



Practical Money Skills



What is Visa?



Visa IS:

- Global payments technology company and world's largest payments network
- Allows a transaction to be authorized halfway around the world in a fraction of a second
- Processes over 100 billion transactions a year
- Accepted by millions of merchants and ATMs worldwide
- Debit and prepaid cards more popular than credit

Visa is NOT:

- Not involved in setting or collecting cardholder rates or fees, making loans, sending solicitations
- Banks issue cards – Visa does not



Visa's Commitment



Not just right for business but the right thing to do

- Visa believes that the financial services industry has the expertise, and the responsibility, to empower our nation's citizens to understand personal money management and master their financial well-being and future.
- Visa has stood on this belief since 1995, when we began financial literacy education outreach. Visa continues to lead the way with educators, our nation's leaders, school boards, state leaders, parents and financial institutions to reach our nation with this critical knowledge.
- Visa has invested \$10 million, and will continue to invest, to develop and deliver engaging, relevant curriculum to support our nation's educators and leaders in their efforts to reach students and consumers who need it the most.

Today's Take-Aways



- Basic knowledge of factors in overall financial picture
- Money mindfulness – awareness
- Confidence that you can be an excellent money manager

Overview



- Why Should You Care About Money
- Money & You
- Get Organized!
- Budget Basics
- Credit & Debt
- Save, Invest, and Plan for Your Future
- Resources

Why Should You Care About Money



- Money makes the world go round
- **Costs of living:** food, housing, utilities, transportation, entertainment, etc.)
- Responsibility lies with individual (e.g., healthcare, retirement, credit history, etc.)
- **Education** – preparing for career
- Childcare – eldercare
- Life goals & dreams

Money & You



- What does money represent to you (e.g., security, happiness, success, confidence, power, etc.)?
- How do you feel when you think or talk about your financial situation?
- Does money help you sleep or keep you awake at night?
- Are you where you want to be financially?
- Are you aware of how you save and spend?
- Can you envision yourself as financially successful and savvy?



Get Organized – Your Financial Picture

- **Goal:** Get your financial life in order!
- Identify where all your savings, investments, and assets are located
- Organize your financial documents - file
- Throw out old paperwork
- Create a financial inventory sheet
- Protect important documents (FTC-Identity Theft)

Budget Basics



- How much is in your bank account?
- Know monthly income and expenses
- Create budget/spending plan
- Track your spending – save receipts
- Compare “flexible” vs. “fixed” expenses
- Include money for savings, investments, and emergency fund
- **Tip:** online banking & automatic payments

Credit History & Debt



- Credit history begins when you borrow (credit card/student loan)
- 3 credit reporting agencies (Equifax, Experian, TransUnion) track and sell your financial information to lenders (credit report)
- Combined information calculated into your FICO score (300-850) **(financial GPA)**
- **Affects all aspects of your financial life (e.g., apartment, car, job, electricity & phone, lower finance rates, etc.)**
- www.annualcreditreport.com or call (877) 322-8228 for FREE credit reports
- Correct and report any errors

What Determines Your FICO Score



- Your payment history (35%)
- Current total debt (30%)
- Length of your credit history (15%)
- Requests for new credit or debt (10%)
- Types of credit you use (10%) – credit cards, installment loans, mortgage, car, retail, etc.

Save, Invest, and Plan for Your Future



- Read your *Social Security Statement*
- Know your retirement needs (70-80%)
- Contribute to your retirement plan and other eligible tax-deferred savings (e.g., Thrift Savings Plan, 401k, SEP, IRAs)
- Learn about employer's pension plan, benefits
- **Other:** health, home, and car insurance; estate planning/will/trust; power of attorney (legal/financial/medical)
- Seek professional financial counsel/advice

Challenge: Write Goals – SMART



- Short- and long-term goals
- **Specific:** 5 “w”s
- **Measurable:** How much, many, when?
- **Attainable:** challenge but doable
- **Realistic:** do you believe it can happen?
- **Timely:** set dates for your goals
- **Visual reminders:** vision board, written list in front of you, on your computer, etc.



Visa's Award-Winning Financial Education Programs

Practical Money Skills for Life

www.practicalmoneyskills.com

- Visa's free financial literacy program for...
 - Educators
 - Students (K-12)
 - Parents
 - Consumers

Practical Money Skills
for Life™
www.practicalmoneyskills.com



What's My Score

www.whatsmyscore.org

- Visa's free resource for young adults and college students
 - Credit scores
 - Budgeting and saving resources
 - Credit information & help
 - Money guides



Get Practical Money Skills



To learn more about our financial literacy programs...

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www.practicalmoneyskills.com



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