or your benefits.
- This is where a budget comes in handy!
- Stay aware of your spending to prevent owing too much.

Savings & Debt Recovery



Money you owe is a
NEED not a WANT.

Money owed gets more
expensive over time.

Discuss personal finance
with trusted family.

What is the price of DEBT?

- What does owing money affect?



- Relationships
- Mental Health (stress, guilt)
- Life goals & fun activities
- Planning for emergencies





What is INTEREST?

- Interest is the extra money that you have to pay when you borrow money and don't pay it back right away.
- When you borrow money from a bank, you have to pay it back with "interest," which is a fee that gets more expensive the longer you wait.

Low Interest

- For money you are borrowing and paying back you want a **LOW** interest rate.
- You owe less extra money (interest) in the end!



Meet Ralph

- Ralph has a girlfriend and loves buying her gifts and taking her on dates.
- Ralph's trusted friend lent him \$100 he did not have to buy Padres Baseball Tickets to take his girlfriend out on a date.
- Ralph pays what he owes back little by little, giving \$20 per month.
- It will take Ralph 5 months to pay back the original cost of the tickets.



Paying Back With Interest

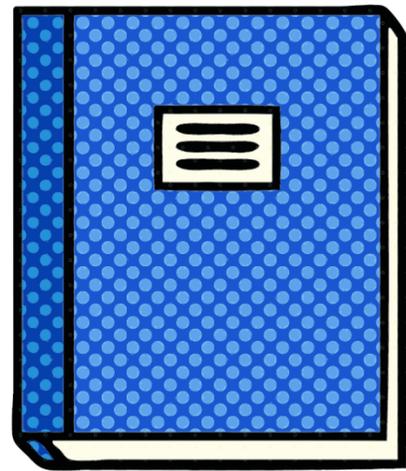
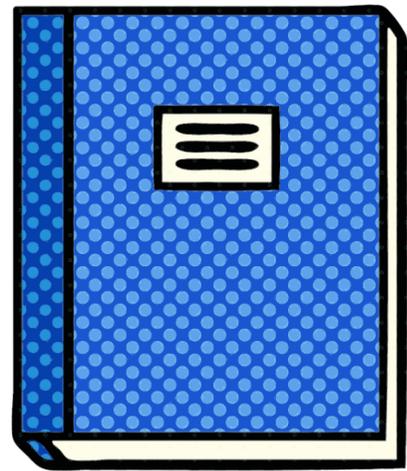
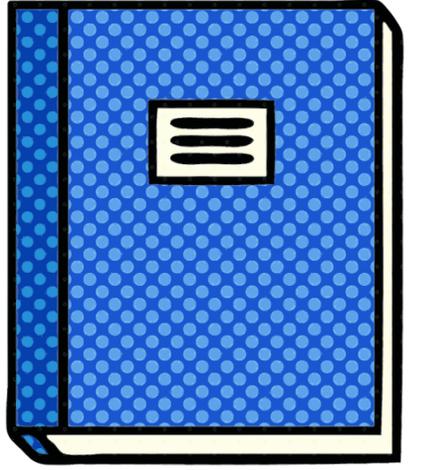
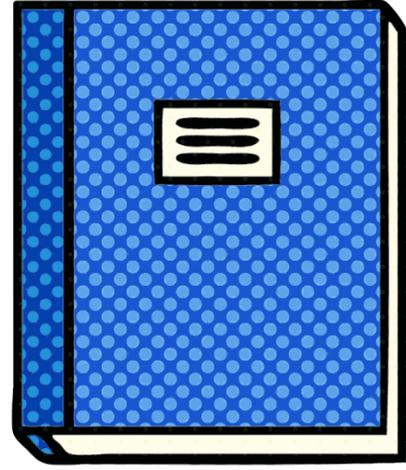
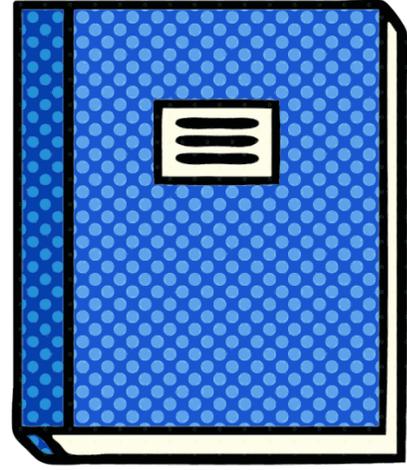
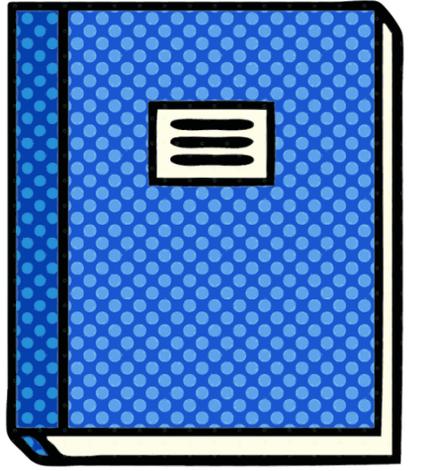
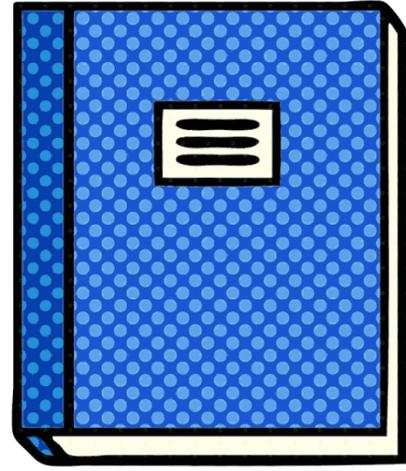
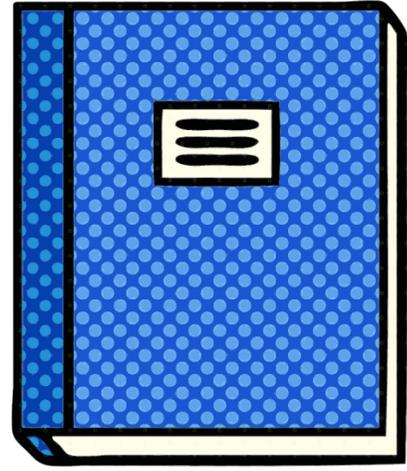
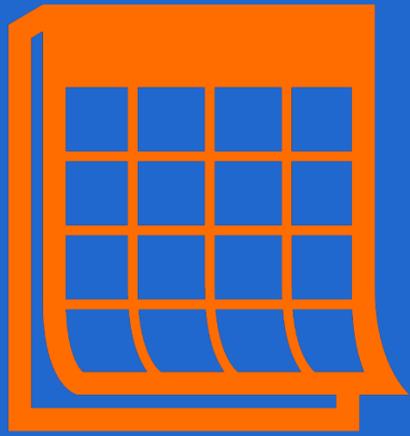
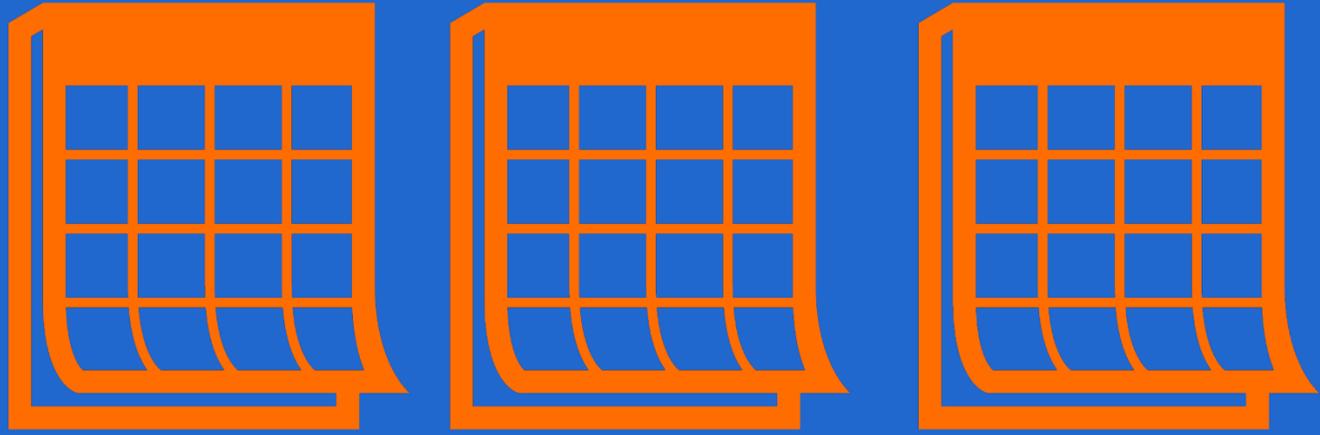
- Ralph spent his money on comic books and was unable to pay his trusted friend back in 5 months.
- Ralph's trusted friend charged him interest so now the \$100 tickets costed \$140 dollars.
- Ralph now has 2 months more worth of his \$20 payback plan and owes \$40 more than the original ticket.



Budgeting & Interest

- Ralph spends \$5 on comics 4 times a week. This adds up to \$20 a week or \$80 a month.
- If Ralph buys comics twice a week, he will save \$40 a month and have enough money to pay back his trusted friend in time.
- Ralph borrowed money and didn't pay it back on time. It will now cost Ralph \$40 more (8 comics) to pay the interest back.





Who can check your credit score?



- Employers
- Cell phone companies



- A credit score shows how trusting you are in paying back what you borrowed.



- Government Assistance Programs (benefits such as social security)

Do's and Don'ts

Do

- Talk with the people you owe money. They may be flexible and understanding!
- Get another opinion or help from a trusted loved one.
- Pay what you owe as need.





Do's and Don'ts

Don't

- Don't cancel credit card accounts.
- Don't take money from your retirement savings/plan.
- Don't trust strangers.
- Don't ignore or hide from the people you owe money to.



Remember

- How to create a plan to manage your money especially when you need to pay others back.
- Debt impacts your overall lifestyle.
- How and why people owe money to others.

QUESTIONS?

