

Thank you for being a CARE Volunteer



Before you meet the students:

TIP: Be aware of the wide range of socio-economic diversity within a classroom. Not all the students will be going to college, have allowances, or cars. Some may have difficult family situations; one parent in the home, poverty, homelessness. They may be unwed mothers and fathers on their own.

TIP: Make your examples appropriate for teens. They won't be interested in mortgages, retirement and bankruptcy- for now. They are interested in cars, jobs, clothes and popularity. Touch upon their interests.

TIP: Talk with students- not to them. You can relate to them by asking them questions; be friendly and approachable. Their words and feelings should be acknowledged. Conversation allows their perspectives, attitudes and experiences to be expressed.

TIP: Keep your presentation moving. Don't read the booklet to the students.

www.careinky.org

Introduction

Credit Abuse Resistance Education (CARE) is an educational program funded by the Kentucky Bar Foundation and delivered as a Community Service project by your local Bar Association. That means many lawyers and judges care about teens and their money sense. I am an attorney/ judge with _____. In my job I (Briefly explain what you do. Give a few personal anecdotes about your teen years and your money stories).

Today we will talk about credit. How to think about it, prepare to use it and avoid credit mistakes.

The CARE booklet is yours. It has great information so hang on to it. Take it home and share it with your parents. We will talk about some major credit issues but you will need to read and think about what's in the booklet and how credit can change your life.

Theme 1—Mindset

Money matters so get the best value on every dollar you spend or borrow

Pg. 4-5 Let's get started! How many of you earn money with a part-time job? How many of you have a checking account? Who is saving for a major, future purchase like a car, trip, school, or an apartment? How many of you keep track of your spending? Tell me some of your experiences with money.

70% of the United States economy is spending by consumers—that's you! You are important and your money behavior does make a difference so be smart about it.

Theme 2—Budgeting

Don't make wants and wishes "false needs"

Pg. 6 Purchasing things you want is fun but understanding the decision making process can keep you from making a mistake that will be extremely expensive and may affect your future choices. Learn a simple thinking process and you will be less likely to buy something impulsively. State your goal, list alternatives, think about what you want and how each alternative addresses that want and determine which alternative is most appealing.

Pg. 7 There are many ways to track spending and the 5 tips we suggest are just a start. It is important to know what you want to achieve and plan to have the money to get to your goals.

Pg. 9 Budgeting will be important to you as you go out on your own at college, in a job, or living on your own.

Theme 3—Credit Sense

Don't use credit to buy stuff you can't afford

Pg. 10 -11 Smart use of credit can help you achieve long-term goals.

Pg. 13 A credit card statement is an important document. When you get the statement, read it carefully. You will be charged fees, interest if you are not careful.

Pg. 14 Bad credit follows you. You don't want to learn the hard way. There is a score that tracks your responsibility with credit. It goes up and down with your use of credit good and bad. Your financial reputation is important.

Theme 4—Credit Used by Teens

The only good debt is what you can afford to repay

Pg. 16-19 Credit is not a bad thing but you need to know the costs of using a credit card or borrowing money you don't have. There will be different types of credit you will use through life. Buying now and paying later can cost you BIG TIME unless you are aware of fees, interest and consequences.

Pg. 20 Many teens have a car loan. How many of you are paying off a car? We have some tips for managing the purchase of a car. Think about price, down payment, and shop around.

Pg. 21 If you have a job you may choose to use the services of a payday loan company. This company gives you money in advance of your paycheck- but you pay interest. You need to know that this type of borrowing won't help you solve your money problems.

Pg. 22 Renting household goods and technology like televisions, computers and appliances is expensive. You would be wise to save money to buy things you need instead of renting and paying more for used goods.

Pg. 23 Did you know that 26% of young people 18 to 26 are victims of stolen credit card information? Never give personal information online. Your identity and finances need to be protected. Hackers on the Internet get your personal information by texting and e-mail with offers and gimmicks. Be careful about passwords and downloads so that you don't share information with the wrong people.

Theme 5—Heading to College?

Save if you want to do priceless things and live richly

Pg. 24 How many of you are planning on going to college, community college or trade schools? There are many opportunities for loans and financial aid. The FAFSA form is most commonly used by schools to determine if you are eligible for a loan and how much you may receive for school. There is a new option call the Kentucky Advantage Education Loan. Check it out!

Pg. 25 Getting out of high school and being more on your own is exciting! You will not have other adults taking care of your wants and needs. As an adult you will need to be realistic about your financial life. Think about how you can make your money work for you.

Pg. 26-27 Let's review. We have covered a lot of important topics. Do you feel that you understand the importance of responsible money management, using credit and future financial planning? There is a checklist of big credit ideas for you to consider. See if you have the "big picture" on credit.

You will also find a glossary with some of the credit terms we used today. Talk with your parents about money. Ask questions and don't hesitate to say that you want to know more about money and credit.

Does anyone have questions or comments about what we have talked about today?