



Invest Ed<sup>TM</sup>  
my money  
handbook



MANAGING MONEY

BANKING BASICS

PROTECTING YOUR  
IDENTITY & MONEY

RESOURCES

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# pop quiz, hot shot!

Just for fun, let us see how much you know about what to do with your money before we get into it.

DO NOT WORRY - IT IS NOT FOR A GRADE.

1 WHICH OF THE FOLLOWING IS NOT A DEDUCTION ON A PAYCHECK?

- A. Social Security tax
- B. Medicaid tax
- C. State income tax
- D. Medicare tax

2 WHICH INVESTMENT VEHICLE HAS THE POTENTIAL FOR HIGHER RETURNS AS WELL AS GREATER RISK?

- A. Savings bonds
- B. Stocks
- C. Treasury bills
- D. Certificates of deposit

3 WHAT DOES APR STAND FOR?

- A. Annual Percentage Rate
- B. Approximate Percentage Rate
- C. Applicable Payment Rate
- D. Annual Payment Ratio

4 WHEN WILL HAVING BAD CREDIT AFFECT YOU MOST?

- A. When cashing in credit card rewards points
- B. When applying for a loan
- C. When applying for a job
- D. When renewing your driver's license

5 WHICH ONE IS NOT CONSIDERED AN INVESTMENT TOOL?

- A. Treasury bill
- B. Savings bond
- C. CD
- D. Checking account

6 YOU HAVE BEEN ASKED TO PAY CASH TO GET IN ON A MONEY MAKING OPPORTUNITY. YOU WILL GET MONEY BY GETTING OTHERS TO PAY CASH TO JOIN. THIS SCAM IS AN EXAMPLE OF:

- A. Penny stock fraud
- B. A commission
- C. Affinity fraud
- D. A pyramid scheme

7 WHEN SOMEONE USES YOUR PERSONAL INFORMATION TO OBTAIN A CREDIT CARD, IT IS CALLED:

- A. Declined card
- B. Mail fraud
- C. Identity theft
- D. Credit crisis



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# my money handbook

# i

CHAPTER I

6 FIRST PAYCHECK

9 TO SPEND OR TO SAVE: WANTS VS. NEEDS

15 BUDGETING BASICS



Pay before deductions.

Taxable Marital Status: Single  
Exemptions/Allowances  
Federal: 1  
State: OK State 1

Amount of money earned from the beginning of the year to the current date.

John Doe  
1234 Main St.  
Anytown, OK 73071

Earnings	rate	hours	this period	year to date
	6.50	40	\$ 260.00	\$1560.00
<b>Gross Pay</b>			<b>\$ 260.00</b>	
<b>Deductions</b>				
	Federal Income Tax	-\$ 3.12		\$ 204.85
	Social Security	-\$ 16.12		\$ 96.72
	Medicare	-\$ 3.77		\$ 22.62
	Oklahoma State Tax	-\$ 2.00		\$ 79.00
<b>Net Pay</b>			<b>\$ 234.99</b>	<b>\$1156.81</b>

Pay after deductions.  
This is what you get to take home.

Tax by the state to pay for state programs.

Tax to pay for federal programs.

Funds medical care for the elderly.

Federal fund to assist the elderly.

# exercise

**USING THE PAYCHECK EXAMPLE ABOVE, ANSWER THE FOLLOWING QUESTIONS:**

- ..... 1 How much money have you earned all year before deductions?
- ..... 2 How much net pay have you earned for this check only?
- ..... 3 How many hours did you work for this check?
- ..... 4 How much were you paid per hour?
- ..... 5 How much has been deducted for Medicare for the year?

Answer key on page 70.

## money management: TO SPEND OR TO SAVE?



**H**ave you ever spotted something at the mall that caught your eye and made you say, "I need this."

>> But do you need it?

### WHEN BUYING THINGS,

it is important to realize the difference between a need and a want. A need is something you cannot do without, like food and shelter. A want is just that: something you would like to have, but you can survive without.

That is not to say you should only buy things you need, but buying something you want should not take priority over your needs or blow your budget (and we will get to that next). Some things should be saved for over time.

*Remember,* to make a smart purchase, all you have to do is P.I.C.K. it:

- P** PROBLEM: What is the issue?
- I** INFORMATION: Get it.
- C** CONSEQUENCES: Think about them.
- K** KICK it into action!

**HOW NEED SAVVY ARE YOU?**  
CIRCLE YOUR NEEDS!

- RENT
- VACATION
- CLOTHES
- WATER
- MOUNTAIN BIKE
- SOFT DRINKS
- GASOLINE
- LUNCH \$
- DENTIST
- CAR
- PROM DRESS
- PLASMA SCREEN
- PURSE
- INSURANCE
- CREDIT CARD
- BILLS
- CELL PHONE



LET US APPLY THE **P.I.C.K.** RULE TO SANDY TO SEE HOW HER NEEDS AND WANTS PLAY OUT AGAINST EACH OTHER...

**P PROBLEM:**

Sandy wants a new CD that is coming out this Tuesday.

**I INFORMATION:**

By checking out ads in the Sunday paper and on the internet, Sandy finds out what the CD costs at various retailers.

**C CONSEQUENCES:**

Now that she knows what she would be spending, Sandy can determine whether the CD is affordable with the money she has for the week.

**K KICK IT INTO ACTION:**

Sandy needs to fill her car with gas to get to and from work this week. She decides to wait and buy the CD later.

By recognizing the problem, researching the information and considering the benefits and trade-offs, Sandy was able to make a smart financial decision.

**BANK ON IT!**

WORDS YOU NEED TO KNOW

NOW LET US COMPARE HOW THE **P.I.C.K.** RULE PLAYS OUT FOR DARYL'S NEED.

**P PROBLEM:**

Daryl's electric bill doubled this month because last month was so hot. He owes \$100. Paying an extra \$50.00 on his electric bill was not something Daryl expected this month. He planned to spend the money on a concert.

**I INFORMATION:**

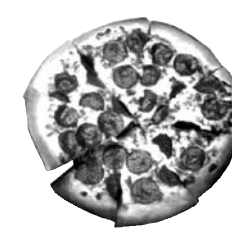
Disappointed, Daryl considers how he should spend the \$50.00. He remembers turning down the air conditioning more than usual to stay cool, so he knows his bill is not a mistake. Also, the month-by-month history on his bill shows that \$100 is about what he paid this time last year. So Daryl knows he owes the extra money to the electric company, but he really wants to go to the concert with his friends.

**C CONSEQUENCES:**

This is a no-brainer. If Daryl pays the bill, he will have air conditioning for another month. If he chooses not to pay the bill, Daryl will have a very hot summer. In this case, all the concerts in the world will not substitute for air conditioning.

**K KICK IT INTO ACTION:** Daryl decides to skip the concert this month and pay the bill. To avoid another unexpected high electric bill, he will not turn down his thermostat.

What are your wants? Circle them!



## Tips & tricks

Think about something that you need and something that you want. Apply the P.I.C.K. rule to each. Would you think twice about buying either item after going through these steps? WHY OR WHY NOT?

**T**HE DECISION PROCESS WAS THE SAME.

BY RECOGNIZING THE PROBLEM, GATHERING THE INFORMATION, AND CONSIDERING THE BENEFITS AND TRADE-OFFS, BOTH SANDY AND DARYL WERE ABLE TO MAKE SMART FINANCIAL DECISIONS THAT MET THEIR NEEDS FIRST.

The stuff we want may not always cost a lot, but you would be surprised at how fast inexpensive wants can add up.

Think about less expensive ways to spend on your needs. To save money, Daryl chose not to turn his air conditioning down the next time he feels a little uncomfortable in his apartment.

Instead of spending \$10.00 at the movies on opening night, consider saving money by going to a matinee, waiting until the movie plays at the dollar theater, or renting the DVD.

### my notes

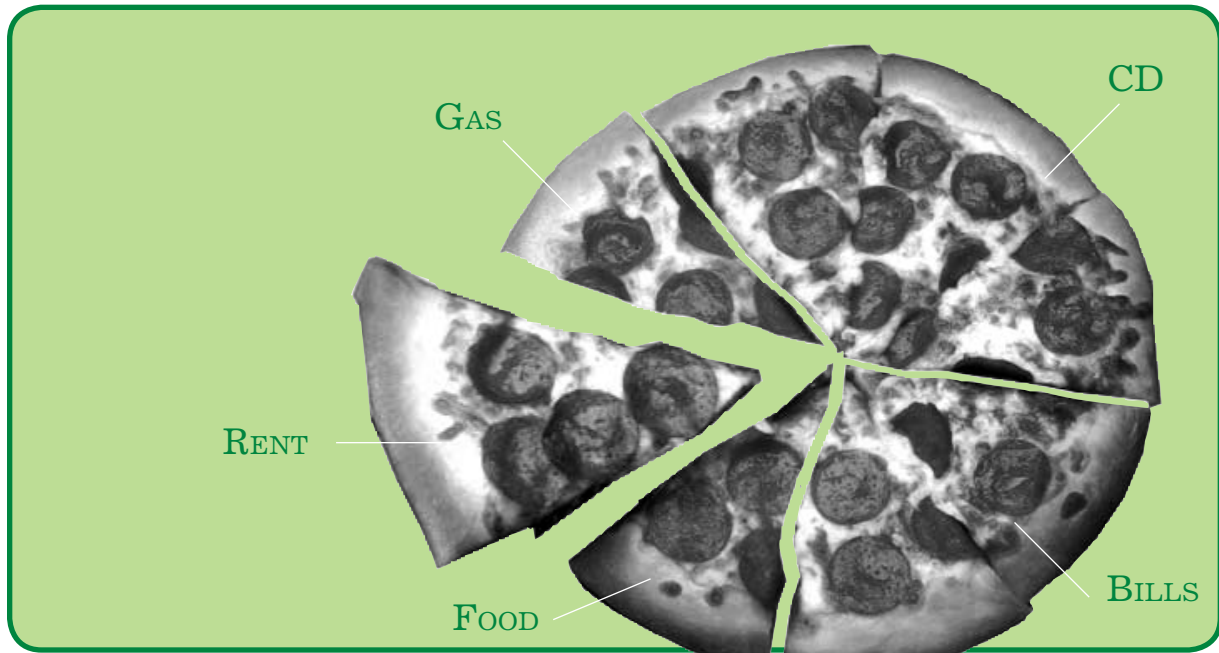
### need

### want

_____	_____
_____	_____
<b>PROBLEM</b> _____	<b>PROBLEM</b> _____
_____	_____
_____	_____
<b>INFORMATION</b> _____	<b>INFORMATION</b> _____
_____	_____
_____	_____
<b>CONSEQUENCES</b> _____	<b>CONSEQUENCES</b> _____
_____	_____
_____	_____
<b>KICK IT INTO ACTION</b> _____	<b>KICK IT INTO ACTION</b> _____
_____	_____
_____	_____







# exercise

Today, start your budget by writing an “Amount Budgeted” for each category, using your monthly take-home pay. If you do not currently work, use \$524.00; this figure is based upon four 20-hour work weeks at a \$6.55-per-hour minimum wage.

BUDGETING LETS YOU SEE WHERE YOUR MONEY NEEDS TO GO, AND HELPS YOU MAKE SURE THAT HAPPENS. Once your needs are met, you know exactly how much you have left to spend on the things you want. This “fun money” is called **disposable income**.

Imagine if you got your monthly pay all in cash, and had to divide the cash up into piles according to where they were going to be spent. Think about all the things you have to pay for every month: rent, food, bills, gas - that sort of thing. Then think about all the fun things you

would like to do, like movies or concerts. Even though the stuff you want may not always cost a lot, you will be surprised how fast it adds up.

THE GOAL OF BUDGETING IS TO HAVE SOME MONEY LEFT OVER. After all, you cannot spend what you do not have. Do not forget about setting money aside for savings or for emergencies that might come up.

For the next 30 days, every time you spend money in one of the categories subtract it from the “Amount Budgeted” and write that number in “Amount Left After Spending.”

On the 30th day, add the “Amount Left After Spending” column up. The total shows how much under budget you were. How did you do?

	AMOUNT BUDGETED	AMOUNT LEFT AFTER SPENDING
Savings		
Food & Groceries		
Clothes & Cosmetics		
Rent & Utilities		
Telephone		
Car & Gas		
Entertainment		
Charity & Gifts		
Medical		
Miscellaneous		
TOTAL		

# ch.i QUIZ

Circle the letter that best answers the question.

**1** WHICH OF THE FOLLOWING IS **NOT** A DEDUCTION ON A PAYCHECK?

- A** Social Security tax
- B** Medicaid tax
- C** State income tax
- D** Medicare tax

**2** CERTAIN DEDUCTIONS ARE TAKEN FROM YOUR PAYCHECK BECAUSE:

- A** This money is put away until you turn 65
- B** Employers get a percentage of what you earn
- C** They are required by the government
- D** They fund other programs of the company

**3** IN MAKING SMART FINANCIAL DECISIONS, WHAT DOES P.I.C.K. STAND FOR?

- A** Problem/Information/Consequences/ Kick it into action
- B** Pursue/Information/Consequences/ Kick it into action
- C** Problem/Intelligence/Consequences/ Kick it into action
- D** Problem/Information/Control/ Kick it into action

**4** IN BUDGETING, MONEY LEFT OVER AFTER ALL NEEDS ARE TAKEN CARE OF IS CALLED WHAT?

- A** Leftover funds
- B** Free money
- C** Net pay
- D** Disposable income

**5** WHICH OF THESE BUDGET ITEMS IS A WANT?

- A** Utilities
- B** Gasoline
- C** Entertainment
- D** Groceries

*Answer key on page 70.*

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## ii CHAPTER II

20	TYPES OF BANKS
23	CHECKING ACCOUNTS
33	SAVINGS ACCOUNTS
37	SAVINGS & INVESTING PRODUCTS
41	INVESTING RISK
45	CREDIT

# banking basics:

## take that to the bank...

>>> BUT WHICH ONE?

### Thirsty for a soda?

**What kind?**  
REGULAR? DIET? CHERRY?  
VANILLA? LIME?

**Not all soft drinks** are exactly alike, and the same goes for banks and other financial institutions. We think of them as places that store money and have free lollipops at the drive-thru window, but there is much more to it than that. They fall into three main categories: banks, savings and loans, and credit unions.

#### BANK ON IT!

WORDS YOU  
NEED TO KNOW

COMMERCIAL BANKS  
FULL-SERVICE BANKS  
SAVINGS AND LOANS  
CREDIT UNIONS

FDIC  
SAIF



Most **banks** offer checking and savings accounts, credit cards, loans, travelers' checks and safety deposit boxes for both business and personal use. Generally, your deposits are insured up to \$100,000 in regular accounts and up to \$250,000 in retirement accounts by the governmental Federal Deposit Insurance Corporation or **FDIC** (in case your bank fails).

**Savings and loans** may offer some of the same services, but focus on loans for people who want to buy or fix up a home. Here, your deposits are also similarly government-insured, but by the Savings Association Insurance Fund (**SAIF**) administered by the FDIC.

**Credit unions** also operate like banks, but are owned and operated by a group of people having something in common, like attending the same church or working at the same place. They only serve their own members, who can buy life or health insurance or get loans at low rates. Generally, deposits in federal and most state-chartered credit unions are insured up to \$100,000 in regular accounts and up to \$250,000 in retirement accounts by the governmental National Credit Union Administration (**NCUA**).

Just as those three groups offer different services, they also offer those services at different prices. For example, many banks offer free checking accounts or ATM transactions, while others charge fees. Just asking around can help you find the institution that is right for you.

## be aware!

### CHECK CASHING & CASH IN ADVANCE BUSINESSES:

Check-cashing and "cash in advance" businesses you see around town and in strip malls, may be convenient and quick, but they are not banks. These

businesses may charge a big fee for cashing your paycheck! (You have worked way too hard for your money to throw it away like that!)

# exercise

For each situation below, fill in whether it best describes a bank, savings and loan or credit union.

- 1 A \_\_\_\_\_ is owned and operated by a group of people having something in common, like a place of employment. It is supervised and may be insured by the government.
- 2 A \_\_\_\_\_ offers checking and savings accounts, credit cards, loans, travelers' checks and safety deposit boxes. Your deposits are insured up to \$100,000 in regular accounts and up to \$250,000 in retirement accounts by the Federal Deposit Insurance Corporation.
- 3 A \_\_\_\_\_ offers the usual accounts and other services, but focuses on loans. Your money is insured by the Savings Association Insurance Fund.

Answer key on page 70.

banking basics:

## checking out checking accounts

**BANK ON IT!**

WORDS YOU  
NEED TO KNOW

CHECK REGISTER  
OVERDRAFT  
RECONCILING

**W**hen you cash your paycheck, it is a nice feeling to have all that money in your pocket.

**UNFORTUNATELY, IT IS NOT VERY SAFE!**

>>>>> That is why getting a checking account may be a good idea - besides safety, it is a good way to keep track of your money and lets you pay bills by mail or online instead of in person.

Writing a check can be easy, too. It is all about filling in the blanks.

**THERE ARE FIVE AREAS YOU MUST FILL OUT:**

- 1 The date you write the check
- 2 The name of the person or business to whom you are writing the check (payee)
- 3 The amount of the check in numeric form (such as \$27.34)
- 4 The dollar amount of the check in word form and the cents amount in

numeric form (such as twenty-seven dollars and 34 cents)

- 5 Your signature (payor)

*(There is also a "Memo" line where you can write what the check is for, but you do not have to use it. However, it comes in handy when noting the last four digits of an account number for paying bills.)*

## What is a check card?

A check card is a combination of a check and an ATM card; you can use your check card to buy and pay for things and to get money at the ATM. A check card is linked directly to your checking account, so every time you use it, money is taken out of your

checking account. Remember to always write down your check card purchases and ATM withdrawals in your check register. You do not want to spend more money than you have in your checking account by accident.

The form shows a check from Jane Doe (123 Main St, 405-555-5555, Oklahoma City, OK 74066) dated May 12, 2008, for \$27.34. The payee is 'Grocery Store'. The amount is written in words as 'Twenty-seven dollars and 34/100'. The memo is 'groceries'. The signature is 'Jane Doe'. The MICR line at the bottom is '|: 123456789 | :1500 0009876543" "0000012300,1"'. Callout boxes identify the following fields:

- 1** The name of the person or business to whom you are writing the check.
- 2** The date you write the check.
- 3** The amount of the check in numeric form (example: \$27.34).
- 4** The dollar amount of the check in word form and cents amount in numeric form (example: twenty-seven dollars and 34 cents).
- 5** Your signature.

# making ATMs A-OK!

Remember to write down all ATM, check or debit card transactions in your register. If you do not have it with you, stick that receipt in your wallet until you get home!

Choose a PIN number you can easily remember, but do not tell anyone!

Check with your bank to see if fees are charged for using ATMs they do not own. Those fees can add up!

Treat your ATM, check or debit card transactions as you would a check - it is not "free" money!



## WHAT TO DO WHEN WRITING A CHECK:

- Write clearly, in black or blue ink.
- Fill remaining spaces with a line to avoid tampering.
- Immediately record each transaction in the register, so you do not overdraw your account. Spending more than you have in the bank can cost you penalty fees and hurt your credit rating.

## WHAT NOT TO DO WHEN WRITING A CHECK:

- Use a pencil.
- Use incomplete names or nicknames.
- Leave it blank.
- Date it with a day that has not happened yet.

By keeping an accurate record, it will be easy to check your register against the monthly account statement you will get from the bank. Do this every time to make sure there are no errors, yours or the bank's.

The other blanks you will have to fill are on your check register, which is where you list the details on each and every check you write. (You will also use the check register to record all deposits into your account, as well as all ATM and check card transactions.)

## THERE, YOU WILL NOTE:

- 1 The date you write the check or make the transaction.
- 2 The check number.
- 3 The name of the person or business to whom the check is written.
- 4 The amount of the check in numeric form (such as \$20.34).
- 5 Your remaining balance, once the check, ATM withdrawal or check card transaction is subtracted from the previous amount.
- 6 If you have online banking and check your account online, remember that some transactions take longer to post to your account, so you may not see them taken out right away, but they will show up, so do not spend money you have already spent.

CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTIONS	PAYMENT/DEBIT (-)	FEE (-)	DEPOSIT/CREDIT (+)	BALANCE
						500.32
	5/8	Weekly Paycheck			72.23	572.55
1499	5/9	Electricity	40.03			532.52
	5/10	ATM (movies)	20.00	1.50		511.02
	5/11	Debit Card (eating out)	8.32			502.70

Some ATMs charge fees for use. Be sure to write those here.

## VITAL RECORDS

### SERVICE

OKLAHOMA STATE  
DEPARTMENT OF HEALTH  
1000 NORTHEAST 10<sup>TH</sup>  
OKLAHOMA CITY, OK  
73117  
405.271.4040

### SOCIAL SECURITY

1.800.772.1213  
WWW.SSA.GOV/DOLLARS

## RECONCILE!

To make sure your register matches up with the bank - called reconciling - follow these four simple steps. You will likely find them on the back of your statement as well:

- 1 In your register, check off every transaction that also appears on your statement.
- 2 On a piece of paper, write down your balance according to the statement.
- 3 Add in all unchecked deposits from your register that are not on the statement.

- 4 Subtract all unchecked withdrawals (or checks you wrote not yet cashed) from your register balance that are not on the statement. That amount should now match the balance on your statement. If not, recheck your math. Do not be afraid to ask your bank for help - that is what they are there for!

You also should not be afraid to ask questions when opening a checking account, especially how much it costs. Many banks offer free checking, while others will charge a fee for every check written.

BANK		THIS STATEMENT COVERS 4/20/08 through 05/12/08		STATEMENT FOR Jane Doe 123 Main St. Oklahoma City, OK 74066	
<b>CHECKING ACCOUNT</b> 0009876543	Previous Statement Balance on 4/19/08			500.32	
	Total of 1 Deposit			72.23 +	
	Total of 3 Withdrawals			69.85 -	
	New Balance			502.70	
<b>CHECKS AND OTHER DEBITS</b>		CHECK	DATE PAID	AMOUNT	
		1499	5/10	40.03	
		Withdrawal #031 at ATM	5/11	21.50	
		Withdrawal #0123 Check Card	5/12	8.32	
<b>DEPOSITS AND OTHER CREDITS</b>		DATE POSTED	AMOUNT		
	Direct Deposit from #1234 on 5/8	5/9	72.23		

## WHEN APPLYING, DRESS NICELY, ACT PROFESSIONALLY AND BE PREPARED TO SHOW TWO FORMS OF VALID IDENTIFICATION. HERE IS A QUICK SCENARIO OF WHAT YOU MIGHT EXPECT:

**YOU:** I saw your free checking promotion and I wanted to ask about opening an account.

**TELLER:** The Department of Vital Statistics for a birth certificate, and the Social Security office for your card. There may be processing fees.

**TELLER:** I can help you. All you need are two forms of I.D. and your opening deposit.

**YOU:** I was not born in Oklahoma, so can they still help me?

**YOU:** I only have a library card and my driver's license. Will those work?

**TELLER:** Call the Department of Vital Statistics in your birth state for a birth certificate. I am sorry for the inconvenience, but that is how we protect customers from having their identity stolen.

**TELLER:** Driver's license, yes, but you need an original birth certificate or Social Security card for your second form.

**YOU:** Where would I get those?



# exercise

Write checks for each of the following situations and record them on the sample check register on the next page.

- On April 4, pay John Doe the \$20.25 he loaned you.
- On April 23, give \$74.66 to Dan's Market for your groceries.
- On April 18, pay your \$42.73 bill with Gasoline Credit, account number 7158-6402.
- On April 27, write yourself a check for \$15.00 cash.

*Your Name* 1500  
123 Main St 405-555-5555  
Oklahoma City, OK 74066

DATE \_\_\_\_\_

PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ DOLLARS

BANK

MEMO \_\_\_\_\_

| : 123456789 | : 1500 0009876543" "0000012300," "

*Your Name* 1501  
123 Main St 405-555-5555  
Oklahoma City, OK 74066

DATE \_\_\_\_\_

PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ DOLLARS

BANK

MEMO \_\_\_\_\_

| : 123456789 | : 1501 0009876543" "0000012300," "

*Your Name* 1502  
123 Main St 405-555-5555  
Oklahoma City, OK 74066

DATE \_\_\_\_\_

PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ DOLLARS

BANK

MEMO \_\_\_\_\_

| : 123456789 | : 1502 0009876543" "0000012300," "

*Your Name* 1503  
123 Main St 405-555-5555  
Oklahoma City, OK 74066

DATE \_\_\_\_\_

PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ DOLLARS

BANK

MEMO \_\_\_\_\_

| : 123456789 | : 1503 0009876543" "0000012300," "







# BANK ON IT!

WORDS YOU  
NEED TO KNOW

CERTIFICATES  
OF DEPOSIT

U.S. SAVINGS BONDS

MATURE

MATURITY DATE

TREASURY BILLS

TREASURY NOTES

STOCKS

SHARES

SHAREHOLDER

MUTUAL FUNDS

MONEY MARKET  
FUNDS

WE HAVE TALKED ABOUT THE STANDARD BANK SAVINGS ACCOUNTS. THESE ARE POPULAR BECAUSE:

- you can take money out at any time. (Double check with your financial institution, they may have a limit on the number of free withdrawals per month.)
- they are FDIC-insured.
- and many financial institutions offer a savings account with a low minimum monthly balance requirement.

AND THOSE OTHER OPTIONS INCLUDE:

- **Certificates of deposit** - You might hear these called “CDs” (but they sure do not play music). With CDs, you put your money in for a set amount of time, anywhere from a few weeks to several

years. The longer term CD you buy, the more interest you will make. Just do not take any money out before the time is up, or you will be charged a penalty.

- **U.S. savings bonds** - These are backed by our federal government. You can buy a bond for \$50 and let it **mature** (or earn interest) for 30 years before cashing it in. It works like an IOU; you are loaning money (in this case, \$50) to the government, who promises to pay it all back - with interest - at the **maturity date** (30 years). The interest rates may not be huge, but the investment is backed by the U.S. government.

Whatever the interest, you have to report it on your yearly income taxes when you cash in the bond. If it was more than \$1,500, note it on Schedule B of Form 1040 or Schedule

1 of Form 1040A. If it was less than \$1,500, simply note it with any other interest on the “Interest” line of your return. If you are paying your own way through college at the time, you may be able to exclude it. Just consult the Internal Revenue Service rules at [www.irs.gov](http://www.irs.gov).

- **Treasury bills and notes** - These also are backed by the government. Treasury bills are for short-term investing (between a few days to six months) and can be bought at a discount. **Treasury notes** are for longer-term investments, and they earn interest every six months.
- **Stocks** - Instead of investing in the government as savings

bonds and Treasury bills and notes, through purchasing stocks you can invest in specific companies. You buy **shares** - or pieces - of that company, making you a **shareholder** - or owner - of that portion of the entire company. There is no guarantee in stocks, but the earnings can be huge. You could make a fortune or lose your shirt. This potential to win or lose, like in a game, is why you might hear people talking about “playing” the stock market. But investing is a serious business.

- **Mutual funds** - These take your money and put it together with other investors’ money to invest in certain

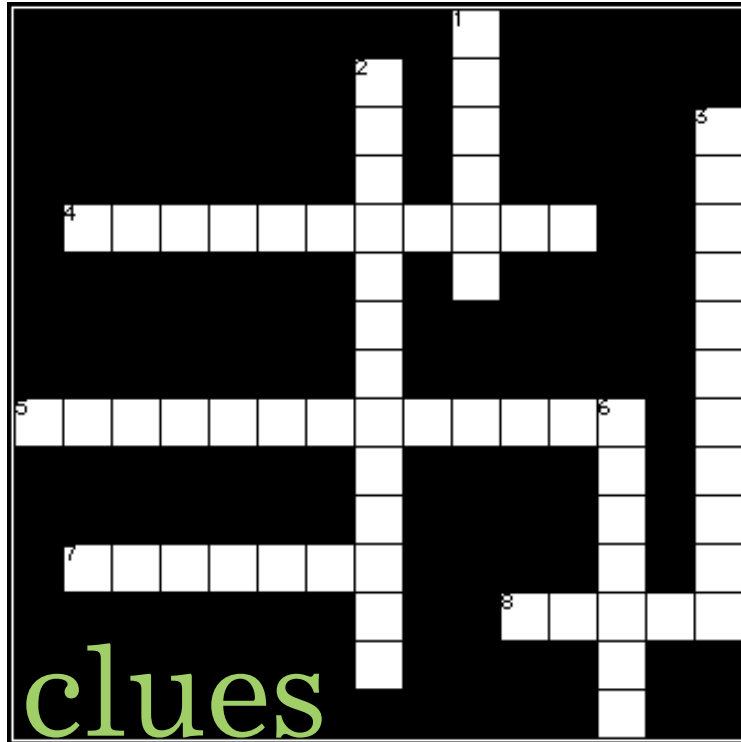
stocks and bonds. When the stocks and bonds do well, so does the mutual fund. They often are considered a valuable long-term investment tool.

- **Money market funds** - These are mutual funds that invest in extremely short-term, government-guaranteed bonds. Interest rates are usually higher than those of saving accounts, so these may be best if you are planning on saving some money for years, or even decades. But you can take money out at any time without being penalized.

*All of these carry a different amount of risk, or danger, which we will get to next.*

# exercise

Using the following investment products and clues, fill in this crossword puzzle.



use  
these  
words:

BONDS  
DEPOSIT  
MONEY MARKET  
MUTUAL FUNDS  
SAVINGS  
STOCKS  
TREASURY BILLS  
TREASURY NOTES

- A C R O S S**
- 4 Investment specializing in extremely short-term bonds
  - 5 Short-term, discounted, government-backed investment
  - 7 Certificates of \_\_\_\_\_ charge penalties if money is taken out before the specified time period
  - 8 U.S. savings \_\_\_\_\_ work like IOUs
- D O W N**
- 1 Purchasing makes you a shareholder of the company
  - 2 Long-term, government-backed investments earning interest twice a year
  - 3 Investments which pool investors' money
  - 6 \_\_\_\_\_ accounts are insured by the FDIC, but provide low returns

Answer key on page 70.

## banking basics: the risky business of investing

**BANK ON IT!**  
WORDS YOU  
NEED TO KNOW

RISK  
RETURN

**Q**uick, pick a number between 1 and 1,000,000.

**WHAT IS IT?**

No, sorry, we were thinking 64,237. You were not even close.

YIKES!

Are you a risk taker?  
Think of the biggest  
risk you have taken.

## GOOD THING WE DID NOT PUT MONEY ON THAT ONE!

With odds like that, you were not likely to ever win. However, in the world of investing, having zero return on your investment is not the norm. But **risk** - the possibility that you may not win - does exist.

THE DIFFERENT TYPES OF SAVINGS AND INVESTING OPTIONS WE DISCUSSED PREVIOUSLY CAN FALL INTO ONE OF THREE CATEGORIES:

- 1 Lower risk
- 2 Medium risk
- 3 Higher risk

Generally, the lower the risk, the lower the **return** - or increase - on your investment. So which is which?

**LOWER-RISK INVESTMENTS** include bank savings accounts, money market accounts, CDs, U.S. savings bonds and Treasury bills and notes. These are considered safe because most of them are either guaranteed or backed by the federal government. And because they are less risky, the interest you earn will not be as great as the other categories.

**STOCKS AND MUTUAL FUNDS** generally fall into the medium-risk and high-risk categories. Remember, stocks are an equity investment in various corporations, and sometimes companies lose money and may even go out of business. When they do, those stocks can

become worthless. On the other hand, when those businesses do well, so does their stock.

Generally, the older and more well-known a company is, the less chance you take. But each stock and mutual fund are classified according to risk, so you are likely to find one that fits your comfort level.

Note that mutual funds often charge fees, typically per transaction, for changes you make in your account. So if you make too many changes, your fees could exceed your earnings - just something to keep in mind.

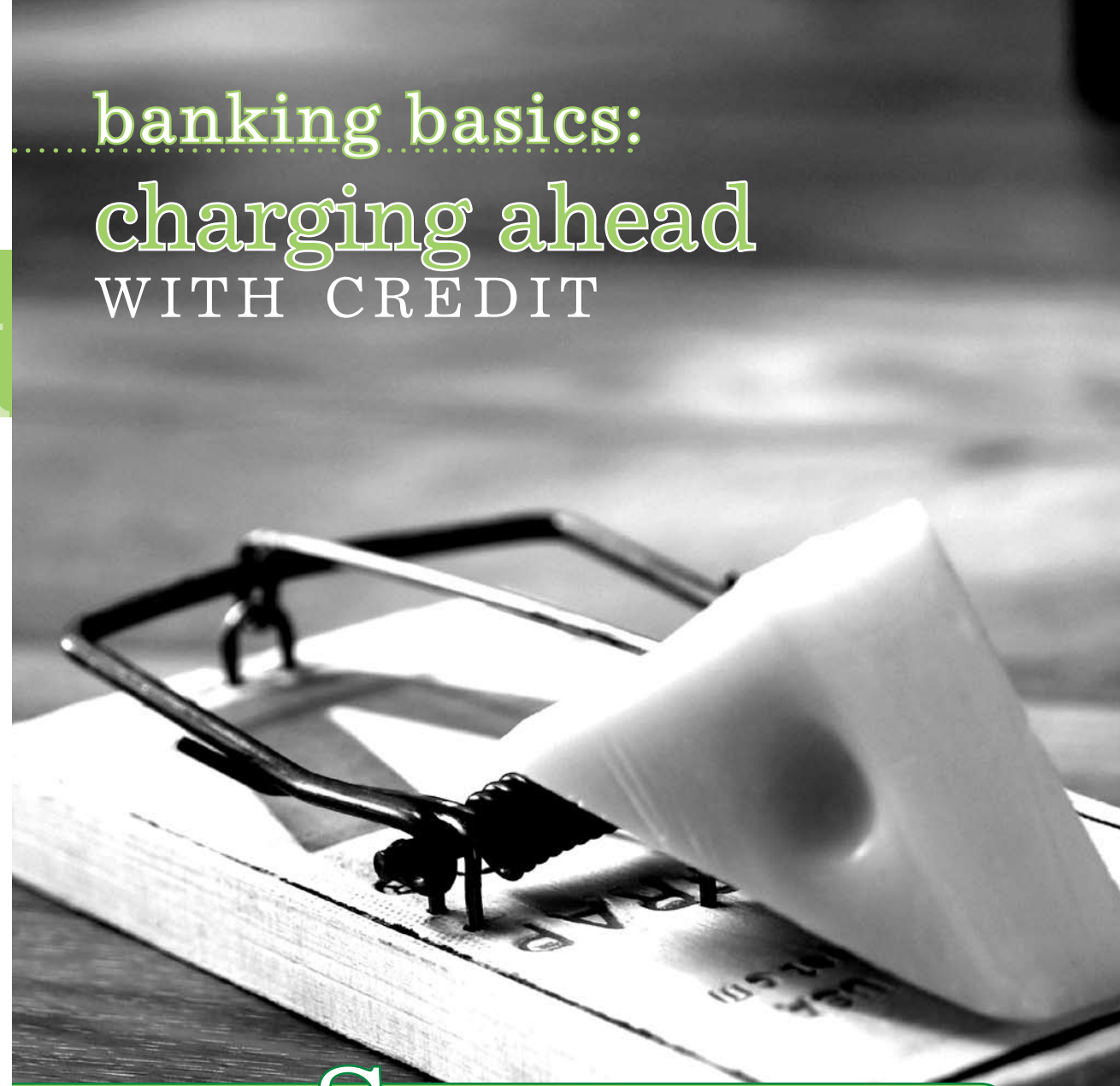
# exercise

At this point in your life, are you ready for low-risk or high-risk investments? Circle your answer to each question, and you will see what road might be right for you.

LOWER RISK HIGHER RISK

	LOWER RISK	HIGHER RISK
HAVE YOU EVER INVESTED BEFORE?	NO	YES
ARE YOU WANTING A RETURN ON YOUR INVESTMENT RIGHT AWAY?	NO	YES
ARE YOU WILLING TO GIVE UP SECURITY IN EXCHANGE FOR HIGHER RETURNS?	NO	YES
IS YOUR INCOME HIGH AND STABLE?	NO	YES

## banking basics: charging ahead WITH CREDIT



**S**TICK A NICE HUNK OF CHEESE IN A TRAP AND THE MICE WILL COME FOR IT. And also get into a heap of trouble for doing so.

Today, credit can be just as tempting and just as dangerous. But it is designed to help you. And as long as you use it wisely, it will.



# Credit

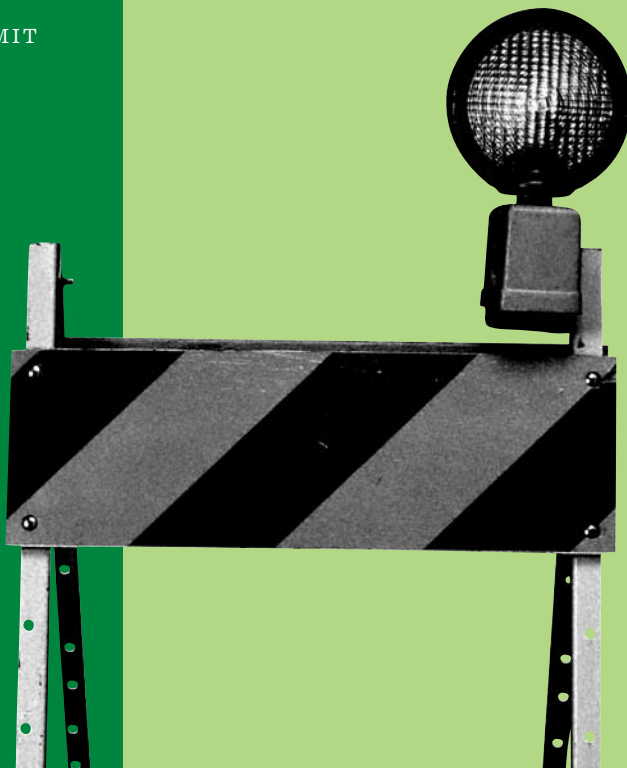
## BANKING BASICS

### BANK ON IT! WORDS YOU NEED TO KNOW

CREDIT  
LENDER  
BORROWER  
DEBT  
CREDIT RATING  
ANNUAL  
PERCENTAGE RATE  
CREDIT LIMIT

**Credit** is when you are loaned money that you promise to pay back by a certain date, with interest.

If you plan to buy a home or a car that comes with a hefty price tag, **lenders** - or those who loan the money - will give you credit so you can move in or drive away immediately. As the **borrower**, you make monthly payments until you are no longer in **debt** - or owing the lender - for that amount.



### WHERE CREDIT CAN BE DANGEROUS IS IN THE FORM OF A LITTLE PIECE OF PLASTIC CALLED THE CREDIT CARD.

#### HERE IS WHY:

- If you fail to pay off your monthly credit card bill in full you are charged interest on the closing date balance.
- The finance charge is added to your balance every month, reducing your available credit and increasing the amount you owe. Making even one late payment can negatively affect your credit rating.
- Additional fees are also charged for going over your credit limit and for taking out cash advances, which usually carry a higher interest rate.

The bank issuing your credit card will provide you with a fee statement. Read it carefully *before* you use your card! Credit card companies make money from you in the fees and interest rates. Shop around for the lowest interest rate, because the lower the rate, the lower the finance charges, and the lower your debt will be if you cannot pay the bill in full each month.

If you *do* pay your bill in full month after month, you get a good **credit rating**.

That is a score of how well you do with credit. If you have good credit, banks will want to loan you money for a home or car at a low interest rate. If you do not, you may have some problems.

## YOU CAN GET GOOD CREDIT BY:

- Having a steady job.
- Having a savings and a checking account.
- Paying your bills in full and on time.
- Never bouncing checks.
- Paying off debts on time or even ahead of time.
- Making regular monthly payments on time.

## WHEN YOU SIGN UP FOR A CREDIT CARD, BE SURE YOU KNOW:

- The interest rate (or APR - **annual percentage rate**) and late fees.
- Whether the interest rate goes up after a certain period.
- The due date and grace period for payments.

- The minimum monthly payment.
- The **credit limit** (the maximum you can charge).
- The company - do not sign up if it is not a trusted name.

## JUST REMEMBER, CREDIT CARDS ARE NOT “FREE MONEY.”

They are handy, but you do not want to get in over your head. Before you make a credit card purchase, apply the P.I.C.K. method from Chapter 1 to figure out if this is something you really need and can afford, and what will happen if you cannot pay it back. Taking a minute to do that can save you months of heartache later.

# WHAT YOU ‘AUTO’ KNOW WHEN BUYING A CAR

**Y**ou may not need credit if you are buying a car from someone other than a dealership.

**BUT YOU WILL NEED SOME KNOW-HOW.** To make sure you do not throw your money away on a lemon, follow these tips:

- Ask the seller as much as you can about the vehicle, including mileage, accident history, repairs.
- Then find out how much the car is worth considering the shape it is in by logging on to [www.kelleybluebook.com](http://www.kelleybluebook.com) or [www.nadaguide.com](http://www.nadaguide.com)
- Always take it for a test spin.
- Have it checked out by a trusted mechanic before buying.
- Look the car over for scratches, dents, stains or anything that may help you negotiate a lower price.
- Bring an adult you trust with you for a second opinion.



# my notes

# exercise

Look at this sample credit card bill and answer the following questions.

<b>BANK</b>		ACCOUNT NUMBER 1234-56-789	MINIMUM DUE \$20.00
		PAYMENT DUE DATE 05/06/08	CURRENT AMOUNT DUE \$66.27
NAME Jane Doe	CLOSING DATE 04/28/08	DUE DATE 05/06/08	
CREDIT LINE \$500.00	CREDIT AVAILABLE \$433.73	NEW BALANCE \$66.27	
REFERENCE	POSTED	ACTIVITY	AMOUNT
43567BF	04/05	GAS STOP ANYTOWN, OK	34.15
FTX456	04/06	PAYMENT THANK YOU	- 120.34
78SD32F	04/12	MUSIC WORLD ANYTOWN, OK	24.12
TX23476	04/15	BIG SCREEN MOVIES SMALLTOWN, OK	8.00
SUMMARY OF TRANSACTIONS			
PREVIOUS BALANCE	- PAYMENTS	+ PURCHASES	CASH ADVANCES
120.34	120.34	66.27	0.00
FINANCE CHARGES	NEW BALANCE	APR	CURRENT AMOUNT DUE
0.00	66.27	19.80%	66.27

- 1 On what date was gasoline purchased? \_\_\_\_\_
- 2 How much was spent at Music World? \_\_\_\_\_
- 3 What is the amount owed this month? \_\_\_\_\_
- 4 What is the minimum payment due? \_\_\_\_\_
- 5 When is payment due? \_\_\_\_\_
- 6 What is the current interest rate? \_\_\_\_\_
- 7 How much is the credit limit? \_\_\_\_\_
- 8 What was the balance on last month's bill? \_\_\_\_\_
- 9 How much was the last payment made? \_\_\_\_\_

Answer key on page 70.

# ch.ii QUIZ

Circle the letter that best answers the question.

**1** WHICH OF THE FOLLOWING IS **NOT** LIKE A BANK?

- A** Savings and loan
- B** Credit union
- C** Cash in advance
- D** Commercial bank

**2** RECONCILING YOUR CHECKBOOK MEANS:

- A** Not writing more checks than you have money for
- B** Keeping it in a safe place
- C** Writing the date of a check before that date has happened
- D** Making sure your transactions match your bank statement

**3** IF YOU WANTED TO SEE A LARGER RETURN ON YOUR INVESTMENT, WHICH OPTION MIGHT PROVIDE THAT?

- A** Savings bonds
- B** Stocks
- C** Treasury bills
- D** Certificates of deposit

**4** WHAT DOES APR STAND FOR?

- A** Annual Percentage Rate
- B** Approximate Percentage Rate
- C** Applicable Payment Rate
- D** Annual Payment Ratio

**5** WHEN WILL HAVING BAD CREDIT AFFECT YOU MOST?

- A** When cashing in credit card rewards points
- B** When applying for a loan
- C** When applying for a job
- D** When renewing your driver's license

Answer key on page 70.

Invest Ed™

# my money handbook



## iii CHAPTER III

**54** PROTECTING YOUR IDENTITY

**58** PROTECTING YOURSELF FROM INVESTMENT SCAMS

**64** QUIZ

# protecting yourself:

## identity theft: HAS SOMEONE STOLEN YOU?

**Ever have one of those days where you just do not feel like yourself?**

Well, what if you really were not? In a way, it could happen.

Imagine applying for your

driver's license and being told you already have one ... Or trying to open your first bank account and being told you cannot

because you have a history of writing bad checks ... Or even being arrested for stealing ... when you did not, because someone assumed your identity.

It sounds crazy, but it is happening more and more. And it is called identity theft, when someone uses your personal information - often your Social Security number - to pretend to be you, either to get a driver's license to replace their suspended one, or to rack up huge bills they have no intention of paying. It can destroy your credit, complicate your life and even get you thrown in jail.

Even worse, your identity may be stolen by someone you know and trust, including a parent, a relative or a friend. Kids are often targeted for identity theft because it can take years for the crime to be discovered, because after all, what six-year-old needs to get a loan?

**MANY VICTIMS DO NOT KNOW THEY ARE A VICTIM AT ALL UNTIL YEARS HAVE PASSED, WHEN THEY:**

- Cannot get credit or a loan
- Cannot get a checking or savings account
- Cannot get an apartment
- Cannot get utility service
- Cannot get a driver's license
- Cannot get a job
- Cannot get Social Security or welfare benefits
- Are sent bills for accounts they never opened
- Are investigated or arrested for a crime they never committed

**TIP:** Check your credit history for free each year at [annualcreditreport.com](http://annualcreditreport.com). No need to commit to any program or pay money to check your credit history. You won't get your credit score for free, but you will find out if other people have applied for credit cards using your social security number. You will also find out if there are any mistakes in current accounts or addresses and have a chance to correct them. Check it out! It's worth it.

### BANK ON IT!

WORDS YOU  
NEED TO KNOW

IDENTITY THEFT  
CREDIT REPORT





# protecting yourself:

## the 411 on INVESTMENT SCAMS

### BANK ON IT!

WORDS YOU  
NEED TO KNOW

PYRAMID SCHEME

PONZI SCHEME

PENNY STOCK FRAUD

AFFINITY FRAUD

BOILER ROOMS

FRAUDULENT

You've heard it before, "If It Sounds Too Good To Be True, It Probably Is". Investment Con Artists Will Promise "BIG", "RISK-FREE" Returns To Get Your Money. Don't Believe Them or You Will Lose Your Money! Investigate Before Investing.

### FRAUD OR A SCAM IS THE ART OF DECEPTION.

Con artists misrepresent the truth on purpose to build your trust, and then steal your money.

### BE AWARE.

Phony investments scams are an ever present danger for an investor who is unsuspecting or uninformed.

### GET EDUCATED BEFORE INVESTING.

Understand the different types of investment scams a con artist might use to separate you from your money (see pages 59 and 60) and learn how to protect yourself (page 61). Investing is a risky enough business without adding a lack of knowledge to your vulnerability. Ask questions and remember to always investi-

gate before giving your money to anyone for an investment of any kind.

**If it sounds too good to be true, it probably is.** Scam artists know what it takes to get your money, so be careful, ask questions and investigate before giving your money to anyone for an investment of any kind.

### TIP:

Before you invest check that a security or your broker-dealer/investment advisor is registered with the Oklahoma Securities Commission. To do this, visit [securities.ok.gov](http://securities.ok.gov).

### THE SCAMS

- Common investment swindles seen in Oklahoma are pyramid schemes - a scam in which people invest in the right to sell the investment to other people, there is no significant profit from sales of goods or services, and cash comes from recruiting new investors who pay for the right to enlist more future investors. Inevitably, a point is reached where there are not any new suckers.

# scams

\* **PONZI SCHEMES:** Early investors are paid off with money from new investors. The scheme may operate for a long time before the promoter “pulls the plug” or disappears with all the cash or reveals that the investments have gone “sour.” For everyone who makes money someone loses money. Promoters or early investors show checks and claim they are profits.

\* **PENNY STOCK FRAUD** involves investment in promotional bogus companies with untested products, or no assets, employees or business plan. Insiders get cheap stock, control the market price, artificially inflate the price and then dump the worthless stock on you at the high price.

\* **AFFINITY FRAUD** targets an entire group at once, like professional organi-

zations, minority groups, or church or religious groups. Here, the con artists often pose as a member of the group to get their foot in the door and win over everyone’s trust. Their goal is to get the group excited about a supposedly “safe” investment, which usually takes the form of a pyramid or Ponzi scheme. The money is pocketed, not invested.

\* **BOILER ROOMS** are another common scam to watch out for. They use the phone, even your cell phone, to get your money. Telemarketers will give scripted sales pitches using lines like, “Act now or the deal is gone” or “You are silly or stupid not to take advantage of this opportunity.” You may be asked to give out information like your Social Security or bank account numbers. If you get a call like this one, just hang up.

## With all the scams out there, how do you avoid becoming the next victim? **EASY!**

- Stay away from “investments” that offer you money to recruit others, ask for cash to join or want you to buy goods or services.
- Do your research before deciding to buy in. If there is little or no information or history, beware.
- Do not be afraid to say “no” or hang up the phone.
- Do not be pushed around by the high-pressure sales pitches of salespersons that want you to act immediately. Never purchase any investment unless you have had time to get information and make a thoughtful decision. Worthwhile investments rarely involve such short time constraints.
- Do not trust sales people just because they seem friendly.
- Never give out your bank account number or other financial information.
- Be suspicious of offers of “free” trips or gifts.
- Remember there is no such thing as a “guaranteed” or “risk-free” investment.

**HOWEVER, IF YOU DO LOSE MONEY TO A SCAM, REPORT IT TO THE OKLAHOMA SECURITIES COMMISSION!**

It is totally natural to be embarrassed, but reporting the scam to authorities can improve your chances of getting your money back. Investment fraud is not only lying, it is illegal, and the losers who cheat honest people out of their money can only go to jail with your help.

**HERE YOU GO!**  
**To report a con artist, contact these organizations:**

OKLAHOMA SECURITIES  
COMMISSION  
(405) 280-7700  
[www.securities.ok.gov](http://www.securities.ok.gov)

FINANCIAL INDUSTRY  
REGULATORY AUTHORITY  
(FINRA)  
(301) 590-6500  
[www.finra.org](http://www.finra.org)

NORTH AMERICAN SECURITIES  
ADMINISTRATION ASSOCIATION  
(202) 737-0900  
[www.nasaa.org](http://www.nasaa.org)

U.S. SECURITIES AND  
EXCHANGE COMMISSION  
(202) 551-6551  
[www.sec.gov](http://www.sec.gov)





# ch.iii QUIZ

Circle the letter that best answers the question.

**1** IDENTITY THEFT CAN AFFECT ALL OF THE FOLLOWING EXCEPT:

- A** Your credit history
- B** Your criminal record
- C** Your transcript
- D** Your welfare benefits

**2** THE THREE MAJOR CREDIT REPORT COMPANIES ARE:

- A** Equicare, ExpoNet and TransCredit
- B** Equalcom, Experian and TransCom
- C** Equifax, Expert and TransUnion
- D** Equifax, Experian and TransUnion

**3** THE SCAM NAMED FOR A PERSON IS:

- A** Ponzi
- B** Penny
- C** Affinity
- D** Pyramid

**4** WHICH GROUP IS MOST LIKELY TO BE TARGETED FOR AFFINITY FRAUD?

- A** Unions
- B** Republican Party
- C** Shriners
- D** First Christian Church

**5** WHICH INVESTMENT DOES NOT EXIST?

- A** Risk-free
- B** Slight risk
- C** Moderate risk
- D** High risk

Answer key on page 70.

# Invest Ed<sup>TM</sup> my money handbook



## IV CHAPTER IV

66	CONCLUSION
67	RESOURCES
68	CONTACT LIST
69	POST QUIZ
70	ANSWER KEY
71	EVALUATION

# conclusion: it was all about the benjamins

# resources

The following resources were used to create your Money Handbook.

Whew!  
THAT WAS NOT  
SO HARD, WAS IT?

BY NOW, YOU HAVE GONE through a crash course in money basics from that first paycheck to learning how to protect yourself (and your money) from an investment scam artist. Hopefully you know a little bit more about the importance of treating money wisely, so you can get a lot more out of it, both today and in all your tomorrows.

WE HAVE DISCUSSED spending vs. saving, how to budget your money, the different types of banks, investment options, credit, investment scams and protecting your

identity and earnings. While you might not encounter all of these down the road, each piece gives you the knowledge to make smart, careful decisions about your income.

WE KNOW MONEY IS NOT easy to come by, but now that you have completed this workbook-cd, it will be much easier to make it work for you. And just knowing that is priceless. This handbook is yours to keep and use anytime you need it. Remember to investigate before you invest in any financial product.

## handbook:

AMERICAN ASSOCIATION OF RETIRED PERSONS, "ID Theft: What's It All About?," Federal Trade Commission: 2003

ANSELL, DOROTHY I., *The New Making It on Your Own*, Virginia Commonwealth University School of Social Work: 1995

CNNMONEY.COM, "How Fast Will My Savings Grow?," <http://cgi.money.cnn.com/tools/savings-scalc/savingscalc.html>: 2006

IDENTITY THEFT RESOURCE CENTER, "Fact Sheet 120: Identity Theft and Children," [http://www.idtheftcenter.org/artman2/publish/v\\_fact\\_sheets/Fact\\_Sheet\\_120.shtml](http://www.idtheftcenter.org/artman2/publish/v_fact_sheets/Fact_Sheet_120.shtml)

IDENTITY THEFT RESOURCE CENTER, "Fact Sheet 120: To Order a Credit Report for a Child," [http://www.idtheftcenter.org/artman2/publish/v\\_fact\\_sheets/Fact\\_Sheet\\_120\\_A-.shtml](http://www.idtheftcenter.org/artman2/publish/v_fact_sheets/Fact_Sheet_120_A-.shtml)

IDENTITY THEFT RESOURCE CENTER, "Fact Sheet 120b: A Guide for Parents Regarding Child Identity Theft Indicators," [http://www.idtheftcenter.org/artman2/publish/v\\_fact\\_sheets/Fact\\_Sheet\\_120b\\_A\\_Guide\\_for\\_Parents\\_-\\_Child\\_Identity\\_Theft\\_Indicators.shtml](http://www.idtheftcenter.org/artman2/publish/v_fact_sheets/Fact_Sheet_120b_A_Guide_for_Parents_-_Child_Identity_Theft_Indicators.shtml)

LATZKO, MARIAN, B., *I Can Do It!: A Micropedia of Living on Your Own*, Microlife: 1996

MANNIX, DARLENE, *Life Skills Activities for Secondary Students with Special Needs*, John Wiley & Sons, Inc.: 1995

OKLAHOMA DEPARTMENT OF SECURITIES, "Personal Finance for the Economics Classroom: A Teaching Guide for Econ Instructors," <http://www.fl2010.org/>

U.S. CENSUS BUREAU, "Three-Year Average Median Household Income by State: 2002 - 2004," <http://www.census.gov/hhes/www/income/income04/statemhi.html>: 2005

## additional resources:

NATIONAL RESOURCE CENTER FOR YOUTH SERVICES University of Oklahoma On-line Catalog [www.nrcys.ou.edu/catalog](http://www.nrcys.ou.edu/catalog)

NATIONAL RESOURCE CENTER FOR YOUTH SERVICES University of Oklahoma Schusterman Center 4502 E. 41st Street, Bldg. 4W Tulsa, OK 74135 Tel: (918) 660-3700 Fax: (918) 660-3737 [www.nrcys.ou.edu](http://www.nrcys.ou.edu)

JESUS SALAS University of Oklahoma Mr. Salas reviewed all sections except "Investing Products", "Investing Risk", and "Protecting Your Money". 2008

## Investor Protection Trust (IPT)

Suite 300  
919 Eighteen Street, NW  
Washington, DC 20006-5517  
[www.investorprotection.org](http://www.investorprotection.org)

## Invest Ed™ Investor Education Programs Partnership:

OKLAHOMA SECURITIES COMMISSION • UNIVERSITY OF OKLAHOMA OUTREACH  
Suite 860,  
First National Center  
120 N Robinson  
OKC, OK 73102  
TEL: (405) 280-7700  
FAX: (405) 280-7742  
[www.investedok.org/links](http://www.investedok.org/links)

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)  
(301) 590-6500 • [www.finra.org](http://www.finra.org)

NORTH AMERICAN SECURITIES ADMINISTRATION ASSOCIATION  
(202) 737-0900  
[www.nasaa.org](http://www.nasaa.org)

U.S. SECURITIES AND EXCHANGE COMMISSION  
(202) 551-6551 • [www.sec.gov](http://www.sec.gov)

# contacts

CALL NOW! OPERATORS ARE STANDING BY!

In case you missed them the first time, here - on one handy page - is a list of organizations you may find helpful...

## INDEPENDENT LIVING PROGRAM ALUMNI:

**Yes I Can**  
1-800-397-2945

## IF YOU NEED A COPY OF YOUR BIRTH CERTIFICATE OR YOUR SOCIAL SECURITY CARD:

**Oklahoma State Department of Health - Vital Records Service**  
(405) 271-4040  
[www.health.state.ok.us/program/vital/brec.html](http://www.health.state.ok.us/program/vital/brec.html)

**Social Security**  
1-800-772-1213  
[www.ssa.gov/dallas](http://www.ssa.gov/dallas)

**Better Investing**  
1-877-275-6242  
[www.betterinvesting.org](http://www.betterinvesting.org)

**Oklahoma Department of Human Services**  
(405) 521-3778

## IF YOU NEED TO REQUEST OR DISCUSS A CREDIT REPORT:

**AnnualCreditReport.com**  
[www.annualcreditreport.com](http://www.annualcreditreport.com)

**Equifax**  
1-800-685-1111  
[www.equifax.com](http://www.equifax.com)

**Experian**  
1-888-EXPERIAN (397-3742)  
[www.experian.com](http://www.experian.com)

**TransUnion**  
1-800-916-8800  
[www.transunion.com](http://www.transunion.com)

## IF YOU NEED TO REPORT A CON ARTIST:

**Oklahoma Securities Commission**  
(405) 280-7700  
[www.securities.ok.gov](http://www.securities.ok.gov)

**U.S. Securities and Exchange Commission**  
(202) 551-6551  
[www.sec.gov](http://www.sec.gov)

# pop quiz, hot shot YES, AGAIN!

**Remember that quiz** from the front of the book? Well here it is again and something tells us that when you take it this time, it is going to be a breeze!! WELL DONE!!

**1** WHICH OF THE FOLLOWING IS NOT A DEDUCTION ON A PAYCHECK?

- A. Social Security tax
- B. Medicaid tax
- C. State income tax
- D. Medicare tax

**2** WHICH INVESTMENT PRODUCT HAS THE POTENTIAL FOR HIGHER RETURNS AS WELL AS GREATER RISK?

- A. Savings bonds
- B. Stocks
- C. Treasury bills
- D. Certificates of deposit

**3** WHAT DOES APR STAND FOR?

- A. Annual Percentage Rate
- B. Approximate Percentage Rate
- C. Applicable Payment Rate
- D. Annual Payment Ratio

**4** WHEN WILL HAVING BAD CREDIT AFFECT YOU MOST?

- A. When cashing in credit card rewards points
- B. When applying for a loan
- C. When applying for a job
- D. When renewing your driver's license

**5** WHICH ONE IS NOT CONSIDERED AN INVESTMENT TOOL?

- A. Treasury bill
- B. Savings bond
- C. CD
- D. Checking account

**6** YOU HAVE BEEN ASKED TO PAY CASH TO GET IN ON A MONEY MAKING OPPORTUNITY. YOU WILL GET MONEY BY GETTING OTHERS TO PAY CASH TO GET IN ON IT, TOO. THIS SCAM IS AN EXAMPLE OF:

- A. Penny stock fraud
- B. A commission
- C. Affinity fraud
- D. A pyramid scheme

**7** WHEN SOMEONE USES YOUR PERSONAL INFORMATION TO OBTAIN A CREDIT CARD, IT'S CALLED:

- A. Declined card
- B. Mail fraud
- C. Identity theft
- D. Credit crisis

# answer key

## PRE-QUIZ/ POST QUIZ

1. B
2. B
3. A
4. B
5. D
6. D
7. C

## CHAPTER I: money management

### Paycheck Exercise

- (pg. 8)
1. \$1,560.00
  2. \$234.99
  3. 40
  4. \$6.50
  5. \$22.62

### Chapter I Quiz

1. B
2. C
3. A
4. D
5. C

## CHAPTER II: banking basics

### Banks: Overview

- (pg. 22)
1. Credit union
  2. Commercial bank
  3. Savings and loan

### Savings Products: Crossword Puzzle



### Credit Card Bill

- (pg. 51)
1. 04/05
  2. \$24.12
  3. \$66.27
  4. \$20.00
  5. 05/06/06
  6. 19.8%
  7. \$500.00
  8. \$120.34
  9. \$120.34

### Chapter II Quiz

1. C
2. D
3. B
4. A
5. B

## CHAPTER III: protection

### Protecting your money: Truth or Lines?

- (pg. 63)
1. D
  2. A
  3. C
  4. B

### Chapter III Quiz

1. C
2. D
3. A
4. D
5. A

# evaluation

WHAT DID YOU THINK? PLEASE HELP US OUT BY COMPLETING THIS EVALUATION.

- 1 DID YOU FIND THE WORKBOOK HELPFUL?  
 Yes  No

WHY / WHY NOT? \_\_\_\_\_  
\_\_\_\_\_

- 2 WHAT DID YOU LIKE MOST AND LEAST  
ABOUT THE WORKBOOK?

\_\_\_\_\_

- 3 WHAT DID YOU LIKE MOST AND  
LEAST ABOUT THE CD?

\_\_\_\_\_

- 4 DID YOU FIND THE WORKBOOK EASY TO  
READ AND FOLLOW?  Yes  No

WHY / WHY NOT? \_\_\_\_\_  
\_\_\_\_\_

- 5 WHICH ELEMENTS OF *MY MONEY  
HANDBOOK* DID YOU USE?  
 Workbook  CD  Workbook + CD

WHY / WHY NOT? \_\_\_\_\_  
\_\_\_\_\_

- 6 WHICH ELEMENTS OF *MY MONEY HANDBOOK*  
DID YOU FIND MOST HELPFUL  
FOR LEARNING?

Workbook  CD  Workbook + CD  
WHY / WHY NOT? \_\_\_\_\_  
\_\_\_\_\_

- 7 WERE THE INSTRUCTIONS CLEAR?  
 Yes  No

\_\_\_\_\_

- 8 WILL YOU USE *MY MONEY HANDBOOK*  
IN THE FUTURE?  Yes  No

WHY / WHY NOT? \_\_\_\_\_  
\_\_\_\_\_

- 9 WHAT TOPICS WOULD YOU LIKE  
TO SEE ADDED?

\_\_\_\_\_

- 10 WHAT TOPICS WOULD LIKE TO SEE TAKEN OUT?

\_\_\_\_\_

- 11 HOW WOULD YOU CHANGE THE HANDBOOK?

\_\_\_\_\_

- 12 ANY OTHER COMMENTS ABOUT THE HANDBOOK  
YOU WOULD LIKE TO SHARE?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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