

Iowa



**MONEY
SMART
WEEK®**

MONEYSMARTWEEK.ORG

FEDERAL RESERVE BANK *of* CHICAGO



APRIL 20-27, 2013 MONEYSMARTWEEK.ORG

Kids...Enter this Poster Contest today!
*...Create a poster describing this theme:
"There's a lot to learn about money. What should you know now?"

\$200 Prize
*...Follow these rules:
• Students in grades 1-4 are eligible, one poster per student
• Poster should be handwritten, 11" x 17"
• Put name, address, age, phone on back, NOT front of poster entry
• Submit to teacher affiliated with Community Bankers of Texas
• Submit all work electronically or via email to moneywise@fbtexas.org
• All entries must be submitted by www.FederalReserve.org or fbtexas.org

*...Contest sponsored by Community Bankers of Texas
Only residents in the Money Smart Week Zone and Qual Cities are eligible



COLLABORATIONS

- Newspaper Tab 360,000+
- Ben Franklin Visits 10,000
- Scout Nights 1,000
- Museum Displays
- Essay Contests
- Poster Contest
- GeoCache



FEDERAL RESERVE BANK *of* CHICAGO

New GeoCache Game



[illegible]

Step 2 – Scan to Play

GOVERNMENT a Money Smart Week event

What Your Paycheck Tells You

Getting a regular paycheck? It's a great feeling. But chances are, you won't get an actual check to take to the bank. Instead...

Most employers encourage "direct deposit" or electronic payment to your bank.

But don't toss out the paycheck stub or deposit confirmation you get by mail. It's a valuable storehouse of information. It can help you budget and estimate a tax refund.

Paystub shows **Gross Pay** vs. **Net Pay**

Your paycheck isn't as much as you thought? Welcome to the working world.

Gross Pay — Taxes and Deductions = Net / Take-Home Pay

Employers are required to deduct certain government taxes automatically, leaving you, the employee, with less than you actually earned. You may be able to get portions refunded when you file income tax form 1040 with the IRS, Internal Revenue Service.

All workers pay Social Security and Medicare through FICA (Federal Insurance Contributions Act). These amounts are calculated as a percentage of pay. This is what you're paying into the Social Security Administration. You won't be seeing this money again until you retire and file for Social Security or Medicare benefits.

Social Security = 6.2% Medicare = 1.45%

You pay these percentages until your salary surpasses the annual threshold (\$10,000 in 2012). Incidentally, your employer is required to pay a matching amount for you and every other employee.

What other information shows up?

Your paystub probably displays both the current pay period and YTD earnings, or what you've been paid year-to-date.

current pay period

YTD (year-to-date) earnings

net pay calculation

You might also see amounts for a bonus, overtime, holidays, and sick pay. If you received added benefits during the pay period, such as (moving expenses, fleet car or company trip) that monetary value might also be included.

What other amounts might be deducted?

Employee paid medical insurance

Employee paid dental insurance

Voluntary deductions might include...

401(k) or 403(b) taxable deferred retirement account, auto-savings, flexible spending account, life insurance, tuition plans or other plans that you've requested be deducted.

123 - Your Name		Pay Period 03/04/13 to 03/18/13		Required Deductions	
Earnings					
Hours	40	Rate	18.00	Federal Income Tax	50.00
Gross Pay	720.00	YTD	720.00	FICA - Medicare	10.44
				State Income Tax	80.00
				FICA - Social Security	23.76
				Other Deductions	47.12
				Health Insurance	50.00
				Life Insurance	50.00
				Parking	50.00
				NET PAY	\$358.80

Check Number: 1000000000
Pay Date: 3/21/13

Your Employer
123 Street Name
City, ST ZIP CODE

Pay *****Three hundred fifty dollars and 80 cents***** \$358.80

To the Order of
Your Name
123 Street Name
City, ST ZIP CODE

WHAT TAXES ARE TAKEN OUT OF YOUR PAY?

Social Security Medicare Federal Withholding State Withholding

SCAN HERE FOR GEOCACHE ENTRY
<http://goo.gl/99agm>



Questions?

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Money Smart Week event

BUDGET FOR SUCCESS

Learn to use a budget and you'll have money to save and invest. That mindset puts you on the road to becoming a millionaire at an early age.

All students make choices that affect their money supply...and habits form right away. Good or bad, habits are hard to break. **6 out of 10 college students find it hard to have enough money.** Your financial picture is not shaped by one big decision, but by **several smaller choices.** It's not how much money you have or how much you will earn, or even how smart you are. It's about making good decisions on **spending.**

BUDGET IS NOT A DIRTY WORD

A budget gives you power AND more \$ to spend.
You **KNOW** where you stand.



$$\text{BUDGET} = \text{INCOME} - \text{EXPENSES}$$

Sample Budget for a Semester

Item	Income	Expense
Campus job	\$2,000	
Student loan	\$5,600	
Parents	\$3,000	
Tuition		\$5,000
Room/board		\$4,000
Food		\$500
Transportation		\$300
Cell phone		\$200
Entertainment		\$500
Savings		\$100
Total	\$10,600	\$10,600

TAKE CARE OF YOUR MONEY

Would you compute a monthly budget to a fight?

1. **Look out for Number 1**—so you don't get blindsided. It doesn't ruin your lifestyle to save some.
2. **Attack the big guy first**—that means prioritize and check off the big expenses first, like tuition.
3. **Duck the punches**—some expenses are punches you don't expect.
4. **Think clearly**—are you staggering under too many temptations and luxury expenses?
5. **Be agile**—A gym workout makes you physically adept, a budget does the same financially.



WANTS OR NEEDS?

Everyone wants your money. But you determine what you want or needs. (Friends' wants/needs are different.)

If you want it, how do you resist?

- Ask: "Do I need it?"
- Say: "I'll come back to buy it later"
- Create a "cool off" test (Text a friend)
- Get a second opinion
- Counter with a new habit

Concert?

New cell phone?

LIVE LIKE A COLLEGE STUDENT now... or live like one for years later.

That's the **TRADEOFF FOR SPENDING** too much now. Spring break trip?

GET A GRIP ON THE SMALL EXPENSES

Shopping?

- Most of us neglect to track small, everyday expenses. But they add up quickly and we ask, "Where did my money go?"
- ✓ Write down everything you buy for a week, or use a mobile app or software. Record every swipe of that card and ATM withdrawals too.
 - ✓ Look at your spending patterns—what, where and when do you buy?
 - ✓ Keep those receipts—bag or box it.
 - ✓ Add up your month's expenses.

Credit cards?

Do you realize how quickly little things add up?

Bottled water?
Coffee or latte?
Late night pizza?

2 lattes/week = \$150
1 pizza/week = \$180
2 sodas/week = \$85
1 candy/week = \$85

Total for semester = \$500

That doesn't count movie tickets, Campus t-shirt, laundry, gas, or ATM fees to get cash = another \$1,000

SEE YOUR CASH FLOW—USE ON-LINE BANKING

- It's easy to use, and shows how you spend.
- It's accessible 24/7, many have mobile banking too.
- Transactions & statements are up to date.
- It's safe, providing your internet connection is secure.
- It's usually free, courtesy of your bank.
- Pay bills directly—no checks or stamps needed.
- You can avoid late fees by using auto pay for regular bills.

Bottom line: Your financial life is full of tough choices, choices that quickly become habits. Learn to develop good money habits, and start with a budget.

SCAN FOR GEOCACHE ENTRY



<http://geocaching.com/geocache/GC11224>

SCAN HERE FOR
GEOCACHE ENTRY

<http://goo.gl/Zl9ql>



