



FINANCIAL LITERACY

 Legence Bank

Save, Spend, Share

Go! Learn



 Legence[®]
Bank

Member  FDIC 

Overview

- Basic Banking
- Checking Accounts
- Savings Accounts
- Budgeting Your Money
- Technology in Banking
- Building Your Credit
- Higher Education

Basic Banking

Where to begin??

In today's world, you need a method to transact and pay bills.

The solution = a checking account at a local bank

How do you go about opening an account?

- You will need to come into the bank and sit down with a bank employee
- They will request forms of identification to verify that you are opening a legitimate account for a legal person
 - Copy of Drivers License (your address must be correct)
 - Social Security number (you don't necessarily need the card, just your number)
 - Valid contact phone number for bank communications
 - Valid email address for bank communications



What type of account do you need?

Make sure the account selected is the correct one to meet your needs.

Will you be using checks or debit card? Are there special benefits to certain accounts?

How much will you maintain in this account?

Does this account need to earn interest?

Who will be on the account with you?

Will you still be able to use this account should you move away or go off to college? Will it still be accessible to your needs?

Deposit Products

Checking
Accounts

Savings
Accounts

Certificates of
Deposits (CD's)

Money Market
Accounts (MM)

Individual
Retirement
Accounts (IRA's)

Christmas Club
Accounts

Checking Accounts

Checks



CHECKS ARE ORDERED AND PRINTED ONCE OPENING AN ACCOUNT.



THEY ARE LISTED IN CONSECUTIVE ORDER FOR TRACKING PURPOSES..



AREAS REQUIRED ON A CHECK:

- DATE
- TO WHOM IT IS WRITTEN
- THE AMOUNT (WRITTEN AND NUMBERS)
- SIGNATURE OF WHOM THE CHECK IS WRITTEN FROM.



STALE DATED CHECK
STOP PAYMENTS
CHECK HOLDS
ENDORSEMENTS

Bobby Bankrate
123 Bankrate Boulevard
New York, NY 10001
555-555-5555

Date: _____

Pay to the order of: _____ \$

_____dollars

Generic
Bank and Trust

Memo _____

|:123456789| |:10987654321| |:1111|

ROUTING
NUMBER

ACCOUNT
NUMBER

CHECK
NUMBER

Debit Cards



Another way to access money in your checking account.



Can be used anywhere Visa or Mastercard is accepted



Can be used at POS or ATM's



Attached directly to your checking account



Difference between debit card and credit card



When given the choice, should you run as debit or credit?



Travel alerts----- always update phone number with bank

Tips for ATM and Debit Card Usage



Never share your PIN with anyone.



If you worry that someone knows your PIN, call your bank and change it.



Always record your transactions or check online banking.
Forgetting to record ATM withdrawals is one of the most common reasons for overdrafts.



Record fees for using out-of-network ATM's- If you use them a lot, they can add up.



Be aware that some transactions do not show up automatically. Some can take days to show up on your account.

Savings Accounts

Savings Accounts

Savings accounts earn interest.

Interest is compounded daily and added quarterly.

Savings statements are issued quarterly.

Savings accounts are liquid assets.

Transfer to and from your checking and savings account when needed.

How to SAVE.....

Create a Budget

Pay yourself
first

Determine your
monthly bills
and figure out
what you need
to live on

Learn how to
manage debt

Prioritize your
needs vs. your
wants

Be Accountable and Responsible with Your Money



Pay your bills on-time. Past due bills can damage your credit.



Do your research before making a big purchase.



Ask for help and guidance, but do the work for yourself. You will learn more by doing it on your own.



Increase your income if you can, if not decrease your spending.

Budgeting Your Money

Why do you need a budget?

Reduce
spending

Understand
where your
money is
going

Identify bad
financial
habits

Pay off debt

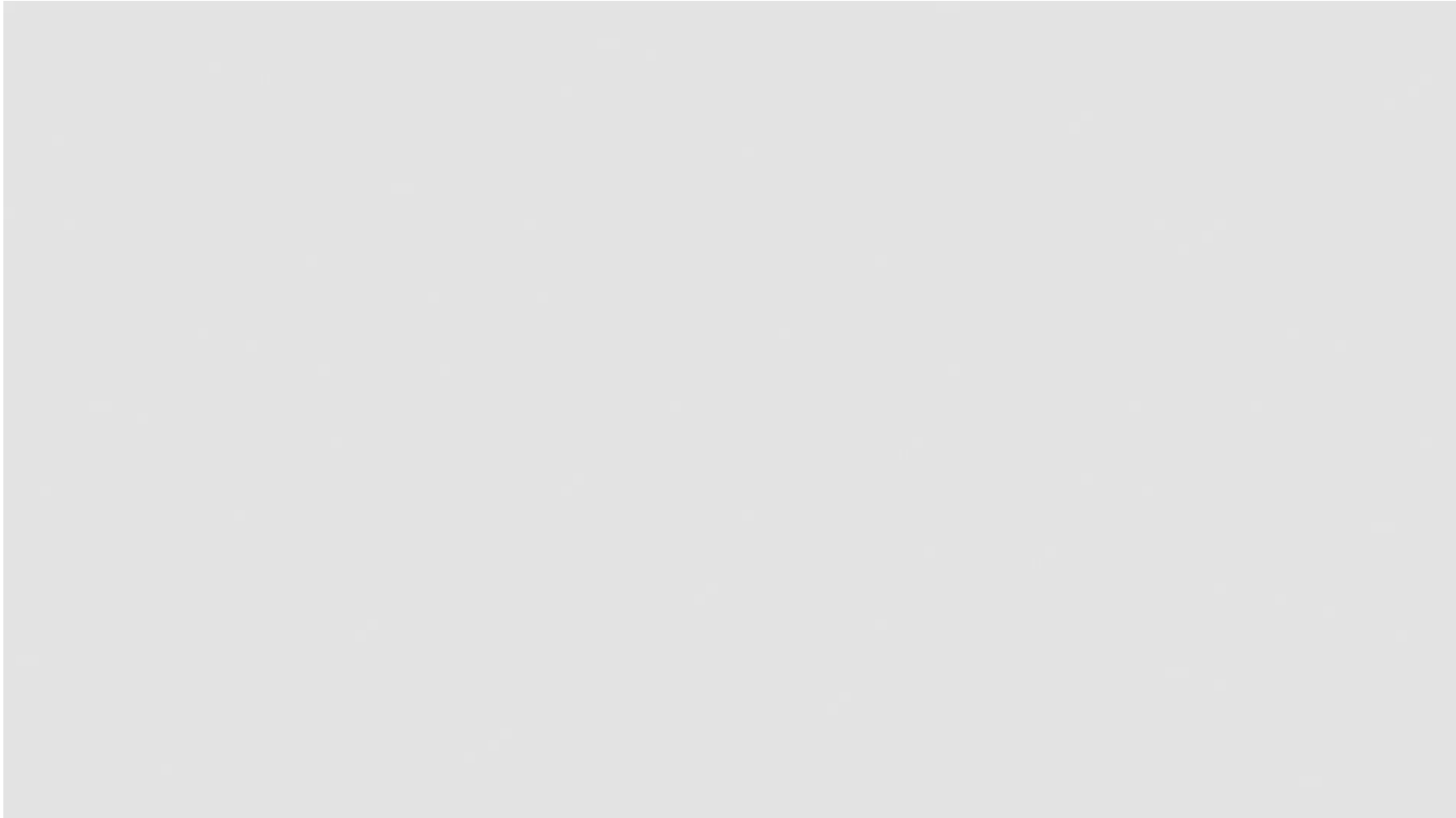
Avoid
creating
new debt

Prioritize
spending

Save for the
future

Budgeting Tools

- Online Budgeting Apps
 - Go!Focus – Legence Bank budgeting tool
 - Mint
 - YNAB
 - Personal Capital
- Envelope System
- Spreadsheet
- Notebook



The 50/30/20 Rule

- 50% of your Income → Needs
 - Housing
 - Food
 - Transportation
 - Utilities
- 30% of your Income → Wants
 - Entertainment
 - Travel
 - Restaurant Meals
- 20% of your Income → Savings & Debt

Technology in Banking

Technology in Banking

Online
Account
Opening

Mobile App

Mobile
Deposit

Card On/Off

P2P Payment

Personal
Finance
Manager



How to setup SPIN (P2P Payments)



SPIN allows a user to send money from their Legence Bank checking account to someone else's checking account through the recipient's debit card in REAL TIME.



It's EASY to set up a new payee. You only need the recipient's cell phone number and/or their email address.



Once the payee is set up and confirmed, funds may then be sent to that recipient any time the sender wishes, and the funds will be moved in REAL TIME.

Building Your Credit

Credit Products

Credit
Cards

Lines of
Credit (LOC)

Installment
Loans

Mortgages

Why do you need credit and why is it important?



- Credit is part of your financial power.
- Your credit history is important because lenders, insurers, employers, and others may use it to assess how you manage financial responsibilities.
- Your credit history determines the terms of credit granted, such as the interest rate you will pay.
- Reminder: Your credit history doesn't have to be your credit future!

What is a credit score?



Your credit score is a 3 digit number that relates to how likely you are to repay your debt. Banks and lenders use it to decide whether they will approve you for a credit card or loan.



Lenders use credit scores to determine who qualifies for a loan, the interest rate, and your credit limits.



The 3 main credit bureaus include; Equifax, Experian, and TransUnion. They create your credit reports and can vary by a few points.



Once you start building credit, you should review your report for errors- if you find something, call and dispute.



One of the most well-known types is FICO- created by the Fair Isaac Corporation.

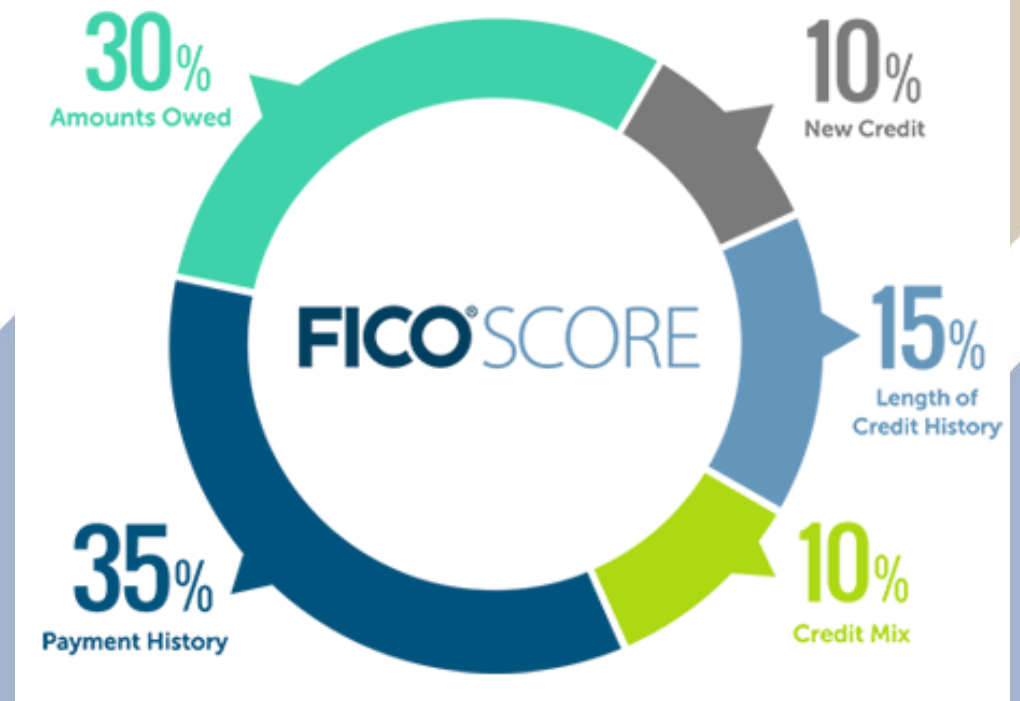
Where to Start Your Credit



- Apply for a secured credit card
- Apply for a credit builder loan or a secured loan
- Get a co-signer
- Become an authorized user on another person's credit card
- Make sure you receive credit for the bills you pay

Understanding Your Credit

- What are the factors that affect a credit score?
 - Payment history- 35%
 - Credit or debt utilization -30%
 - Length of credit history- 15%
 - New credit- 10%
 - Types of Credit- 10%



Source: myFICO.com, 9.23.21

Higher Education

How to pay for higher education?

Scholarships

Financial
Aid

Student
Loans

529 College
Savings Plan

Scholarships - Where to Begin...

Get a list of all available scholarships from your school Guidance Counselor.

Go through the ones that you are eligible to apply for.

Start thinking about your scholarship essay and what you will write.

If you receive a scholarship, send the issuer a thank you card!

The essay can be the hardest part, but it is also the most important part!

Applying for Financial Aid

FAFSA- Free Application for Federal Student Aid www.fafsa.ed.gov

Each parent and student should have a separate FSA ID.

Everyone attending or going to college should complete the FAFSA regardless of income level.

FAFSA is free, so the only real cost is the time it takes to complete. In fact, in families earning \$100,000 or more per year, 78% qualified for some form of financial aid.



Thank you!

For more information on our Go!Learn program, visit LegenceBank.com

