

## Money in the Bank: A Financial Checklist for College

With commencement right around the corner, it's important for parents to talk with their high school seniors about handling their personal finances. The National Endowment for Financial Education gives you some tips for covering banking basics with your child before he or she leaves the nest.

### Bank on your child

Help your child open a bank or credit union account that offers checking, savings, and preferably, a debit card. Some financial institutions provide special deals such as free debit cards, checks or ATM use to students and young adults. Once your child opens an account, make sure he or she understands how to keep track of his or her spending and knows about any related banking fees.

### Establish cash reserves

Help your child set up an emergency fund. Ideally, you want to save enough to cover a semester's worth of living expenses. This includes rent or housing fees, textbooks, prepayment on next semester's tuition, food and transportation costs, and cell phone bills. If that's unrealistic, a few hundred dollars is a good start.

### Use graduation cash wisely

If your child receives gifts of checks or cash for high school graduation, it may be a significant amount of money. Instead of letting your child spend that cash on the latest electronic gadget or cell phone, teach him or her about responsible ways to use windfalls. It will help in the future with tax refunds or pay raises. And the money will be useful in helping to establish your child's emergency fund.

### Consider options for extra credit

The 2010 Credit Card Accountability, Responsibility, and Disclosure (CARD) Act prohibits applicants younger than 21 from obtaining their own card unless they can prove

they have the financial means. If you want your child to begin building credit in their own name or want him or her to have a card for emergencies, consider these card options:

- Prepaid credit card: Similar to a debit card, your child must have sufficient funds in their account in order to make a purchase. Otherwise, the transaction won't go through.
- Secured credit card: The card's credit limit is generally equal to the amount of money in your child's savings account. If he or she fails to make the monthly payments, the bank taps the savings account for reimbursement.
- Add your child to your account: This might be the ultimate test of trust and financial responsibility, but also it allows your child to build off your good credit. Make sure to monitor your child's spending and see that he or she pays the bill on time.



As a parent, take advantage of this teachable moment and encourage your student to use his or her credit card wisely. Tell your children how interest payments add up, introduce them to budgeting and let them know why it's a bad idea to go into debt. You might even share a few of your own past mistakes.

Source: National Endowment for Financial Education

## The Best Money Advice Your Mom Ever Gave You

*GreenPath staff share their favorite financial tips from dear ol' mom*

GreenPath counselors and educators are known for sharing financial advice. But who advised the advice givers? Well, it turns out dear ol' mom had some great influence.

From smart consumerism to saving and investing, it turns out she knew what she was talking about. In honor of Mother's Day, our staff wishes to pass along to you the best money lessons their moms taught them.

### On Getting the Most for Your Money...

Always shop sales and use coupons. Don't spend money like you are rich.

- *Dianne C., financial counselor*

My mom always took us to thrift stores and consignment shops for clothes and household stuff. She volunteers at a resale shop now and will still call me if she sees a good deal there on something that I need.

- *Colleen M., Partner Relations specialist*

### On Saving...

My mother always told me to "spend less and save more."

- *Marcel L., financial counselor*

My grandmother always tucked small amounts of cash in hiding spots around the house. She used this fund for many things including last-minute trips to the grocery store, Avon orders, and paying the paper boy. I usually have a few dollars in my car console to cover tolls or a drive-thru cup of coffee.

- *Amanda W., financial counselor and group manager*

### On Managing Your Money...

What I learned from my mother was the importance of paying bills on time and working the weekly budget as a routine task. Each week, she would break out the checkbook and the bills and go through the process of writing the checks, inserting them in the envelopes with the respective bill, slapping on the stamp and licking and sealing the envelope.

- *David P., Market Development & Partner Relations manager*

My mom taught me to always balance my checkbook, even in the world of electronic banking. And she was right.

- *Carrie R., Creditor Relations manager*

## Grocery Store Bargains

Where can you find the best deals on grocery store shelves? *CreditCards.com* says to look high and low and you just might find a bargain.

Studies show that products at eye level sell 20 percent more than similar items located lower on the shelves. Shoppers assume, incorrectly, that items on higher shelves are of better quality than those on the lower shelves. Because brand name manufacturers know this, they'll pay grocery stores for better shelf placement.

Here are some tips from *CreditCards.com* to make you a savvy bargain shopper:

- Your best deals can be found on the lower shelves or in less convenient locations.

- Avoid displays that have everything you need for a meal in one place. These items are typically not on sale nor are the best value for that item.
- Watch the "end caps." The shelves at the end of the aisles are in high visibility and high profit locations, and they're designed to catch your attention and your dollars.
- Stores make it hard to just run in for one or two items. As you walk by all of those enticing displays, resist the temptation to add a few extra items to your basket.

Most shoppers will spend three seconds or less finding an item. By simply spending an extra two seconds, you can cut your grocery bill. And, in this time of rising food prices, your budget will appreciate it too.

Source: *CreditCards.com*

## COMMENTS? SUGGESTIONS?

Write to the editor at [editor@greenpath.com](mailto:editor@greenpath.com). If you are a GreenPath client and have questions about your account, please email [customer-care@greenpath.com](mailto:customer-care@greenpath.com) or call 866-648-8122 and press option 3.