



WELCOME TO HYBRID TECHNOLOGY TRAINING'S FINANCIAL LITERACY COURSE

In this course we will examine how intentional money management can help you to achieve success in your new career and in your everyday life. We are here to help make your classroom and future work experience as rewarding as possible by equipping you with the relevant knowledge, skills and understanding required by industry to thrive in our technologically evolving society.

Thank you for taking the time to invest in yourself through education and this program. You have made a great decision.

The Financial Literacy Workbook is designed to enhance your learning experience and to provide you with an easy-to-reference tool upon completion of your hybrid technology training. Simply fill in the blanks as you complete each section of the course. This is an interactive course. Be sure to interact with the instructor and your classmates as required during the instruction.

Please keep in mind that the contents of this course are for educational purposes only and are not intended as legal advice. Consult with your own legal counsel for specific legal advice if and when warranted.



Financial Literacy Increases Your Ability to Dream Big

Life without debt is ranked by most people as an impossible achievement. Therefore, most people do not take steps towards intentional money management. But you are not most people and are open to living a financially stable life by eliminating debt and increasing wealth.

Financial literacy is defined as the ability to use knowledge, skills and tools to effectively manage financial resources, resulting in a lifetime of financial stability. It increases the ability to dream big because it removes uncertainty from a destiny filled with stress, financial poverty and insecurity. It is a CHOICE!

Choose to tell your money what to do, before it turns up MIA (missing in action). Treat money like the arrival of a newborn baby: prepare for its arrival; nurture and protect it while grows; invest in it for the future; and watch it multiply and produce fruit for your future. Sounds simple...well it is when you take the steps, make the investments and plan for a financially stable future.

MONEY MANAGEMENT REQUIRES

Balance is a vital ingredient to success. Money cannot be the primary focus in your life. Physical, mental and spiritual health are all priorities required for a well balanced productive life.

In a world where consumer debt is well over a trillion dollars, vision for a financially stable, debt-free future is crucial. The internal vision, fuels the imagination to keep the heart motivated to stick to plan.



Accountability is essential, esp. early on, to ensure that natural desires do not circumvent the plan. You are not alone. Find an accountability partner that will tell you the truth. Give them permission to hold you accountable to your financial plan.

Family agreement is required so that couples are not working the financial plan in opposite directions. Couples must be in agreement with spending, saving, future planning and debt reduction. Solidify the agreement early on so that the relationship is not overrun with money differences.

“You will either tell your money what to do, or the lack of it will tell you.” Dave Ramsey

CREDIT

1. Credit is more than just a card that you use to buy things. It is a reflection of your financial trustworthiness.
2. Check your credit report for FREE annually. DO NOT fall for credit repair scams that charge you to fix your credit score. The only information that may legally be removed from a credit report is inaccurate information. (*You must officially request in writing that inaccurate information be removed from your credit report*)
3. Information is removed from your credit report 7 years after the last activity. However, information is removed after 10 years for a Chapter 10 bankruptcy. Wise financial decisions make this information a mute point.
4. Good credit usually translates into lower interest rates, lower payments and more borrowing power.
5. Good credit reveals personal integrity.



DEBT

1. Debt creates an invisible jail that most Americans are serving a sentence in unaware. It has been marketed so well since the 1960s, that life a part from a bill is seen as the exception.
2. Debt is not a privilege, debt is a product. Someone or some entity is benefiting from your debt. The more debt that you acquire, the more that the loan entity enjoys financial increase. The consumer debt building industry has been around for quite awhile now.

History of today's credit card:

- The modern day credit card found its origin as far back as the Air Travel Card which was introduced in the 1930s so that airline passengers could travel now and pay later. The Diners Club card arrived in 1950, followed by Carte Blanch and American Express in 1958. These cards carried balances that required payment in full with each statement. Also in 1958, Bank of America introduced the BankAmericard, which changed its name to Visa in 1977. In 1966 MasterCard was introduced as the competitor to the BankAmericard, and in 1986 Discover was introduced into circulation widening the availability for additional means for debt.

3. Debt takes on the disguise as a personal loan to a family member, co-signing another person's loan, rent-to-own, cash advance, title pawning and various other entities that give the impression of a good deal for helping someone in need.
4. Going into debt for emergencies adds to the pain.
5. You cannot borrow your way out of debt.



Types of Cards.

1. Credit cards are used to buy things and pay for them over time.
2. Charge cards are also used to buy things and pay for them in full upon the billing due date.
3. Debit cards allow access to the money in either a checking or savings account electronically at the time of purchase.

SAVINGS

1. Saving must be intentional and become a priority in order for it to last.
2. Upon receipt of income, pay yourself first.
3. Plan to give, save and then pay bills.

Why do we save?

- in the event of an unexpected emergency (emergency fund)
[amount equivalent to 3 to 6 months of your salary]
- to make future purchases
- to meet the needs of day to day expenses
- to build wealth
- to leave an inheritance for our family

Saving makes a demand on sacrifice and discipline required to eliminate debt.



DEBT SNOWBALL: Liquidate debt from smallest to largest, making minimum payments on all debt balances except for the smallest amount...but first:

- Stop borrowing money.
- Spend less money.
- Start saving money.

1. Make a list of all of your debt from smallest to largest.

- ✓ If you have a debts with the same balance, plan to liquidate the one with the highest interest rate first.

2. Pay the minimum payment on all of the debt balances except for the smallest one. Take the money that you would normally pay above the minimum payment on the other cards, along with every extra dollar received, and aggressively pay off the smaller debt balance first. Sell something!

3. Once the smaller balance is paid off, take those funds and apply them to the next smallest balance. Continue this cycle of payments, while paying the minimum payments until all funds are applied to eliminate the remaining largest debt.

NOTE: Use separate spreadsheets to track debt liquidation as you pay-off the smallest to largest balances in order to clearly account for the correct payment amounts.



SAMPLE SPREADSHEET

Credit Card/Loan Company	*New Payment	Minimum Payment	Total Payoff
Visa	Ebay sales	\$25	\$1000
Macy's	\$85	\$60	\$2000
MasterCard	\$160	\$75	\$3500
Car Loan	\$585	\$425	\$12000
School Loan	\$1435	\$850	\$13025

*"New payment" is the total of the previous debt's payment amount plus the current debt's minimum amount. (each new payment stated below is recorded as if the previous debt has been paid off)

TYPES OF SAVINGS ACCOUNTS (Overview)

1. Personal accounts allow consumers to store excess cash in a secure place and earn interest on the balance; normally in a insured bank or credit union.

- When choosing a savings account, look for the best savings interest rate.

- The Electronic Code of Federal Regulation (Regulation D) mandates that the depositor may make no more than six withdrawals/transfers out of a savings account per month or statement cycle. (Excerpt: *the depositor is permitted or authorized to make no more than six transfers and withdrawals, or a combination of such transfers and withdrawals, per calendar month or statement cycle (or similar period) of at least four weeks, to another account (including a transaction account) of the depositor at the same institution or to a third party by means of a preauthorized or automatic transfer, or telephonic (including data*



transmission) agreement, order or instruction, or by check, draft, debit card, or similar order made by the depositor and payable to third parties.)

2. Money Market savings accounts normally yield a higher interest rate based on interest rates in the money market. These accounts typically have a higher rate of interest and require a higher minimum balance; anywhere between \$1,000 to \$25,000, in order to avoid monthly fees.

- Money market mutual funds are low risk accounts with checking privileges. These accounts are a great place to keep an emergency fund.

3. Cash stored in Certificate of Deposits (CDs) offer a higher yield than a normal savings account as they have a specific holding period before eligibility to withdraw. CDs can range in terms of 3 months, 6 months, 1- 5 years or longer. Early withdrawal results in a penalty (typically a portion of the interest earnings).

INVESTMENT ACCOUNTS:

1. Diversification of funds, lowers the risk of investing.
2. Investments are designed to eventually make more money than you make by working a job.
3. NEVER invest in vehicles that you personally do not understand how they work. Take the time to learn how your money is working for you.

Types of Investments

- Mutual Funds provide diversity as investors pool their money together to invest. Money is earned as the value of the fund increases. These are managed by a portfolio manager and are



good long term investments. (Look for a fund with a good track record of at least 5-10 years or more.)

- Bonds are a reverse debt instrument whereby the company owes you money. As interest rates increase, the value goes down.
- Single Stocks have no diversity in order to lower risk. The purchase of single stocks buy ownership in the company. As the company increase or decrease in value, you receive your return on investment in what is known as dividends.
- Other types of investments are rental Real Estate, fixed and variable Annuities, Gold, Commodities and Futures, and Day Trading.

BUDGETING

Maintaining a budget may also be called a Cash Flow plan. Managing your money works best if done monthly and in advance of spending. While working the plan, it is imperative that you keep your check book balanced too. Use duplicate checks, if you've had overdraft problems in the past. Be sure to account for ATM and Debit card purchases daily, as they are frequent Budget Busters. You must be proactive.

1. Managed money goes further.
2. A written plan reduces uncertain and provides vision and direction for the future.
3. A written plan reduces stress.
4. A written plan restores and fortifies hope.



5. A written plan makes for a great accountability partner and reminder of a prosperous future.

How to Balance Your Checking Account

CHECKING ACCOUNT REGISTER						
Check #	Date	Transaction Description	Payment (Debit)	Fee	Deposit (Credit)	Balance
						\$530
6271	9/2	Electric Bill	\$125			\$405
6272	9/8	Church	\$30			\$375
DEP	9/8	Paycheck			\$750	\$1125
ATM	9/8	Cash for the weekend	\$60	\$3.00		\$1062
WTDL	9/8	Bank Service Charge	\$1.50			\$1060.50
WTDL	9/12	Safeway - groceries	\$26.75			\$1033.75

Personalize your course online check register and put it into use TODAY!

BUDGET EXAMPLE:

Monthly Budget			
INCOME (After Tax)	Budgeted Amount	Actual Amount	Difference
Income #1			\$0.00
Income #2			\$0.00
Other			\$0.00
Total Income	\$0.00	\$0.00	\$0.00



EXPENSES			
SAVINGS			\$0.00
CHARITABLE GIFTS			\$0.00
Housing - Mortgage/Rent			\$0.00
Electric			\$0.00
Gas			\$0.00

Personalize your course online budget and put it into use TODAY!

CONGRATULATIONS



You have completed our Financial Literacy course. Best of luck to you on the Embedded Assessment.

We look forward to working with you again as you complete the Soft Skills portion of the Hybrid Technology Training course. Please contact us if we may be of further assistance.

Hybrid Technology Training Team