

For more ideas on how to take charge of your financial future, check out the other brochures in the **GET FINANCIALLY FIT!** series:

VOLUME 1

THE WARM-UP:

Get Ready for the Financial Fitness Challenge!

VOLUME 2

THE WORK OUT:

Take the Financial Fitness Challenge!

VOLUME 3

THE BIG WEIGH IN:

Take Financial Charge!

DEVELOPED BY:

Dorothy Bagwell

TEXAS TECH UNIVERSITY

Brenda Cude

UNIVERSITY OF GEORGIA

Michael Gutter

UNIVERSITY OF WISCONSIN-MADISON

Frances Lawrence

LOUISIANA STATE UNIVERSITY AND LSU AGRICULTURAL CENTER

Angela Lyons

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

Sherrie Rhine

FEDERAL RESERVE BANK OF NEW YORK

FUNDING FOR THIS PROJECT PROVIDED BY:

- AMERICAN COUNCIL ON CONSUMER INTERESTS
- FEDERAL RESERVE BANK OF NEW YORK
- DIRECT SELLING EDUCATION FOUNDATION

The brochures are available electronically at www.newyorkfed.org/regional/projects.html

FOR MORE INFORMATION:

GET FINANCIALLY FIT



THE WORK OUT TAKE THE FINANCIAL FITNESS CHALLENGE!

The key to any successful fitness plan is finding time to regularly work out if only for a few minutes a day. Financial success works the same way. The hardest part is getting started. The action steps in this brochure will help you jump start your financial workout.



1. SAVE!

Even on a student budget, you can save. The key is to find ways that work for you.

- Set some financial goals. What are some things you want or need and must save to get?
- Start now — even if that means saving only a few dollars a week at first.
- Pay yourself first. If you're working, have your bank automatically deposit a set amount from each paycheck into a savings account.

2. TAKE CHARGE OF YOUR SPENDING

If it seems like your money just disappears, a simple budget can put you in charge. You can start with a pen, paper, and calculator, but if you're into computers check out online budgeting and banking tools and software.

- Start by tracking your spending. If you're spending more than your income, find ways to cut expenses and increase income.
- Review your checking account balance regularly. Bounced checks are expensive and can make it harder for you to open another account later.
- Set limits. *What do you really need and what is it you want?*

3. UNDERSTAND THE COSTS OF CREDIT

You'll get tons of credit card offers. Know how interest rates and other fees can affect the amount you owe. Also, learn to find the credit card that's right for you.

- Compare at least 3 offers before you choose a credit card. Use www.bankrate.com to track rates and find the best card.
- Read the fine print on all credit offers. If it sounds too good to be true, it probably is.
- Look for low interest rates that last until you've paid off your balance.
- If you have a balance and can't pay it off in full, always pay more than the minimum balance.

4. UNDERSTAND HOW CURRENT USE OF CREDIT AFFECTS YOUR FUTURE

Your credit report can affect your ability to get a job, rent an apartment, buy a car, or buy insurance. A better credit report and score mean better financial options for you.

- Check your credit report and credit score annually and before applying for credit, a job, or insurance. Once a year you can get a free copy of your credit report from each of the three credit reporting agencies at www.annualcreditreport.com. Report errors promptly.
- Pay your bills on time! About 35% of your credit score is based on whether you've been late or missed payments. Visit www.myfico.com to see how other factors affect your credit score.



5. DON'T GRADUATE WITH MORE DEBT THAN YOU CAN REPAY

With the cost of education going up, it's important to take charge and borrow smart to finance your education. Don't end up with a degree in debt.

- Map out your academic plan. What will your starting salary be when you graduate?
- Estimate your educational costs and your financial resources. For a ballpark estimate of what you can afford to borrow, visit www.finaid.org/calculators/howmuchtoborrow.phtml
- Borrow only what you need. You don't have to accept the full amount of student loans offered.

6. DON'T BE A VICTIM OF IDENTITY THEFT

The Federal Trade Commission (www.consumer.gov/idtheft) reports that 26% of all victims of identity theft are 18 to 29 years old. Identity theft happens when someone uses your personal information without your knowledge to commit fraud or other crimes. To protect yourself:

- Make a list of what's in your wallet or purse. Remove any IDs or cards you don't need. Keep account numbers in a safe place and use them to report lost or stolen cards immediately.
- Think twice before giving anyone personal financial information. Ask why they want the information. Use only secure Internet sites.
- Destroy any unnecessary paperwork or mail that includes personal financial information. An inexpensive shredder is a good investment.