

SMART 1: Housing Transition Facilitator Manual for Module 5: Money Management

- This facilitator manual provides the narration text of each module along with facilitator notes indicating when discussions and activities should be carried out.
- **Facilitator notes are highlighted in red font.**
- Facilitators are encouraged to pause the module, especially where indicated **(PAUSE)** to facilitate discussion and/or activity.
- Ideas for activities and role play scenarios are included in the Appendix.

Slide 1: Title Slide

Slide 2: What is SMART?

- The Supporting Many to Achieve Residential Transition (SMART) Program has been designed to provide you with the skills needed to successfully achieve and maintain independent housing. This program consists of six 1-hour modules covering the following topics: Preparing for the Housing Interview, Apartment Living, Being a Good Tenant and Neighbor, Community Living, Managing Money, and Maintaining Health and Wellbeing. Each module has been designed to be interactive through the use of group discussions, role plays, and other exercises. Active participation in all modules will better prepare you for transition to residential housing.

Slide 3: Presentation Outline: Module 5 Money Management

- Welcome to module 5 of the SMART Program. In this module, you will learn about the skills and knowledge that are necessary to successfully manage your money. This module will cover budgeting, available benefits, ways to save your money and how to protect yourself financially.

Slide 4: Your Spending Habits

- Let's begin by discussing spending habits. "Spending habits" are the way that we spend our money, what we are spending our money on, and how much we tend to spend on these items. For example, do you spend a lot of money right after you get paid or receive an SSI check? Do you purchase bottled water rather than drink from the tap? Do you spend money on things that are on sale, even if you don't need them? Will you purchase coffee rather than make a pot at home? These are common examples of spending habits. How many people can answer yes to at least one of those questions?
(PAUSE for group participation)

Slide 5: Your Spending Habits (cont'd)

- Because these behaviors are "habits," sometimes we don't realize that we are doing them, and they are often hard to change. It is important to be aware of your spending habits and if some of your behaviors could be less wasteful. What are some of your

spending habits and are there any that you would like to change? *(PAUSE to allow participants to discuss their spending habits, and which, if any, they would like to change.)*

Slide 6: Your Spending and Saving Goals

Each person has different reasons for saving money. In this module, we will discuss how to effectively save and spend money in order to live within a budget when you are in supportive housing. There are many aspects of budgeting that are important for maintaining housing, such as monthly bills, rent, food, and health care bills. Throughout the module, we will discuss these topics, along with additional expenses. Taking the time to create a list of your needs and wants, and spending and saving goals can be the first step towards successful money management.

Slide 7: Why Keep a Budget?

A budget is a summary of monthly income and savings versus monthly expenses. In other words, if your monthly expenses are \$500, you know that you need to have an income of \$500 or more. Keeping a budget is important because you will have the money necessary to pay your bills, avoid over spending or going into debt. You will also be able to figure out if you have extra money to spend on something special that you want that is not a necessity. What kind of budget do you currently keep or have you kept in the past? *(PAUSE for group discussion)* What is something you would like to buy that is not a necessity? *(PAUSE for group participation)*

Slide 8: Your Needs and Wants When Budgeting

- In order to create a budget for yourself, you first need to take a look at what you need versus what you want. What is the difference between a need and a want? *(PAUSE for group participation)*
 - *Answer: Needs are things that you must have in order to survive - food, shelter, clothing, health care and transportation. Wants, on the other hand, are things that you would like to have, but you do not actually need in order to survive, such as buying fast food, a cell phone or a TV.*

Slide 9: Group Activity 1: Needs and Wants

- We will now practice differentiating between our wants and needs through an activity. This activity will allow you to explore current spending habits and patterns.
 - *(see p. 17)*

Slide 10: Your Fixed and Flexible Expenses

- Another step in managing your money is to divide your income into two spending categories: fixed expenses and flexible expenses. Some of your expenses, such as your rent is fixed because it stays the same each month. Other expenses, such as grocery bills or leisure activities, are flexible because they change from month to month. Can you think of any reasons why you should divide your income into fixed and flexible expenses? *(PAUSE for participant responses)*

Slide 11: Your Fixed and Flexible Expenses (cont'd)

- For both fixed and flexible expenses, you'll want to record how much you spend each month. When recording your fixed and flexible spending you may consider saving all receipts and adding them up at the end of the month or checking your online banking record if you use a debit or credit card for most purchases. You may also consider using a spending journal to help you record your fixed and flexible spending.

Slide 12: Group Activity 2: Creating a Spending Journal

- We will now practice creating a spending journal that will help you to figure out where all of your money is going, even the small amounts we spend that we tend to forget about.
- *(see p. 18)*

Slide 13: Income and Benefits

- In order to consider purchasing anything, whether they are needs or wants, or, to eventually obtain housing, you have to have some form of income. In addition to wages from a job, you may also gain income through various benefits that are available to you. We will now take a brief look at some of these benefits. As you might already know, when you first enter the shelter, you meet with the entitlement specialist who reviews all of this information with you. Has everyone here had this meeting? *(PAUSE for group participation)*

Slide 14: Available Benefits

- You are then sent to the NYC Human Resource Administration (HRA) to fill out paper work, show identification and apply for benefits. At HRA, you can apply for SNAP, which stands for the Supplemental Nutrition Assistance Program, often called food stamps, as well as cash assistance, and health insurance coverage. While you are at the shelter, SNAP and cash assistance benefits will be reduced because food and housing are provided for you.

Slide 15: Documentation

- When you apply for benefits, it is very important that you bring the proper documentation with you and **have patience**. In order to prove your identification and your age, bring at least one of the following: a driver's license, a passport, a naturalization certificate, records from a hospital or doctor. If you do not have any of those, you will need to provide two of the following: a statement from another person who can verify your identity, such as a doctor or parent, a birth certificate or a validated social security number.

Slide 16: Documentation (cont'd)

- You also have to bring proof of residence and proof of earned or unearned income, such as wages, unemployment insurance benefits, veteran's benefits or workers compensation. As you can see, the application process can be confusing, so be sure to

organize all of your documents and paperwork ahead of time and keep them in a safe place. *(The facilitator should discuss safe places to keep documents at the shelter.)*

Slide 17: Governmental Supplemental Programs

- If you are a veteran, the Department of Homeless Services has a veteran's services unit that can assist you in obtaining benefits. There are also government supplemental programs, SSI and SSDI. Supplemental Security Income Benefits or SSI is based on financial need and it is designed to help meet the basic needs for clothing, shelter and food. Social Security Disability Insurance may be available to you if you worked long enough and paid social security taxes. The entitlement specialist at the shelter can help you apply for government benefits.

Slide 18: Saving for Housing

- In order to remain at the shelter, it is required that each resident save 60% of his income in preparation for moving to supportive housing. If you are unable to save on your own, the shelter will provide money management services by having your benefits sent directly to the shelter and saving your money for you. Once you obtain housing, your money will be returned and your state awarded benefits will increase so that you can afford your apartment and purchase food.

Slide 19: Group Activity 3: How to Make a Budget

- We will now practice how to make a budget for ourselves. We will be using our SMART notebooks for this activity. *(The facilitator can distribute notebooks to all group members. Sheets of paper stapled together can also be used.)* The first step of creating a budget is to write down the money you get from your job(s) or from various support payments, for example, salary, SSI, SSDI, pensions, veteran's benefits, etc. – otherwise known as your income. Then you should divide your income into fixed and flexible expenses, as we mentioned before. Subtract your expenses from how much money you have coming in (income). This number should be more than zero. If it is less than zero, you are spending more money than you have. Look at your budget to see what you do not need or what you could spend less on.
- Can you think of any ways you can save money or spend less? *(PAUSE to wait for participant responses)*
 - Answer: *try shopping at farmers markets or cheaper grocery stores, buying generic brands, cooking at home, or using coupons. Throughout the module, we will discuss more ways to save money and how to stick to a budget.*

Slide 20: How to Stick to Your Budget – Basics

- Now that you have learned how to differentiate your needs and wants and to make a budget, it's time to learn how to stick to your budget. As with any new skill set you're learning, you must practice and not give up when things don't go the way you had expected.
- In the beginning, you may feel that it is difficult to stick to your budget and feel frustrated or disappointed. The key is to not to give up, and instead try again next

month. You may have to modify your budget through trial-and-error – soon after, you will get better at spending your money according to your budget. Remember, you need to practice without giving up until this new skill becomes your habit.

Slide 21: How to Stick to Your Budget – Fixed Expenses

- For payments that you will be making every month such as rent, utilities, and phone bills, generate a schedule of payment due dates to ensure timely payments. As discussed earlier, keeping a journal/notebook for your expenses and writing down payment due dates on a calendar can help with creating a monthly routine to follow. Keeping bills in the same place, such as next to your phone or by your bedside, can also give you a reminder to attend to bills. Organizing bills in chronological order in a file or envelope by due date also helps you to not miss or forget a payment.

Slide 22: How to Stick to Your Budget – Fixed Expenses (cont'd)

- Some of you have a smartphone – did you know that you can use your phone to do banking? *(PAUSE for participant responses)* This is an easy and convenient way to manage your money. For those of you who are interested in learning more about using your smartphone, let's explore this option a little further.
 - *(see attached Optional Group Activity 3: Smartphone Banking Applications, p. 20)*

Slide 23: How to Stick to Your Budget – Timely Payments

- It is important to note that making timely payments is an important step in money management; when you make a late payment, a late fee may be added to your bill. Also, some utility companies or credit card companies may report late payments to credit reporting agencies and that can negatively affect your credit rating. We will talk more about credit and credit rating later on.
- You can make a payment in various ways: writing a check and mailing it out, paying with a money order, or making an online payment.
- How many of you have written a check? *(PAUSE for participant responses)* Can someone explain how to write a check? *(PAUSE for participant responses)*

Slide 24: Group Activity 4: Paying Your Bills

- *(see attached group activity: Writing Checks for Utility Bills, Balancing Checkbook, Making Online Payments, p. 21)*

Slide 25: How to Stick to Your Budget – Money Management Help

- If you need a little help, there are money management classes offered at the shelter, and you can check with your case manager. You may also be able to find a local government agency or nonprofit organization that offers assistance in money management.
 - NYC Financial Empowerment Center: call 311 to schedule an appointment for free one-on-one counseling.

Slide 26: How to Stick to Your Budget – Money Management Help (cont’d)

- Other non-profit organizations also offer free money management assistance:
 - The Center for Urban Community Services (CUCS) offers free counseling on money management, credit, debt, savings, and bankruptcy in both English and Spanish. Call 212-927-0962 or email mpolanco@cucs.org for more information.
 - Neighborhood Housing Services of NYC offers free classes and/or workshops for basic financial education. Call 212-519-2517 or email juan_santana@nhsnyc.org for more information.

Slide 27: How to Modify Your Budget When You Need To

- It is also important to allow yourself to be flexible. For example, you may need to spend extra on groceries this month because you are planning to have a friend over for a meal in your apartment and there is nothing wrong with that. You can balance this extra spending by spending less in another area, such as the money you budgeted for eating at restaurants.

Slide 28: How to Modify Your Budget When You Need To (cont’d)

- Some expenses do not occur monthly. You may have to set aside extra money for special occasions or unforeseen circumstances. For example, medical expenses, including visits to the doctor’s office, are not monthly recurring expenses. Whenever possible, you should set aside money for these expenses to prevent surprises and frustration when the time comes.
- What are some examples of surprise expenses that can happen? *(PAUSE for participant responses)* Did you ever have problems with money management because of unexpectedly spending money on something you didn’t see coming? Can you share your experiences? *(PAUSE for participant responses)*

Slide 29: Your Budget in the Future May Change

- In the future, there will be situations where your budget may change. For example, your income can decrease if you lose a job or become unable to work due to health-related issues. If you are able to work, finding a part-time job while you are looking for a full-time job is an option to earn some income. Your expenses can increase due to a change in your current situation: an increase in rent or sudden change in health can all affect your financial situation that will require you to modify your budget. Some ways to decrease expenses to facilitate a budget change can include the following:

Slide 30: Your Budget in the Future May Change (cont’d)

- Keeping your thermostat slightly lower in the winter and slightly higher in summer will reduce your heating/cooling costs; likewise, using a fan instead of an air conditioner in the summer or wearing more or less layers of clothing can also help.

Slide 31: Your Budget in the Future May Change (cont'd)

- Consider the following scenario: you wish to trade in your habit of eating pizza and hamburgers for fresh vegetables and fish. This change toward a healthy lifestyle may initially increase your grocery bills. However, quitting smoking and not spending money on alcohol and drugs can actually help you get rid of your unnecessary expenses and unhealthy and expensive habits, and in turn, you will be able to afford healthier eating options that will benefit you in the long run. Currently, a carton of cigarettes will set you back anywhere between \$150 and \$200. If you quit smoking, you can use the extra money to buy healthy snacks such as fruits and vegetables. Or, you can save a portion of this money and put it away in savings so you can use the money in the future for other expenses.

Slide 32: Your Budget in the Future May Change (cont'd)

- Using coupons or buying things in bulk can help reduce expenses. More details on utilizing coupons, sale flyers, and free resources will be discussed later.
- What other things can you do to decrease your expenses? *(PAUSE for participant responses)*
- On the other hand, a recent raise in your paycheck or SSI benefits will also allow you to adjust your budget; you can decide how to spend or save the extra income. This may be a good opportunity for you to think about stashing away that extra money into a savings account for times when you may lose a job, have your money stolen, or need money for medical expenses.

Slide 33: Ways to Save Your Money – Savings Accounts

- One easy way to save your money is by opening a savings account and putting your money away into the account. Does anyone have a savings account? *(PAUSE for participant responses)*
- By putting your money away, you are not holding onto cash in your wallet. It is much easier to just spend the money that's in your wallet. When you don't actually see the money, it helps you to "forget" about it and it decreases your chance of impulsively spending the money on hand.

Slide 34: Ways to Save Your Money – Savings Accounts (cont'd)

- Many banks offer automatic fund transfer from a checking account - enrolling in such service enables you to transfer a fixed amount every month so that your savings grow. There are a number of banks that offer saving accounts with a low monthly minimum and low or no monthly fees. The following are websites for several banks in the neighborhood.
 - <http://home.capitalone360.com>
 - <http://www.pnc.com>
 - <http://www.tdbank.com>
 - <http://www.popularcommunitybank.com>

Slide 35: Ways to Save Your Money – Checking Accounts

- Another way to save your money is to put money into a checking account. Does anyone currently have a checking account? If so, which bank do you use? *(PAUSE for participant responses)*
- Although it is easier to access money in your checking account than in a savings account, it is still better than keeping your money in your wallet. Having a large amount of money with you increases your chance of losing your money or wallet or having them stolen. Also, instead of going to check cashing stores and paying a fee to cash your SSI checks or paychecks, you can save on fees by opening up a checking account where you can deposit your checks for free.

Slide 36: Ways to Save Your Money – Checking Accounts ((cont'd)

- Some people may prefer to manage monthly bill payments online, which you can do with your checking account. By having a checking account, you can write checks and mail them out. Here are some banks that offer free checking accounts.
 - <http://home.capitalone360.com>
 - <http://www.pnc.com>
 - <http://www.tdbank.com>
 - <http://www.popularcommunitybank.com>
- Many banks also offer no monthly fee checking accounts for qualified students and for older adults.

Slide 37: Group Activity 5: Taking a Fieldtrip to a Bank

- *(see attached group activity: Taking a Trip to a Local Bank, see p. 28)*

Slide 38: SMART Shopping: Coupons, Sales Flyers

- In addition to saving money through a bank account, you can also save money by reducing your expenses. For example, strategies such as using coupons, buying in bulk and visiting food cooperatives can significantly reduce your monthly grocery bill. Customers use coupons in order to get a discount on designated items. Paper coupons for grocery stores can be found within your local newspapers and magazines, or they may be mailed to you from a company, such as ValUPak. Grocery stores often have sales flyers that list the daily sales as well. Take a minute to look inside the packaging of products that you frequently use. Sometimes manufacturers include a coupon on the inside of the package. Do any of you use coupons for your shopping? *(PAUSE for participation)* Have you seen coupon inserts within newspapers or magazines? If so, have you ever used them? *(PAUSE for participation)*

Slide 39: Reward Cards/Bonus Savings Cards

- Many of the chain stores, such as CVS, Rite Aid, Duane Read, Key Foods and Gristedes, offer shoppers the chance to receive discounts by simply applying for a reward or savings card. The card's benefits vary depending on the store; however, they typically offer sales and discounts, and customers are often rewarded with actual dollar savings if

they shop there frequently. The next time that you shop at a local chain store, you can ask the cashier if they offer a rewards card.

Slide 40: Group Activity 6: Field Trip to Grocery Store

- *(See attached Field Trip Activity, p. 29)*

Slide 41: SMART Shopping: Online Savings and Coupons and Group Activity 7

- If you have access to a computer, you can search store home pages and websites that specifically offer coupons that you can print out. When using paper or online coupons, be sure to check expiration dates and the fine print. *(If facilitator has access to computers for a group activity, say:)* We will now practice looking up these coupons in order to save money at popular local stores. *(see attached sheet for activity, p. 30)*

Slide 42: SMART Shopping: Buying in Bulk

- Sometimes, it is more valuable to purchase frequently used items in bulk. Stores such as Costco, BJ's and Sam's Club specialize in bulk-sized items, but these stores often require a membership fee. However, Target, Walmart and many grocery stores also sell products in large quantities at slightly reduced prices. Whenever considering bulk items, it is important to compare the prices to the regular size product. For example, if a 4 pack of toilet paper cost \$3.99 and a 12 pack costs \$10.99, it is more valuable to buy the larger size. On the other hand, if a 4 pack costs \$3.99 and a 12 pack costs \$13, it is not worth spending on the larger size.

Slide 43: SMART Shopping: Food Co-ops

- You've probably noticed that it often seems like it is more expensive to purchase healthy foods, such as fresh fruits and vegetables, than it is to buy fast food or unhealthy foods. In addition to farmer's markets and local fruit stands, you may be fortunate enough to find housing within a neighborhood that has a food cooperative. A food co-op is a food store that is owned and operated by members whose joint mission is to sell nutritious and sustainable food that is also affordable. Has anyone ever been to or heard of a food co-op? *(PAUSE for participation)* If so, can you share what it was like and if you found it to be more affordable? *(PAUSE for discussion and participation)* Although there aren't a large number of co-ops within New York City, there is at least one in each borough, and Brooklyn has a number of them. At the conclusion of this module, the facilitator will provide you with a map of food co-ops within New York City.
<http://bit.ly/1s1xJn8>

Slide 44: SMART Shopping: Second Hand Clothing and Furniture Stores

- How many of you have heard of the Salvation Army or Goodwill Stores? *(PAUSE for participation)* These are well-known second hand stores that sell clothes, furniture, household products and other items. Second hand stores sell used items at a significant discount. In addition to the well-known stores, they might also be located within a church or a small standalone store. Used stores may provide everyday items, and they

are also a great place to look for specific needs, such as a last minute suit for an interview. Have any of you ever shopped at a used clothing or furniture store? If so, what kind of items have you bought there? *(PAUSE for discussion)* Does anyone know where the Goodwill is located in Washington Heights? *(PAUSE for participation)*

- Answer: 181st and Amsterdam Avenue
- You may have seen our “Suit for Success” closet at the shelter. Has anyone visited it? *(PAUSE for participation)* The closet is filled with donated suits, shirts, shoes, etc. that you may use for a housing interview so that you will be *dressed for success*, and you get to keep these clothes!

Slide 45: Finding Free Events/Things

- Another way to save money would be through finding free events/things in your community.
- **Free local newspapers:** Most cities have a free local newspaper that has advertisements for local events and activities. These newspapers will likely feature some type of events calendar, which lists a number of free community events you may not have been aware of. There are many free newspapers in NYC such as Metro New York (free daily), AM New York (free daily), The Village Voice (free weekly), and GO NYC is a free monthly magazine.

Slide 46: ID NYC

- As of January 2015, all New York City residents over the age of 14 are eligible to sign up for a government issued identification card, regardless of your immigration status. The IDNYC is a secure document, and it can enable you to access many of the city services that we have been discussing. For example, it can be used for admission to schools, to obtain a library card, to obtain free memberships at museums, zoos and botanical gardens, as well as to receive discounts for movies tickets and many other NYC attractions. The IDNYC is also accepted at many banks and credit unions so that you can open a bank account. Although this new card may be used as proof of identification for any interaction with police officers, it may NOT be used for documentation when applying for state benefits.

Slide 47: ID NYC (cont'd)

- If you are interested in obtaining IDNYC, now is the time. The ID is free through December 31st of this year. In order to apply, fill out an application, gather your documents and bring them to an enrollment center. You will need 3 points of identity and 1 point of residency documentation. A letter from a NYC homeless shelter is enough to fulfill the residency requirement. You can obtain an application at an enrollment center. The nearest location is at:
 - The Neighborhood Trust Federal Credit Union
1112 St. Nicholas Ave New York, NY 10032 (at W 166th St and St. Nicholas Ave)
Mon, Tue, Fri: 9:00am - 4:00pm; Wed: Closed; Thu: 9:00am - 6:00pm;
Sat: 10:00am - 2:00pm

Slide 48: Local Library

- Bulletin boards and brochures at the front desk will point you to movie nights, lectures, presentations, club meetings, concerts and other free things. There is also access to tons of free books, computers, courses, movies, music and other items for you to use and borrow. Any person who lives, works, attends school or pays property taxes in New York State is eligible to receive a New York Public Library card free of charge.
- Now that you've learned about all of the free resources that the NYPL provides, let's take a fieldtrip to the local library and get library cards.
- *(see Fieldtrip to Local Library Group Activity 8, p. 32)*

Slide 49: Parks and Recreation Department

- By visiting the office or checking its website, you can find a full list of all the parks, trails and other facilities managed by the NYC Parks and Recreation department, as well as classes and special activities it offers. Many of the activities are free.
- www.nycgo.com: Provides a calendar and save the date section for free events that are taking place in the five boroughs. The website has sections pertaining to *must see* attractions and *things to do that are free*. How many of you have a favorite NYC park? Would you share why you feel this way about this park?

Slide 50: Ways to Make Payments Using a Debit Card

- The first way we will discuss making a payment will be by using a debit card. Does anyone know what a debit card is? *(PAUSE for group participation)*
 - *Answer: A debit card is used as a more convenient way of spending money than simply carrying around cash at all times. The first step is putting your cash, paychecks, and checks into a checking account. Then you will be able to swipe your debit card to deduct money from that account to pay for your purchases.*

Slide 51: Ways to Make Payments Using a Debit Card (cont'd)

- To obtain a debit card, you must first open a checking account, which we discussed previously. Almost all checking accounts can be attached to a debit card, allowing you to use your debit card to deduct money from your checking account to pay for your purchases.
- Debit cards allow you to access your checking account conveniently and securely, without having to carry a lot of cash or checks. You can use a debit card at numerous locations including places that don't take checks such as a fast food restaurants or bodegas.

Slide 52: Ways to Make Payments Using a Debit Card (cont'd)

- Unlike a credit card, which requires you to pay the bill later, the money comes directly out of your checking account. This is a great way to avoid spending more money than you have in your account. Before you use your debit card, make sure you know your checking account balance. If you try to spend more than you have, your purchase may

be declined or the bank might charge you an extra fee, also known as an overdraft fee. Make sure to check your bank's policy so you are aware of any potential fees you would have to pay by spending more than you have available in your account.

Slide 53: Ways to Make Payments Using a Credit Card

- Another way to make a payment is by using a credit card. Does anyone know what a credit card is? (*PAUSE for group participation*)
 - Answer: A credit card is also more convenient to use than cash and it offers protection under federal law. But it's important to remember that a credit card is a type of loan. When you spend money on a credit card you are essentially borrowing money – and if your debts get out of hand you may end up owing more than you can repay.

Slide 54: Ways to Make Payments Using a Credit Card (cont'd)

- When you apply for a credit card, you apply to borrow money from the card issuer, usually a bank. The issuer will look at your credit history before it accepts your application – and if you have a low credit score you could be refused credit. If all is well, the bank will set a credit limit, which is the maximum amount of money you can spend on the card.
- Unlike spending cash or using a debit card, you do not see money disappearing when using a credit card. Not seeing the money deducted can make it very easy to spend more than your credit limit.

Slide 55: Ways to Make Payments Using a Credit Card (cont'd)

- Credit cards come with numerous fees, especially when spending more than your credit card limit. Also, if you make a payment late you can expect a large late fee.
- If you cannot afford to pay the credit card amount in full, the balance will accumulate interest. The interest rate is a percentage that the bank charges you to carry a balance on a credit card.
 - For example, you buy a pair of sneakers with a credit card for \$50 and there is a 10% interest rate on the card. If you do not pay the balance in full by the due date then you will have to pay an extra 10% of \$50, which is \$5. The bill will then cost \$55.
- What do you think is a better option to use: a debit card or a credit card? Why do you think a debit card is the better option?
 - Answer: you can only spend the money that is available to you in your account, you do not have monthly bills, no interest is charged because no money is borrowed, and a debit card does not affect your credit history.

Slide 56: What Is Credit?

- Does anyone know what credit is? (*PAUSE for group participation*)
 - Answer: Credit is your reputation as a borrower. It tells others how likely you are to repay your loans. Credit is made up from information about your borrowing history. Most of the information comes from your credit reports.

- A credit report contains information about your borrowing history. Lenders (and others) provide information that ends up on credit reports. They report how much you've borrowed, how you've repaid, and other details about money you have borrowed. Your credit report is the master document upon which your credit is built.

Slide 57: What Is Credit? (cont'd)

- Credit scores are numbers generated by a computer program that reads through your credit reports. It looks for red flags in your history such as not paying bills on time and spending more than your credit limit. For example, if your credit limit is \$300 and you spend \$400 on a new TV, this will show up as a red flag on your credit report. Based on what the program finds, it produces a credit score.

Slide 58: What Is Credit? (cont'd)

- If you do not use credit cards properly, you can develop a negative credit history and lower your credit score. A negative credit history can prevent you from qualifying for loans later in life including a mortgage to buy a home or a loan to buy a car. In addition, people with low credit scores have difficulty renting apartments, pay higher interest rates, and pay higher insurance rates.

Slide 59: Protecting Yourself Financially – Identity Theft

- Now that you have learned the basics of budgeting, saving, and credit, it's time to talk about identity theft. Identity theft happens when someone steals someone else's identity and pretends to be that person in order to gain access to resources or to obtain credit and other benefits in that person's name. The victim of identity theft, the person whose identity has been stolen, can suffer in various ways.
- For example, the perpetrator can open a credit card in your name, purchase items with your card, and not pay the credit card company. In turn, your credit rating can drop significantly and you will be held liable for the purchases you never made. In order to protect yourself from being a victim, always make sure to keep your personal information to yourself and never share important information, such as your social security number, with other people.
- Does anyone have any experience with identity theft? *(PAUSE for participation)*

Slide 60: Protecting Yourself Financially – Identity Theft (cont'd)

- It is a good idea to periodically check your bank and credit card statements for unknown charges. If you do not recognize something, notify the bank or the credit card company to dispute such charges so you won't be responsible for fraudulent activities that could have been caused by identity theft.

Slide 61: Protecting Yourself Financially – Identity Theft (cont'd)

- Once a year, you can get a free credit report from all three credit bureaus (TransUnion, Equifax, Experian) by visiting the following website:
 - <https://www.annualcreditreport.com/index.action>

- You can request your free credit report and you will have a chance to review your credit history. If you see an item on your report that you do not recognize, you can suspect a possible identity theft. You will be given instructions on how to contact each credit bureau to dispute the item that you do not recognize to keep your credit in good standing.
- There are websites with similar names that may charge a fee or may be scam websites. So make sure that you are at the right website before you enter any identifying information such as your social security number to request your report.

Slide 62: Protecting Yourself Financially – Scams

- There are many scammers out there that offer you with “too good to be true” scenarios. These scammers may contact you in person, on the phone, or through email. Following are some common and well-known scams to watch out for.

Slide 63: Protecting Yourself Financially – Scams (cont’d)

- Medicaid scam: someone in the neighborhood may approach you by telling you that you can get illegal Medicaid benefits with a fake ID. This is a serious crime that may land you behind bars. Do not get involved with anything that asks you to impersonate another person.

Slide 64: Protecting Yourself Financially – Scams (cont’d)

- Emails from abroad: you may have heard about the so-called “Nigerian” scam, where someone claiming to be a prince from Nigeria says he has millions of dollars and wants to transfer the money to you. And he wants your bank account information in order to do so. The email may say, “I’m going to transfer \$10 million to your bank account and all you have do is pay the wire transfer fees.” The scammer is just trying to get access to your bank account information and wipe out your account by impersonating you.

Slide 65: Protecting Yourself Financially – Scams (cont’d)

- Keep the extra change: someone may offer to send you a money order for \$5,000, then ask you to deposit it in your bank account. Then, they will ask you to send them a check for \$1,000 and you can keep the remaining \$4,000. In reality, this fake money order will bounce and you will be liable for \$5,000 plus the \$1,000 check you sent out.

Slide 66: Protecting Yourself Financially – Scams (cont’d)

- Sweepstake and lottery scams: when you see an email saying, “You won the lottery!” You will want to believe your luck. However, you will be asked to pay for processing fees in advance in order to claim your prize.

Slide 67: Protecting Yourself Financially – Scams (cont'd)

- Cold calls: don't befriend a stranger on the phone who calls you with promises of easy money making opportunities. Never give out your personal information to someone you don't know.

Slide 68: Protecting Yourself Financially – Scams (cont'd)

- Phishing emails: you will receive phishing emails that claim that your account (bank, Facebook, email, etc.) needs to be verified by clicking on a link and entering your information. Do not click on suspicious links, and don't enter any personal information such as passwords.
- Has anyone been a victim of a scam? Can you share your experience with the group? *(PAUSE for participation)*

Slide 69: Protecting Yourself Financially – Psychology of Advertising

- When you see an advertisement that says "70% off Today Only," you may be tempted to purchase an item you don't really need only because of the deep discount. Before you plunge into this deal, you should ask yourself, am I really saving money? Or am I spending the money on things I don't need only because of the sale sign?
- What were some things you bought only because it was on sale? *(PAUSE for participation)*

Slide 70: Protecting Yourself Financially – Psychology of Advertising (cont'd)

- There are usually sales around holidays – Black Friday is probably the biggest shopping day for most. However, studies have found that many retailers hike up their prices before Thanksgiving, giving people the illusion of buying things at a discount when you are actually paying around the same price for the item that has been supposedly discounted.

Slide 71: Protecting Yourself Financially – Psychology of Advertising (cont'd)

- "Buy now, pay later" offers are often very bad deals. Because you are getting the things you want for free right now, you may think you have more money in your pocket. However, know that you actually end up paying more for the same item by paying interest charges on your purchase.

Slide 72: Protecting Yourself Financially – Psychology of Advertising (cont'd)

- You may also see a sign that says, "limit 5 per customer" at a supermarket. This makes you think that this item is popular and you need to get on the boat to not miss out on this deal. But this may be a marketing ploy to get rid of an item that does not sell well and that has been sitting on the shelf for a long time.

Slide 73: Congratulations!

- Congratulations! You've completed the Money Management Module of the SMART Program!

- Take the above things into consideration when making a purchase – become a smart consumer, be financially responsible, and learn to manage your money so you can plan for your better future.

APPENDIX

Activity Ideas

Group Activity 1:

Making Cents of Your Money: Needs and Wants

Directions: Everyone is encouraged to participate in the following group activity. By participating in this activity you will be able to recognize patterns and habits surrounding the management of your money.

Facilitator Note: Lay out construction paper, magazines, scissors, and tape on a table.

Steps:

- Everyone choose a piece of colored construction paper.
- Fold your piece of construction paper in half and label one half “needs” and the other half “wants.”
- Find items in the magazines provided that you like and cut them out.
- Identify the items you choose as a “need” or a “want.”
- If you are unable to find an item in the magazine you can write or draw the item on the construction paper.

After the completion of the activity, ask the following questions to the group members:

1. How did you decide an item was a “need” or a “want”?
2. Why is it important to understand the difference between a “need” and a “want” when managing your money?
3. How can you modify your current spending habits?

Group Activity 2: **Creating a Spending Journal**

Directions: Everyone is encouraged to participate in the following group activity. By participating in this activity you will be able to keep track of your money and your spending habits over a week.

Facilitator Note: Use the worksheet on the following page.

- Use your spending journal to write down each purchase you make every day for a week.
- Each time you spend money, no matter how large or how small an amount, write it in your spending journal. Often times, we spend small amounts of money here and there without even thinking about it, such as on cigarettes, take-out food, or alcohol/drugs. These small amounts of money can potentially add up to significant portions of our income. The spending journal will help you to figure out where all of your money is going, even the small amounts we spend that we tend to forget about.
- After you have kept the spending journal for **at least one week** we will have a discussion about what we are spending our money on.

After the completion of the activity, ask the following questions to the group members:

1. Is there anything you would change about your spending habits?
2. Were you spending most of your money on your “wants” or on your “needs”?
3. What items do you think you can take out of your spending journal? What items could replace those?

Spending Journal

Mon	Tues	Wed	Thurs	Fri	Sat	Sun
Item 1: Cost:						
Item 2: Cost:						
Item 3: Cost:						
Item 4: Cost:						
Item 5: Cost:						
Item 6: Cost:						

Group Activity 3 (OPTIONAL):
Smartphone Banking Applications

Directions: This activity is for group members who are interested in smartphone banking apps. By participating in this activity clients will learn about mobile banking applications designed to help them manage their money.

- Many banks have custom-designed applications, or apps, for specific smart phones, such as the iPhone, Android and BlackBerry. Mobile banking apps allow customers to review account balances, transfer money between accounts, monitor availability of deposited funds, and pay bills.
- Banks can also send text alerts when a customer's checking balance is low or when withdrawals and deposits are posted to an account.
- Customers can also get alerts for debit- and credit-card purchases that exceed a set amount, which might indicate fraud or identity theft.
- The latest innovation, called "remote deposit capture," lets customers snap a photo of a check with their cell phone camera and "deposit" it into their account.
- Utilize GPS to get one-touch access and directions to ATM / location information.

Group Activity 4:

Writing Checks for Utility Bills, Balancing Checkbook, Making Online Payments

***Facilitator note:** Use the blank checks, utility bills, and checkbook register on the following pages.*

- Ask the clients to identify due dates and amount due on each bill. Complete check writing and checkbook register entries for each bill.
- If possible, show sample bank/utility websites to learn how to make online payments. Discuss recording electronic payments in checkbook, as people often forget to log debit card purchases or online payments. Explain how clients can stay current on their “actual” bank balance and avoid possible bank account overdraft.

John Smith 5 th Ave, Apt 25 Brooklyn, NY 12115	107	
	Date _____	
Pay to the order of _____	\$ _____	
_____	Dollars	
Memo _____		
0318845001	17783993550	1286

John Smith 5 th Ave, Apt 25 Brooklyn, NY 12115	108	
	Date _____	
Pay to the order of _____	\$ _____	
_____	Dollars	
Memo _____		
0318845001	17783993550	1286

John Smith
5th Ave, Apt 25
Brooklyn, NY 12115

109

Date _____

Pay to the order of _____ \$ _____

_____ Dollars

Memo _____

0318845001 17783993550 1286

John Smith
5th Ave, Apt 25
Brooklyn, NY 12115

110

Date _____

Pay to the order of _____ \$ _____

_____ Dollars

Memo _____

0318845001 17783993550 1286

Checkbook Register

Check No.	Date	Transaction Description	Payment Fee Withdrawal	Deposit Credit	Balance
104	6/2	Pharmacy	25.00		453.62
105	6/15	SSI Check		765.00	1218.62
106	6/20	Rent		550.00	668.20

Group Activity 5:

Taking a Fieldtrip to a Local Bank

Directions: Contact a local community bank and schedule an appointment with a customer service rep in advance.

- Before taking a field trip, facilitate a discussion: Have you ever had a bank account? What do you know about checking/savings account? What are some things to keep in mind in order to maintain your accounts in good standing?

- Questions to ask at the branch:
 - Do you offer free checking and/or savings account?
 - What is the minimum opening balance?
 - How do I keep the account in good standing so I can avoid any fees?
 - Do you offer a free ATM card?
 - What are your hours of operation?
 - How do I deposit money (check, cash) into the account?
 - How do I withdraw money from the account?
 - Do you offer online banking?
 - Are there any other benefits offered on the free account?

Group Activity 6:
Field Trip to Grocery Store

Directions: Take a group trip to the local grocery store (or other local store that offers a savings/reward card). Ask the cashier for an application for their Bonus Savings Card for each member. Have members fill out the application and return it to the cashier in order to receive their card.

- **Discussion:** Have a group discussion regarding where to keep the card (i.e., with IDs, credit cards, money/wallet), when to use it, and what benefits come with the card.

Group Activity 7:
Coupon Activity

Directions: *Each participant either needs access to a computer or weekly store ads.* Use google.com to locate two of the following three store home pages: Duane Reade, Pathmark, or CVS (use other local stores if these do not exist in your area). On each home page, search for coupons or discounts. This could be categorized as “coupons,” “discounts,” or “deals,” etc. Alternatively use weekly store ads. On the Coupon Worksheet (on following page), have clients record the name of the item, food or product category, and the amount of savings.

- Canned good
- Fresh produce (vegetables and fruits)
- Fresh meat, poultry, fish
- Frozen meal
- Household product
- Self-care item
- Bakery item
- Beverage
- Breakfast food
- Snack

Coupon Worksheet

Item	Food or Product Category	Amount of Savings

Total Savings =

Food Categories

- Canned good
- Fresh produce (vegetables and fruits)
- Fresh meat, poultry, fish
- Frozen meal
- Household product
- Self-care item
- Bakery item
- Beverage
- Breakfast food
- Snack

Group Activity 8: **Fieldtrip to Local Library**

Directions:

Everyone is encouraged to participate in the following group activity. By participating in this activity you will be able to learn about all of the free resources that the New York Public Library has to offer.

Have members fill out a NYPL card application form at catalog.nypl.org before taking a trip to the local library.

- After getting to the classic catalog page, go to 'apply for a debit card' and click 'apply'.
- The members must submit a partial application online, then visit a library location to validate and pick up their card.
- If members cannot access a computer they may also visit any library location and fill out a paper application form.
- After filling out application forms explore the library as a group.
- After taking a tour of the library, have a discussion about the NYPL and what library cards can be used for.
- If some of the clients live in Brooklyn or Queens let them know that there is a separate library system in those boroughs.
- They may have to apply again once they are living in their supported housing in Brooklyn or Queens, but let them know that today's activity was good practice.

Ask questions such as:

1. Has anyone ever used a library card before? What resources did you borrow? Have you ever attended a program or class offered at the library?
2. Does anyone know in what boroughs the NYPL has locations?
 - *Answer: Your library card is your key to the resources and services of Manhattan, Staten Island, and the Bronx. Brooklyn and Queens need separate cards for public libraries.*
3. What free resources have you used/borrowed in the past or heard about from the NYPL?
 - *Answer: In addition to borrowing library materials, your card allows you to reserve a computer, download digital media, search hundreds of electronic databases, and more. The NYPL also offers programs and classes such as learning how to use Microsoft Excel 2010, resume writing workshops, health and wellness classes, English language classes, and many more. There are also free art exhibitions and concerts in many of the libraries throughout Manhattan, Staten Island, and the Bronx as well as activities for children for those fathers and grandfathers in the group!*
4. For how many years can you use your library card before it expires?

- *Answer: NYPL cards expire every three years. You can visit any New York Public Library location and give them forms of identification in order to renew or validate your card.*