

STEPS

TO INDEPENDENT LIVING



THIRD
EDITION

How to Use Money Wisely

Nancy Lobb

illustrated by David Strauch

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To the Student

Living on your own can be a great experience! You can choose and decorate your own place. You can decide for yourself what and when to eat. You can set your own hours. In short, you are free to make your own choices about your lifestyle.

Along with these freedoms comes responsibility. Living on your own means it's up to you to take care of yourself when you're sick or hurt. You are now the one who must be sure your nutritional, physical, and emotional needs are met. No one will be watching over you to ensure your personal safety. No one will be looking to make sure you make good decisions about alcohol, drugs, and tobacco. It's up to you!

But that's not all! You must make good choices as you choose and set up your home. You must keep your home safe and clean. And you must use your money wisely to meet your needs.

You will have a better experience living on your own if you are prepared to meet your new responsibilities. The six books in the *Steps to Independent Living* series will teach you the skills you need to make it on your own.

In this book, *How to Use Money Wisely*, you will learn about:

- making the most of your money
- using the bank
- being a wise consumer

We hope this information helps prepare you for the day you start living on your own!

Self-Test

How much do you know about using money wisely? Circle YES or NO for each question.

1. Do you know how to plan your spending so you have money for things you really want?
YES NO
2. Do you know how to find out where your money goes each month?
YES NO
3. Do you know how to choose a bank that will meet your needs?
YES NO
4. Do you know how to open a savings or checking account?
YES NO
5. Do you know how to write checks?
YES NO
6. Do you know when it's a good idea to use your credit cards?
YES NO
7. Do you know how to keep your use of credit under control?
YES NO
8. Do you know how to take out a bank loan?
YES NO
9. Do you know how to get the most for your money when you buy big-ticket items?
YES NO

Continued 

Keeping Your Personal Information Safe

Thieves are always on the lookout for people's personal information. If they get ahold of your Social Security number, birth certificate, or credit card number, they can steal your identity. They can get credit cards in your name. Then whatever they buy is charged to you!

Here are some ways to help keep your personal information safe:

- Lock up your Social Security card, birth certificate, passport, and other important identification papers.
- Shred bills, bank statements, and credit card statements. Never just toss them in the trash. You can buy an inexpensive shredder for less than \$30.



- Don't give out personal information on the phone unless you made the call.
- Make a copy of credit cards and identification you carry in your wallet. Copy front and back. This way you will have information you need in case these items are lost or stolen.
- Don't carry more credit or debit cards than you really need.
- Memorize your PIN (personal identification number). Never write it on the card. Never carry it in your wallet with the card.
- Report lost or stolen cards immediately.
- Request a free copy of your credit report once a year. Order free reports online at www.annualcreditreport.com. (Avoid other Web sites that charge you for this same information.)
- When you order checks, don't have your Social Security number or driver's license number printed on the checks.
- When you order new checks, pick them up at the bank instead of having them mailed.
- If you go on vacation, have the post office hold your mail. Don't let it pile up.



Check Yourself

1. Name two reasons to save your money in a savings account rather than at home.
 - a.
 - b.
2. What do you fill out when you put money in your savings account?
3. What do you fill out to take money out of your savings account?
4. Which type of savings account can be opened with a small amount of money?

Continued 

5. Why do you think a CD pays more interest than a regular savings account?

6. What will happen if you take your money out of a CD before the time is up?

7. How could you decide which type of savings account is best for you?

8. Why do you think it is easy to get in trouble if you have several credit cards?

