A budget is a plan that shows you how you can spend your money every month. Making a budget can help you make sure you do not run out of money each month. A budget also will help you save money for your goals or for emergencies.

**How do I make a budget?**

- Write down your expenses. Expenses are what you spend money on. Expenses include:
  
  **Bills:**
  - bills that are the same each month, like rent
  - bills that might change each month, like utilities
  - bills you pay once or twice a year, like car insurance

  **Other expenses, like:**
  - food
  - gas
  - entertainment
  - clothes
  - school supplies
  - money for family
  - unplanned expenses, like car repairs or medical bills
  - credit card bills

  You might have bills that change every month. Look at what you paid for the same month last year. You might need $200 for your gas bill in January, but $30 in July.

- Write down how much money you make. This includes your paychecks and any other money you get, like child support.

- Subtract your expenses from how much money you make. This number should be more than zero. If it is less than zero, you are spending more money than you make. Look at your budget to see what you do not need or what you could spend less on.
How do I use my budget?

You can use your budget every month:

- At the beginning of the month, make a plan for how you will spend your money that month. Write what you think you will earn and spend.
- Write down what you spend. Try to do this every day.
- At the end of the month, see if you spent what you planned.
- Use the information to help you plan the next month’s budget.
Banks and credit unions are safe places to keep your money. Banks also offer services like loans and check cashing. If you have an account, these services might be less expensive than at other places.

**How do I choose a bank or credit union?**

Compare the services and fees at a few banks and credit unions. Go to the website or visit in person. Find out what the fee is if you:

- have a checking account
- use a debit card
- get cash from ATMs at other banks
- have less money in your account than the bank requires
- spend more money than you have in your account

Compare the answers. Find the bank or credit union that meets your needs.

**How do I avoid fees on my accounts?**

- Stay above the required “minimum balance.” That is the amount of money the bank requires you to keep in your account. If you cannot meet the requirement, you might choose a different account or choose another bank.

- Use your bank’s ATMs to get cash. If you go to an ATM from another bank, you might have to pay fees – to your bank and to the other bank.

- Spend only the money that you have. Some accounts will let you use your debit card even after your checking account is empty. Spending more money than you have is called “overdrawing” your account. It always means you will pay big fees.

- Write down the money you spend or take out of the bank. Then subtract what you spend or withdraw from the balance, or the amount of money in your account. That will show how much money you have left to spend.
Using Debit Cards

Debit cards are a way to pay for things. They use money from your checking account at the bank. They can be convenient. But to avoid spending more money than you have, keep track of how much you spend.

How to I choose a debit card?

A bank or credit union usually gives you a debit card when you open a checking account.

Compare the services and fees at a few banks and credit unions. Go to the website or visit in person. Find out what the fee is if you:

- have a checking account
- use a debit card
- get cash from ATMs at other banks
- have less money in your account than the bank requires
- spend more money than you have in your account

Compare the answers. Find the bank or credit union that meets your needs.

How can I protect my debit card?

- keep your debit card number and PIN private
- do not use your debit card to buy things online
- if you lose your debit card, report it to your bank or credit union right away. Ask your bank to cancel the card and send you another card
- ask for account alerts by email or text message. This can let you know if your account has less money in it than you think
How can I keep track of my money?

To keep track of your money:

- write down how much money you spend with your debit card
- write down how much money you take out of the ATM. Remember to add the fees
- use your monthly budget to schedule payments for regular bills
- look at your bank statement whenever it comes. Make sure it is what you expected
- ask your bank or credit union to send you email or text alerts. Some banks contact you if your balance goes below an amount you set
Prepaid cards are another way to pay for things. You add money to a prepaid card and use it like a debit card. But you pay very high fees to use a prepaid card.

**How do I choose a prepaid card?**

If you decide to use a prepaid card:
- find out what fees you will have to pay
- see which card has lower fees
- do not buy a card because you like the celebrity who talks about it. It may have higher fees than other prepaid cards

**How do I compare prepaid cards to other choices?**

Prepaid cards can cost a lot to use. You might want to compare other ways to spend your money.

Choose at least two of each to compare:
- prepaid cards
- secured credit cards
- checking accounts in a bank or credit union
Prepaid Cards

For each type of card or account, answer these questions:

- What are the fees? Look for:
  - low activation fees
  - low annual fees
  - low ATM fees

- Will the card help your credit history? Some cards send information to the three credit reporting companies. That might help you build a credit history.

- Does your deposit earn interest? Sometimes you can earn interest on the money you put on a card or in a bank account.

Compare the answers. You might find ways to spend your money that are cheaper than a prepaid card.
Saving Money When You Shop

You can save money when you shop if you compare prices at different stores, use coupons, think about whether you really want something, and ask questions.

**How do I start saving?**

Before you buy something, ask yourself:

Have I:

- looked for coupons?
- checked the price at more than one store?
- asked about when it might go on sale, or thought about waiting for a sale?
- thought about what else I might spend my money on if I do not buy it?

**When I find a good deal, should I buy the product?**

Maybe you should buy it. Maybe not. Before you buy, think about whether this is the right deal for you. Ask yourself:

- Am I buying this just because it is on sale?
- Do I really want or need this thing?
- Can I afford this product, even on sale?
- Do I want to buy it, even if it adds to my credit card debt?
Buying and Using Phone Cards

Phone cards can help you make calls overseas while saving money. But high fees can cost you time you thought you had, and money.

**How do I compare phone cards?**

Before you buy a phone card:

- choose at least two phone cards to compare
- find information about the fees. That information usually is on the sign for the card
- write the charges for:
  - maintenance fee
  - fee to dial the access number
  - fee to call a mobile number
  - fee to end the call
- compare the fees for the two cards. Choose the card that is best for you

**How else can I save money?**

- Buy cards for a small amount of money – for example, $2.00 or $5.00. You are buying fewer minutes. But you will not lose much money if the card does not work.
- Check the expiration date. Be sure you can use all the minutes by that date.
- Make sure you see a customer service number on the card. That means you can get help if you need it.
Buying and Using Phone Cards

What if I have problems with a card?

You might have a phone card that does not work. Or a card with fewer minutes than you thought. If you do, report it:

- Tell the person on the phone what happened. You can give as much or as little information as you want.
Sending Money Overseas

You want to send money to someone in another country. Sometimes, this is called wiring money. Wiring money is just like sending cash.

Before you wire money

A business that wires money for you charges a fee to send that money. Before you pay to send money, ask the business these questions:

- How much money will my family or friend get?
- Will my family or friend get money in US dollars, or in local money?

Write this information down. Visit a few businesses that wire money overseas. Compare the cost of one money wiring business to another. Each business might charge a different price. If the business will not answer these questions, think about going to another business.

When you choose the money wiring business you will use, make sure the cost is the same as the business told you. After you send the money, keep your receipt. You will need it if something goes wrong.

After you wire money

Find out if your family or friend got the money you sent. Find out if they got the right amount. If they did not get the amount you sent, report it right away:

- First, report it to the money wiring business.
- Then, if the business does not solve the problem, report it to the Federal Trade Commission. Call 1-877-382-4357, or go to ftc.gov/complaint.
Your credit history is important. It tells businesses how you pay your bills. Those businesses then decide if they want to give you a credit card, a job, an apartment, a loan, or insurance.

Find out what is in your report. Be sure the information is correct. Fix anything that is not correct.

**How do I check my credit report?**

This is easy to do by phone:

- Call Annual Credit Report at 1-877-322-8228.

- Answer questions from a recorded system. You have to give your address, Social Security number, and birth date.

- Choose to only show the last four numbers of your Social Security number. It is safer than showing your full Social Security number on your report.

- Choose which credit reporting company you want a report from. (You get one free report from each company every year.)

That company mails your report to you. It should arrive 2-3 weeks after you call.

**What do I do with my credit report?**

Read it carefully. Make sure the information is correct:

- Personal information – are the name and address correct?

- Accounts – do you recognize them?
  - Is the information correct?

- Negative information – do you recognize the accounts in this section of the report?
  - Is the information correct?

- Inquiries – do you recognize the places you applied for credit? (If you do not, maybe someone stole your identity.)
The report will tell you how to improve your credit history. Only you can improve your credit history. It will take time. But if any of the information in your report is wrong, you can ask to have it fixed.

**How do I fix mistakes in my credit report?**

- Write a letter. Tell the credit reporting company that you have questions about information in your report.
- Explain which information is wrong and why you think so.
- Say that you want the information corrected or removed from your report.
- Send a copy of your credit report with the wrong information circled.
- Send copies of other papers that help you explain your opinion.
- Send this information Certified Mail. Ask the post office for a return receipt. The receipt is proof that the credit reporting company got your letter.

The credit reporting company must look into your complaint and answer you in writing.
Using Credit

You can build a credit history or improve your credit history. One way is to get credit and use it wisely. That takes time.

How can I get credit?

If you do not have credit, the best place to start is with a credit card.

Compare several credit cards. Apply for the one that gives you the best deal. Look for:

- a low annual fee
- a low APR, or annual percentage rate
- lower fees:
  - if a payment is late
  - if you go over your credit limit
- a long grace period. This is the time between when you spend money and when the card charges you interest. Look for one that is at least 25 days long

If you cannot get a regular credit card, try to get a secured credit card. Apply only for cards that report your history to the three credit reporting companies.

Look for a secured card with:

- no application fee
- a low APR, or annual percentage rate
- lower annual fees
- no processing fees
- higher interest rates on the money you deposit
Using Credit

How can I improve my credit?

You can use credit to build and improve your credit history.

- Use your credit card a few times a month.
- Buy things you can pay for that month.
- Pay the whole credit card bill every month. Do not leave a balance on your card.
- Pay your bill by the date it is due. Paying even one day late will cost you money.

People who do this start to see a better credit history. But it takes time.
Payday Loans and Cash Advances

Payday loans or cash advance loans are loans made for a short time, often two weeks. These loans can be very expensive.

What should I do before I get a payday loan or a cash advance loan?

Before you get one of these loans, consider other ways to borrow money:

- Can I get a loan from a bank or credit union?
- Can I get more time to pay my bills by talking with creditors or a credit counselor?
- Do I have any money saved that I can use?
- Can I borrow money from family or friends?
- Can I use a credit card instead?

How do I choose which way to borrow money?

Compare the costs, if you have more than one choice. For each choice, find out:

- what is the APR?
- what are the fees?
- how soon must I repay the money?
- what happens if I cannot repay?

Write the answers to these questions. Decide which choice is best for you.

I decided to get a payday loan. What should I do?

- ask the lender to tell you how much it will cost in dollars
- ask the lender to tell you the APR
- borrow only what you can pay back with your next paycheck

September 2012 | Federal Trade Commission | consumer.gov
Payday Loans and Cash Advances: Service Members

If you are in the military, the law protects you and your dependents. The APR on payday loans cannot be more than 36%. The lender must give you documents that explain the cost of the loan and your rights.

Should I get a payday loan or cash advance loan?

Even with these protections for service members, payday loans can be very expensive. Before you get a payday loan, consider these choices:

- Get financial help from military aid societies like:
  - Army Emergency Relief: (703) 428-0000 aerhq.org
  - Navy and Marine Corps Relief Society: (703) 696-4904 nmcrs.org
  - Air Force Aid Society: (800) 769-8951 afas.org
  - Coast Guard Mutual Assistance: (800) 881-2462 cgmahq.org

- Borrow money from family or friends

- Ask your employer if you can get an advance on your paycheck

- Talk to a credit counselor about getting more time to pay your bills

Where can I get more information about borrowing money?

For more information about other ways to borrow money or to get help managing your finances:

- Call the Department of Defense at 1-800-342-9647. This line is staffed 24 hours a day, 7 days a week.

- Go to militaryonesource.com.
Car Title Loans

A car title loan is a loan for a small amount of money and for a short time – usually 30 days. They can be very expensive. If you cannot pay back the lender, you might lose your car.

What should I do before I get a car title loan?

Before you get a car title loan, consider other choices:

- Can I get a loan from a bank or credit union?
- Can I get more time to pay my bills by talking with creditors or a credit counselor?
- Do I have any money saved that I can use?
- Can I borrow money from family or friends?
- Can I use a credit card instead?

How do I choose which way to borrow money?

Compare the costs, if you have more than one option. For each choice, find out:

- what is the APR?
- what are the fees?
- how soon must I repay the money?
- what happens if I cannot repay?

Write the answers to these questions. Decide which choice is best for you.

I decided to get a car title loan. What should I do?

- ask the lender to tell you how much it will cost in dollars
- ask the lender to tell you the APR
- borrow only what you can repay by the date the loan is due
Managing Debt

If you owe money you cannot repay, you need a plan. Do not ignore the problem. There are people who can help you.

Where do I start?

- Make a budget
  - Write down what you make and spend in a month
  - Look at where your money goes
  - Look for ways to save money
- Call the companies where you owe money
  - Explain why you have trouble paying the bill
  - Ask for a plan to let you pay less each month
- Get help from a credit counselor

How can I get help?

Look for a credit counselor who will meet you in person. Then ask questions. These questions will help you select a counselor:

- What can you do to help me?
- How much will I have to pay?
- Do you have free education and information?
- Are you licensed to work in my state?

Look for a credit counselor who can do the most for you. You might have to pay some money for help. But a good credit counselor will not ask you to pay in advance.
Managing Debt

What do I do about calls from debt collectors?
When you talk to a debt collector:

- Keep a notebook by your phone or with you.
- Ask: What is your name, company, address, and phone number? Write the answers. Write the date and time you talked.
- Say: I will only talk when I get the written validation notice.
- If the collector threatens you or uses bad language, hang up. He is breaking the law.
- You can file a complaint about a debt collector by calling the Federal Trade Commission at 1-877-382-4357.

When you get the validation notice:

- See if you recognize the debt. The notice should list the “creditor.” The creditor is the person you owe money to. You can call the creditor to get more information.
- If you do not think the debt is yours, follow the instructions in the notice. It should tell you what to do next to question the debt.
- If the debt is yours, make a plan for how to pay it. Talk to a credit counselor.

If you want the collector to stop calling:

- Write a letter to the debt collector. Tell him to stop calling you immediately. Send the letter by Certified Mail and ask for a “return receipt.” The law says he must stop calling you when he gets your request in writing.
- If that debt collector still calls, file a complaint. Call the Federal Trade Commission at 1-877-382-4357.
Avoiding Identity Theft

Identity theft can make it hard for you to get credit, a job, a place to live, or utilities. But you can reduce your risk of being hurt by identity theft.

How can I protect my identity?

Protect your personal information. That helps you protect your identity. Here are some things you can do:

- At home
  - keep your financial records, Social Security and Medicare cards in a safe place
  - shred papers that have your personal or medical information
  - take mail out of your mailbox as soon as you can

- As you do business
  - only give your Social Security number if you must. Ask if you can use another kind of identification
  - do not give your personal information to someone who calls you or emails you

- On the computer
  - use passwords that are not easy to guess. Use numbers and symbols when you can
  - do not respond to emails or other messages that ask for personal information
  - do not put personal information on a computer in a public place, like the library

How will I know if someone steals my identity?

Read your bills and account statements. Watch for:

- things you did not buy
- withdrawals you did not make
- a change of your address that you did not expect
- bills that stop coming
Avoiding Identity Theft

Look at medical statements. You might see charges you do not recognize. That might mean someone stole your identity.

Get your credit report. You get one free credit report every year from each credit reporting company. To order:

- Call Annual Credit Report at 1-877-322-8228.
- Answer questions from a recorded system. You have to give your address, Social Security number, and birth date.
- Choose to only show the last four numbers of your Social Security number. It is safer than showing the full number on your report.
- Choose which credit reporting company you want a report from. (You get one report free from each company every year.)

The company mails your report to you. It should arrive two to three weeks after you call.

Read your credit report carefully. Look for mistakes or accounts you do not recognize. This could mean someone stole your identity.
If someone stole your identity, act fast. Fast action can help reduce the damage identity theft can cause.

**What should I do if a thief uses my information?**

**Step 1: Place an initial fraud alert on your three credit reports**

- Call any one of the three credit reporting companies. That company must tell the other two.

  Fraud departments of the credit reporting companies:
  
  - Equifax
    1-800-525-6285
  
  - Experian
    1-888-397-3742
  
  - Transunion
    1-800-680-7289

**Step 2: Order your credit reports**

- Call all three credit reporting companies and order your credit report from each. Identity theft victims can get the reports for free.

- You might know that some of your accounts are affected by identity theft. Contact those accounts now. Talk to someone in the fraud department of the company. Then write the company a letter.

**Step 3: Create an Identity Theft Report**

Submit a complaint to the FTC. You can call or do it online.

- By phone: Call 1-877-438-4338 (1-866-653-4261 TTY)
  
  - talk to a counselor. The counselor will ask questions to gather information about your complaint
  
  - ask the counselor to email you a link so you can print your complaint. Your completed complaint is called the “Identity Theft Affidavit”
  
  - go online to save or print your Identity Theft Affidavit.
Recovering from Identity Theft

- Online: Go to ftc.gov/complaint
  - Type your information into the online form, following the prompts on every screen.
  - Review all the information you typed
  - Click the button to submit your complaint. Your submitted complaint is called an “Identity Theft Affidavit”
  - Save the complaint reference number
  - Click the link to save the Identity Theft Affidavit to your computer
  - Print your Identity Theft Affidavit. Keep it in a safe place.

- File a police report. Take your FTC Identity Theft Affidavit with you
  - Get a copy of the police report or the number of the police report

- Attach your FTC Identity Theft Affidavit to your police report. That is your Identity Theft Report. Keep it in a safe place.
There are scams that target people who are trying to immigrate to the U.S. You can lose money in those scams. These scams also can hurt your chance to immigrate. Learn how to avoid a scam.

How can I avoid scams in the immigration process?

- Do not go to a notario, notario público, or a notary public for legal advice. In the U.S., notarios are not lawyers. They cannot give you legal advice.
- Never pay for government forms from the U.S. government. Government forms are free.
- Get immigration information from U.S. government websites. You might see a website that looks like it is from the government. Make sure that the website address includes .gov. That means the website is from the U.S. government.

What else can I do to protect myself?

- Never sign a form that is blank. Never sign a form that has false information in it.
- Do not let anyone keep your original documents, like your passport or birth certificate.
- Keep a copy of every document you turn in. Keep a copy of every letter you get from the U.S. government.
- You will get a receipt when you turn in your forms. The United States Citizenship and Immigration Service (USCIS) will give it to you. Keep the receipt. You will need it to check on your application.
How can I get help with immigration?

Immigration can be complicated. It can feel frustrating until you find the right kind of help.

- Get free immigration forms:
  - visit uscis.gov/forms
  - call USCIS at 1-800-870-3676

- Learn who can help you and where to find help:
  - order the free brochure from the Federal Trade Commission (FTC), I Need Immigration Help. Who Can Help Me?
  - find the brochure online at ftc.gov/immigration
  - call the FTC at 1-877-382-4357 to get a free copy sent to you

What if I paid someone who did not help me?


- Call the FTC at 1-877-382-4357
- Go online: ftc.gov/complaint

The FTC uses complaints to build cases against scammers. Any information you can give helps investigators.
Job Scams

Scammers might promise you a job, lots of money, or work you can do at home. But they make you pay them before they help you. If you pay them, you will lose your money and will not get a job.

How do I spot a job scam?

Look for these signs of a scam. Scammers might:

- promise you a job
- promise you a government job
- offer you the secret to getting a job
- promise that you will make lots of money by working at home
- offer you a certificate to improve your chances of getting a job

Scammers always will ask you to pay first. That is the biggest sign of any scam. Never pay in advance. Someone might say you cannot lose. It is not true. You will lose money.

How can I avoid a job scam?

- Never deal with anyone who promises you a job. No one can promise you a job.
- Do not pay in advance for information about a job. Even if there is a money-back guarantee.
- Do not deal with anyone who says you have to act fast.
- Ignore promises to make thousands of dollars working in your own home. Those promises are lies.

What if I already paid someone but I did not get anything?

If you sent money and did not get help finding a job, report it to the Federal Trade Commission (FTC).

- Call the FTC at 1-877-382-4357
- Go online: ftc.gov/complaint

The FTC uses complaints to build cases against scammers. Any information you can give helps investigators.
Money Wiring Scams

Wiring money is like sending cash. Do not wire money to people you do not know.

How do I spot a money wiring scam?

Most money wiring scams look like this:

- someone you do not know asks you to wire money

A scammer might use different ways to convince you to wire money. The scammer might say:

- you won a prize, or inherited money, but you have to pay fees first
- you won the lottery, but you have to pay some taxes first
- a friend or family member is in trouble and needs you to send money to help
- you need to pay for something you just bought online before they send it
- you got a check for too much money and need to send back the extra

These are all tricks. When you hear stories like these, you have spotted a money wiring scam.

How do I avoid a money wiring scam?

Scammers are good at being friendly. They also are good at fooling people. Here is how you can stop a scammer:

- Never wire money to someone you do not know.

- Never wire money because someone contacted you:
  - even if you feel like you know the person
  - even if the person says he is your friend or related to you
What if I already wired money to someone?

If you sent money to someone who contacted you, report it to the Federal Trade Commission (FTC).

- Call the FTC at 1-877-382-4357
- Go online: ftc.gov/complaint

The FTC uses complaints to build cases against scammers. Any information you can give helps investigators.