

Hispanic Austin Leadership Class of 2018
Finance Team



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Executive Summary

The Hispanic Austin Leadership (HAL) Finance Team, **Making Financial Cents**, canvassed the Austin Hispanic community in November 2017. According to research and information acquired from the Community Advancement Network (CAN), 33% of African American and Hispanic children grow up in poverty in Austin, Texas.* MFC is determined to make a difference in the community by increasing financial literacy to decrease the poverty rate.* To get further insight, the MFC sought out opinions of local organizations that work with minority groups who are trying to achieve financial stability in an environment of escalating costs.

The Finance Team met with Austin Independent School District’s Parent Support and Engagement Office, Southwest Key Programs, Wells Fargo (retail branches in locations with strong Hispanic demographics), Foundation Communities, Hispanic Scholarship Consortium, and Austin Community College. There was a recurring theme that came up in the meetings with the organizations—mistrust in financial institutions that lead to educational barriers in the community.



Pictured: Felipe, Marieli, Luis, Leonor, Nora, and Crystal

MFC gained more insight on the community’s concern with financial institutions by attending English Second Language (ESL) learning classes open to the community called Austin ISD Maestro en Casa.*

In order to accurately assess the depth of the problem, the Team chose the Maestro en Casa classes that had the largest program participation and were located in Austin’s Hispanic communities. An initial survey was developed to ask open-ended questions and assess the scope of the Maestro en Casa participants’ financial literacy knowledge. Through this process, five financial topics were identified that the community had trouble understanding and/or wanted more resources to learn: Banking, Budget, Credit, College Financing, and Insurance.

The Financial Team hit the ground running and established a partnership with Austin ISD, Austin Community College, and Wells Fargo to create a financial literacy curriculum for community stakeholders that was “By Austin, For Austin.” The financial material was carefully selected so it would have current or projected demand for everyone to succeed financially in the local Austin Hispanic community. This cemented the formation of the program name and motto, “Making Financial Cents – Making Sense of Your Financial Future.”

*2016 statistics

*<http://canatx.org/dashboard/our-basic-needs-are-met/poverty/>

*Maestro en Casa is an initiative of the AISD Department of Communications and Community Engagement in partnership with the MATT Foundation. Maestro en Casa is a practical and simple English-language learning and life skills program. Basic English lessons will help adult learners navigate common American situations and systems, thus allowing English-language learners to interact at a higher level in their daily activities. Parents will learn English at their local community school. The lessons are supplemented and enhanced with six culturally effective comic book-style workbooks, each covering a different subject— Austin ISD MEC webpage

We developed a series of informative, interactive, and creative workshops to engage participants in basic financing ideas. The sessions provided potential economic growth information, program description, time commitment, cost, and possible funding/scholarships to continue education.

Additionally, participants had the opportunity to meet with current industry professionals and learn the benefits of being financially ready to make big decisions. Lastly, MFC was able to forge partnerships between the Austin ISD so that all community engagement staff can be trained and knowledgeable in financial literacy program, to be able to have the financial workshop at every AISD school.

Schools visited

- Sanchez Elementary School (East Central)
- Travis Early College High School (South Central)
- Dobie Pre-K Center (North East)
- Galindo Elementary School (South)
- Barrington Elementary School (North)
- Widen Elementary School (South East)



Mission Statement

Implement a lesson plan on topics of finance that will establish a concrete financial literacy foundation for English as a Second Language (ESL) adults for the Austin Independent School District's immigrant community. At the end of the lesson, participants will be confident to take charge in financial decisions that affect their daily lives.

Vision

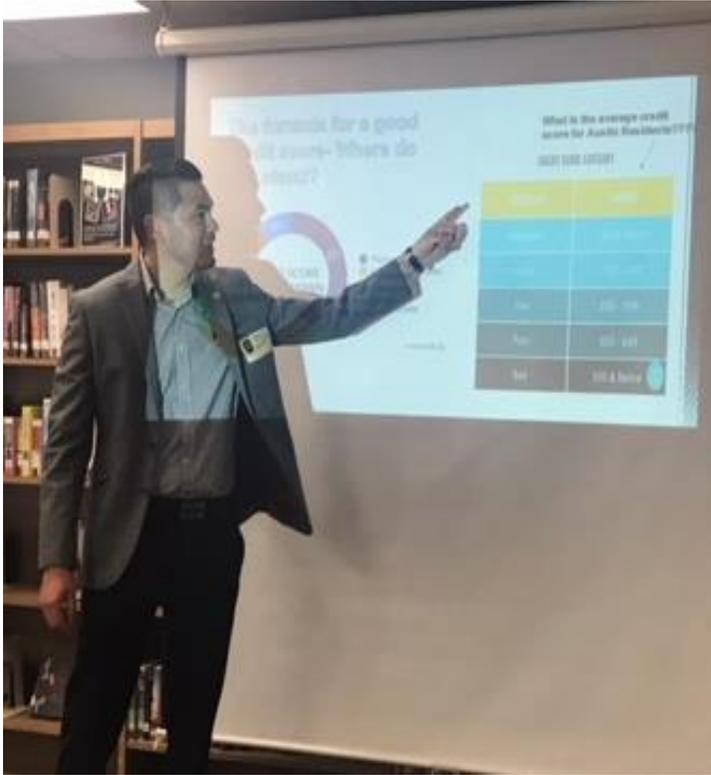
Each course participant will gain confidence and understanding to influence their economic decisions by increasing their financial knowledge through five financial topics:

- Banking
- Budget
- Credit
- College Financing
- Insurance

Project Scope:

- Educate the ESL Community on financial literacy and local finance opportunities by bridging the Maestro en Casa Finanzas lesson plan with the MFC lesson plan
- Inform on continuing education opportunities and ways to offset tuition costs for entire family
- Solicit community feedback on ways to enhance the financial literacy program to ensure the needs of the community are being met or exceeded
- Establish community relationships to offer financial mentorship opportunities during the length of the program.
- Create a format for the MFC workshop where it is instructional, educational and interactive by applying three components:
 1. Utilize an instructor/student friendly presentation that covers the five major categories of concern and educates as to why financial literacy is important.
 2. Lesson Plan/Workbook will have supplemental information, activities, and handouts the Austin ISD Parent Support Specialists can use to engage their students—examples in the workbook will be relatable to Austinites.
 3. An assessment that measures the students' aptitude on the five financial topics along with an exit survey that tells the MFC how well the program is going.

Identifying the Need



Prior to creating the financial literacy course, MFC visited several Maestro en Casa classes. The Team wanted to gage how large the classes were and how the classes were led. During the Maestro en Casa classes, MFC surveyed the participants. After the observations, the group sat down with the Parent Support Specialist (PSS) assigned to the school. MFC determined the best time to conduct the program would be during the existing Maestro en Casa classes. MFC used the survey results to determine where the greatest financial education deficits were: Banking, Budgeting, Credit, College Financing, and Insurance.

Financial Literacy Assessment for “Making Financial Cents” Program

The Financial Literacy Assessment was designed to gather data on specific points of interest regarding financial education. The survey was issued in English and Spanish to 27 participants of the Maestro en Casa program. The survey focused on five major financial topics: Banking, Budget, Credit, College Financing, and Insurance.

The combined results of the assessment are as followed:

- **Banking**
40.7% did not have a bank account. 37% did not know how their bank account worked.
- **Budget**
33.3% did not know what a family budget was, 48.1% did not have a family budget.
- **College Financing**
59.3% knew someone in their household that will be going to college. 70.4% were interested in learning more about financing college.
- **Credit**
77.8 % that they did not understand how credit works. 77.8% did not have credit. 96.3% were interested in learning how credit works in the United States.
- **Insurance**
77.8% they did not know how insurance works. 70.4% did not have any type of insurance. 77.8% were interested in learning about insurance.

Taking Action:

There are several organizations that offer financial education resources in Austin, Texas. For example, in the private (Wells Fargo) and public (Foundation Communities) sectors to name a few, offer in-depth courses and information that guide you through different financial topics. The main strategy of the MFC program was to find existing organizations to partner with. Partnering with an existing program ensures the MFC program’s sustainability and makes it easier to connect with a part of the community that is hard to reach. MFC utilized their 25 years of experience in financial services to create the program curriculum. The Financial Team wanted to create a financial literacy lesson plan, materials, and workbook that was relatable to the audience and based on the financial literacy deficits from the surveys.



Part of the effort to make the information relatable to the community was not only providing relatable content but the creative design that would blend together to make “cents.” MFC hired a student based graphic design entrepreneurial group from Austin ISD’s Eastside Memorial High School. The MFC workbook, “By Austin, for Austin,” was created with the local community in mind.



Pictured: The student graphic designers are Anna Cruz, Anthony Guzman, Devin Zavala, and Noelia Rodriguez.

Overall, the Financial Team spent over 20 hours with the Eastside Memorial Graphic Design team to make content ideas into reality. The financial categories chosen were ones that can make an immediate impact in the participants’ daily financial decisions. The target was to break any myths the participants had that aided in their mistrust of banking, their access to credit, the effects of insurance, and access to college resources.



MFC created **Banking 101** with an end goal of the participants opening a bank account at their chosen financial institution. Surprisingly, 100 % of the participants surveyed were interested in how bank accounts in the United States work, and many of the participants did not have a bank account. A common reason behind the participants not having a bank account was mistrust in financial institutions. Having two members of MFC working for a bank helped to break through this stigma. The constituents were able to explain why banks tend to ask questions when a banking relationship is

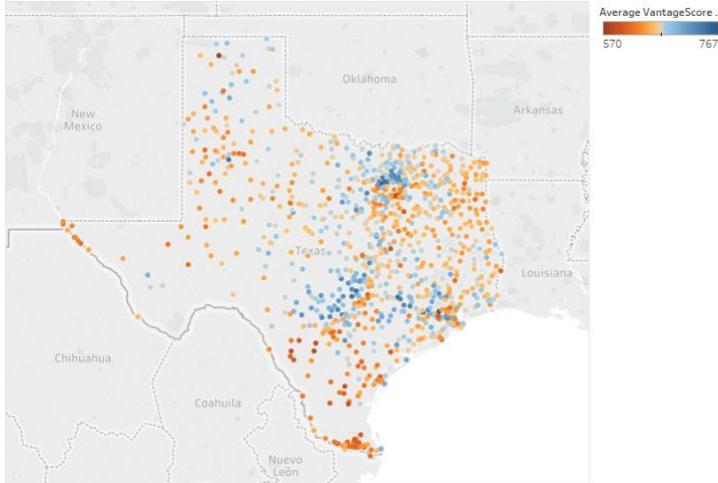
established. Because of these efforts, the participants were able to understand and identify how banks operate in a regulatory framework. The participants also grasped the concept of having an open relationship with their personal banker and how that can help them gain more access to financial products and financial advice. From there, MFC went into the next two courses— **Credit 101** and **Budgeting 101**.

Credit 101 concentrated on the total cost of credit, obtaining credit, explaining how credit works, and why it is important to track your own credit. The MFC survey showed that 78% did not know how credit works. The participants were able to hear directly from bank representatives, on the factors lenders assess when applying for credit, how to establish credit history, and how a FICO credit score should be monitored. MFC also covered the difference between bank loans and predatory lending, by showing the participants how to read the Reg. Z box

| Annual Percentage Rate | Finance Charge | Amount Financed | Total of Payments |
|--|--|--|---|
| The cost of your credit at a yearly rate | The dollar amount the credit will cost you | The amount of credit provided to you or on your behalf | The amount you will have paid after you have made all payments as scheduled |
| A% | \$B | \$C | \$D |

“Truth in Lending” or “Reg. Z” box





To shed some light on the relationship between credit scores and the Hispanic community, the Team utilized an assessment completed by “LendEDU.” The assessment compiled the average VantageScore 3.0® credit scores for each town and city in Texas.

*Source: Lendedu.com

Budgeting 101 covered several different ways of budgeting. The MFC survey showed that 33% did not know what a budget was and 48% did not have a family budget. It is important to

know where you spend your money. It’s also very important to know the differences between needs and wants. The Finance Team created a budget tracker, a bill pay calendar, and offered two creative ways of savings: the envelope method* and the 52-week savings challenge.

College Financing 101 stressed the importance of getting an education past high school. Continuing your education at a trade school, community college, or university impacts your life positively in almost all areas: health, wealth, and earnings over time. There was information and different ways to pay for college and looking for scholarships and grants to fund your education. We made it a point that student loans were the last option, and if needed, how to navigate between all the loan options available.

Insurance 101 addressed the expressed concerns of their participants—how does it work and why is it needed. MFC also emphasized that insurance is part of financial planning. It was crucial for The Finance Team to be creative when outlining concepts, such as the reason insurance is needed (besides mandatory reasons) and the different benefits and limits that are available (and that impact the overall cost). Insurance 101 was divided into three parts: auto, renters/home insurance, and life insurance. MFC wanted to provide the participants with additional public resources and important questions to ask when a policy is purchased.



*Dave Ramsey Envelope Method

Measuring the Impact:

At the conclusion of each workshop, exit surveys were given out that included Likert scale and open-ended questions for individual responses. We were also able to interview participants regarding the MFC program at the Maestro en Casa graduation.



“Tuve mucha información que yo no sabía, mi hija es mi primera generación aquí como nuevos aquí en este país, este tipo de ayuda es bastante beneficioso para nosotros porque el sistema es completamente diferente para nosotros entonces nos sumergieron un poco en todo los que nos falta adjuntar.” – Alejandra Garza, Maestro en Casa 2018 Graduate

English Translation—It had a lot of information that I did not know about. My daughter is a first generation citizen. Living in this country is still new for us; this kind of help is quite beneficial because the system is completely different than where we came from. We did as much as we could because we had a lot to learn.

“Cuando uno llega a este país no conoce mucho como trabajan algunas cosas, para mi es importante aprender sobre los requisitos para abrir una cuenta, sobre las pólizas de seguro de autos que no solo es mandatorio sino conocer los diferentes beneficios que se pueden obtener para protegernos mejor. Para mi es muy importante informarse de temas en el área de banco y seguros para tomar decisiones importantes.” –Iris Pescador, Maestro en Casa 2018 Graduate



English Translation— When you first arrive in this country, you don't know a lot about how things work here. For me, it was important to learn about the requirements in opening an account, learning how car insurance policies are mandatory, and to recognize the different benefits that can be obtained to protect us best. For me, it's very important to learn about the different areas of banking and insurance in order to make important decisions.



“I was excited about having different activities for the group and the content because they were able to understand piece by piece what you guys presented, we don't usually touch deep on the financial part and college system. By the end of the class I see how participants were very excited about understanding the financial topics, how easy it can be to open a bank account, learning about the coverages available in the insurance policies, what makes the differences on the cost of the policies and also learning about the different resources for college savings and financial aids. I think the program is excellent and I appreciate your support, your time, and professionalism.” –Nora Montes de Flores, Parent School Coordinator for Maestro en Casa

HAL Finance Team

Co-Founders of Making Financial Cents



Luis “Louie” Castillo is a native of Brownsville, Texas, currently residing in Austin. Luis received his Bachelors of Business Administration from the University of Texas at Brownsville, where he majored in Finance. Luis has an extensive background in financial analysis, credit, credit analysis, and commercial banking. He is currently a Business Relationship Manager for Wells Fargo, where he utilizes his finance and credit experience to help commercial businesses succeed financially. Luis also serves as the Historian of the Wells Fargo Latin Connection. *Luis contributed to the success of the Making Financial Cents program by providing extensive credit tips and budgeting education.*



Marieli Cestari is a native of Venezuela, currently residing in Austin. Marieli graduated from Yacambu University, where she studied Industrial Engineering. She also completed the Minority Business Executive program offered by the Foster School of Business at Washington University. Marieli is currently an entrepreneur, leading her own insurance business, Cestari Insurance. One of Marieli’s passions is to helping her community. She is a member of several local non-profits in Austin. *Marieli contributed to the success of the Making Financial Cents program by providing insight into the insurance world.*



Crystal Hone is a native of El Paso, Texas. Crystal relocated to Wichita Falls, Texas where she studied Finance and Economics at Midwestern State University. Crystal received her Bachelors of Business Administration in 2013 and her Masters of Business Administration in 2015. Crystal is currently a Branch Manager at Wells Fargo Bank. Crystal began her career with Wells Fargo in 2010 as teller. She has held several other positions such as personal banker and service manager. Crystal also serves as the Co-Chair of the Wells Fargo Latin Connection. *Crystal contributed to the success of the Making Financial Cents program by providing insight on how banking works and by utilizing her Wells Fargo team members as volunteers.*



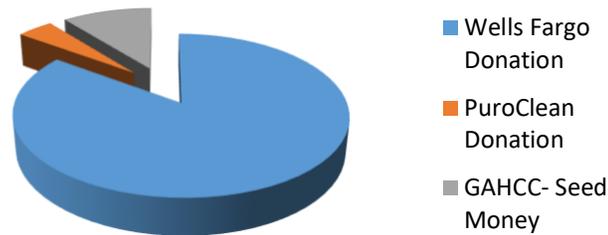
Felipe Gabriel Romero III is a native of Laredo, Texas, currently residing in Austin. Felipe received his Bachelors of Arts from Texas State University, where he majored in Communication Studies. Felipe has over 10 years of experience in communications and community engagement. He currently works for the Austin Independent School District HUB Department, where he helps create contract opportunities for minority businesses. *Felipe contributed to the success of the Making Financial Cents program by gathering resources for parents to use when preparing their children for college. Felipe also played a large part in the partnership between Maestro en Casa and Making Financial Cents.*

Financial Summary

The following operating budget, details the revenues and expenses generated by the MFC pilot program. The MFC budget was developed to be flexible where revenues and expenses are determined by the volume of services The Financial Team generated.

Revenues:

Throughout the program term, revenues were concentrated from the donation made by Wells Fargo. This donation is part of Wells Fargo’s corporate social responsibility program that believes in community impact programs that result in material changes in its stakeholders.



The Team used the following letter to reach out for donations:



Program Sponsorship

Objective

We are participants of the Hispanic Austin Leadership (HAL) Program that is part of the Greater Austin Hispanic Chamber of Commerce. The HAL participants are grouped into five different teams that create a community impact project for the Greater Austin area. Our team was asked to assess the community and work with local partners on improving financial literacy in our area. Together, our HAL Finance team brings over 20 years of experience in financial services and program management. Through a partnership with Austin Independent School District, the HAL Finance Team is creating a program to:

- 💡 Educate the English Second Language (ESL) community on financial literacy topics in an effort for program participants to gain confidence and take charge in financial decisions that affect their daily lives.
- 💡 Inform on continuing education opportunities and ways to offset tuition costs for the entire family.
- 💡 Solicit community feedback on ways to enhance the financial program and ensure that the needs of the community are being met or exceeded and.
- 💡 Establish community relationships to offer financial mentorship opportunities.

The financial literacy pilot program "Making Financial Cents" is scheduled to start in February 2018 at four Austin ISD schools and will end at the end of April 2018. Our organization's ability to continue to support these program participants is due in large part to the generous support of corporate donors who believe in the importance of financial literacy and the impact it has on our everyday lives. Thank you for considering our request, and hope you join us to support the ESL community who are seeking personal and career opportunities by establishing a better understanding of personal finance principles.

The HAL Finance Team is seeking the following sponsorship from the Wells Fargo's Community Grant Division. Corporate Social Responsibility is a huge part of your company's vision and values and we hope we can bring economic empowerment to the program participants. The financial literacy program is aligned with your 2020 commitment to economic empowerment in the area of increasing access to responsible financial products and services to help underserved consumers enter the financial mainstream, increase savings, improve credit, and build assets.

\$2,000 - Platinum Sponsor



2-Hour Basic Financing Workshop



Topics

- Budget
- Credit
- College
- Insurance





Program Sponsorship

Background and Purpose

Hispanic Austin Leadership's (HAL) mission is to provide business leaders and professionals the opportunities to develop business acumen, civic awareness, leadership skills and a network of colleagues for life. HAL seeks individuals dedicated to serving our communities. Participants of the program will be given the opportunity to develop an understanding of the opportunities and challenges facing the Greater Austin area. HAL is limited to approximately 30 participants annually. HAL is a nine month program with Sessions and Community Impact Projects designed to be participatory in nature. In order to get the most out of the program and to fulfill the mission of HAL, it is necessary that participants are actively engaged in the process. HAL participants are dedicated to serving their community and are given the opportunity to develop an understanding of the opportunities and challenges facing the Greater Austin area.



Impact
2016 & 2017 HAL Classes

- 💡 Generated over 6,000 hours of service and over \$30,000 in revenues
- 💡 Impacted over 4,000 people in the Greater Austin Area via Community Impact Projects
- 💡 HAL Community Impact Projects will impact over 13,000 people & beyond by 2022.
- 💡 Reached over 20,000 Greater Austin residents via press/media interviews & publications.

PROGRAM COSTS

- \$480 - Marketing and promotional materials
- \$450 - Hispanic Austin Leadership Graduation Donation (15 Tickets)
- \$430 - Education booklet, supplies, materials, and printing
- \$350 - Light snacks and refreshments for class participants (Feb-April)
- \$290 - Program Contingency Costs ***

"Making Financial Cents" will be utilizing activity worksheets from Wells Fargo's Hands on Banking material to supplement the course booklet that will be implemented during program workshops. The Hands on Banking website will be used as a tool to navigate through the topics related to Banking Basics, Personal Finance, and Credit.

As a PLATINUM SPONSOR, Wells Fargo will have their company name and logo displayed on a vinyl banner, a full sponsor page in the program workbook, and the Facebook page banner. In addition, Wells Fargo will receive 16 tickets to attend the Hispanic Austin Leadership Graduation on May 16, 2018 from 5:00 pm - 8:30 pm at the Austin ISD Performing Arts Center.

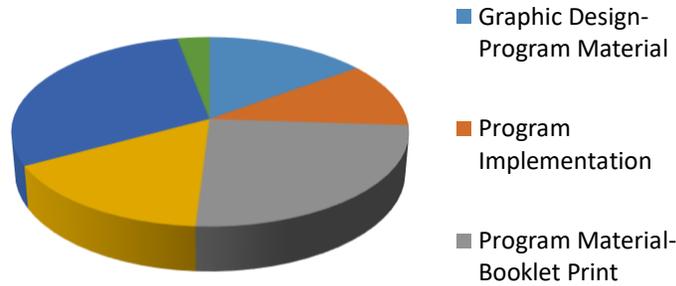
***Funds not used will be absorbed as restricted income to be utilized for future Wells Fargo team members who participate in the Hispanic Austin Leadership Program



Sponsor Benefits

Expenses:

The program did not generate any fixed expenses, solely variable expenses. Expenses were concentrated in the implementation of our program. The focal point was to create a workbook that was aligned with the material we were teaching during our PowerPoint presentation. Cost concentrations were in creation/printing of our “Making Financial Cents” Workbook, along with the marketing of our program. Out of the total cost recorded- \$1,409 was attributed to the launch of this pilot program.



After recording revenues and expenses for a term of nine months, the Team had a surplus of \$341. This surplus is to be used as restricted income as a start-up fund for the Wells Fargo team members of the 2019 HAL Class.

| Making Financial Cents | |
|-------------------------------------|----------------|
| Revenues | |
| Wells Fargo Donation | \$2,000 |
| PuroClean Donation | \$100 |
| GAHCC- Seed Money | \$250 |
| Total Income | \$2,350 |
| Expenses | |
| Graphic Design- Program Material | \$300 |
| Program Implementation | \$224 |
| Program Material- Booklet Print | \$501 |
| Marketing/Promotion materials | \$325 |
| Community Invitation-HAL Graduation | \$600 |
| Misc- Program Implementation | \$60 |
| Total Expenses | \$2,009 |
| Budget Surplus | \$341 |

Cost Analysis

What financial stake does it take to operate “Making Financial Cents”?
Information provided by Luis Castillo

The Financial Team wanted to outline the financial impact this program had not only in its pilot year but in the years to come. The pilot serviced four schools and MFC hopes to increase exponentially by four schools a year. The end goal would be to service 130 schools. Based on The Financial Team’s discussion with the AISD’s Parent Support and Engagement Office, MFC was invited to continue their partnership of with the Maestro en Casa Program. If MFC did not have volunteers, the analysis is based on the cost of funding the program.

Maestro En Casa Program

| Year | Schools |
|-------------|----------------|
| Pilot | 4 |
| Year 2 | 8 |
| Year 3 | 16 |
| Year 4 | 32 |

| | |
|-------------|------------|
| Goal | 130 |
|-------------|------------|

Total MEC schools in AISD



Program Costs: How much does it cost to service One School?

The main expense for MFC would be the wages paid to Financial Representatives that have the experience and financial knowledge to cover the topics in our program. Based on the Team’s analysis of salaries paid to Personal Bankers at five financial institutions identified in Glassdoor.com, the average salary for this position is \$36,000. *A salary of \$36,000 equates to a monthly pay of \$3,000, weekly pay of \$692, and an hourly wage of \$17.31.* The cost per our booklet is \$5.75 and equates to a cost per school of \$57.50. Other items include materials/supplies and food/beverages that equate to a cost per school of \$29.90 and \$55.00, respectively. Total projected cost to service one school is \$280.00.

| Budget Items | Cost per item | Cost per School¹ |
|---------------------------------------|----------------------|------------------------------------|
| Financial Representative ² | \$17.31 | \$138.48 |
| Material/Supplies | \$11.99 | \$29.90 |
| MFC Work Book | \$5.75 | \$57.50 |
| Food/Beverages | \$5.50 | \$55.00 |
| Total | \$40.55 | \$280.88 |

¹School Size= 10 students per school

²Finance Representative average wage in Austin Texas. (See Narrative)

*Each School will require 4 Financial Representatives at minimum

*Each School course period will be one hour per course. Each school is to receive two courses per program period

Projected revenues were kept at 125% of operating expenses to each program year can generate a surplus for future contingent costs.

Total Revenues needed for our Pilot Year was \$1,404. Please note that the Team was able to generate donations i/a/o \$2,350 for the HAL 2018 program.

- Total projected costs for next year is \$2,247 and will service 8 schools.
- Total projected costs for next year is \$4,494 and will service 16 schools.
- Total projected costs for next year is \$8,988 and will service 32 schools.

To service the Making Financial Cent’s goal of 130 schools will equate to a cost of \$36,514.

Making Financial Cents Projections

| | Year Pilot | Year 2 | Year 3 | Year 4 | Year Goal |
|--------------------------|-----------------------|-------------------|-------------------|-------------------|----------------------|
| Revenue | \$1,404 | \$2,809 | \$5,618 | \$11,235 | \$45,643 |
| (-) Projected Costs | \$1,124 | \$2,247 | \$4,494 | \$8,988 | \$36,514 |
| Revenue to OP EXP | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| Projected Surplus | \$281 | \$562 | \$1,124 | \$2,247 | \$9,129 |

Acknowledgements

The HAL Finance Team would not have been able to see the success of their financial literacy program without the contributions and support from the Greater Austin Hispanic Chamber of Commerce. We would also like to thank the Austin Independent School District & the Maestro en Casa program for their partnership in piloting Making Financial Cents.

The Team would also like to thank each one of their sponsors:



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Appendix

1st Class

Lesson Plan Title: Banking 101

Concept/Topic to Teach: How a bank works; benefits to the bank customer (participants)

General Goals:

- Participants will be able to choose which bank products are right for them
- Participants will be informed of the bank's requirements for opening a checking account
- Participants will be informed of how credit works and know the importance of a strong FICO

Specific Objectives:

- The difference between a checking and savings account
- How a debit card works
- How credit works

Student Take-a-way:

- List of banks that allow foreigners to open accounts without a social security number or ITIN
- Supplemental worksheets on deposit products
- Supplemental information on building credit and its importance

2nd Class

Lesson Plan Title: Budget 101

Concept/Topic to Teach: Creating a financial plan; living within your means

General Goals:

- Participants will be able to create a budget for themselves and/or their family

Specific Objectives:

- Defining "income"
- Defining "expenses"
- Defining "needs"
- Defining "wants"

Student Take-a-way:

- Sample budget
- Budget template

3rd Class

Lesson Plan Title: College Financing 101

Concept/Topic to Teach: Utilizing government funding and/or scholarships

General Goals:

- Participants will be able to find available scholarships
- Participants will be able to complete a scholarship form
- Participants will be able to complete the FASFA/TASFA

Specific Objectives:

- Defining "scholarship"
- Defining "FASFA/TASFA"

Student Take-a-way:

- List of scholarship resources
- TASFA/FASFA website

4th Class

Lesson Plan Title: Insurance 101

Concept/Topic to Teach: Automobile, Homeowner's, Renter's, and Life Insurance

General Goals:

- Participants will be able to choose which insurance services are the best for them

Specific Objectives:

- Defining "insurance"
- Policy minimums and maximums

Student Take-a-way:

- Insurance worksheet
- "How to file a Claim" handout
- List of insurance companies who issue insurance to foreigners with no social security number/ITIN



Banking 101

What you need

| | | | |
|---|---------------------------------------|--|---|
|  | <h3>2 Forms of Identification</h3> | <ul style="list-style-type: none"> • Primary Form of Identification—Consular Card, US State Issued Driver's License/ID Card, Passport • Secondary Form of Identification—Debit Card/Credit Card (with your name on it), Sam's Club Card, Insurance card, Social Security Card (not required) |  |
|  | <h3>Minimum Opening Deposit</h3> | <ul style="list-style-type: none"> • \$25+ • Required by every bank | |
| | <h3>Building a Bank Relationship</h3> | <ul style="list-style-type: none"> • Banker will ask you several questions to understand what your banking needs are |  |
| | <h3>Research your chosen bank</h3> | <ul style="list-style-type: none"> • Locations • Services • Reviews • Hours | |

Building a Banking Relationship

| | | |
|---|--|---|
|  | <h3>Initial Questions</h3> <ul style="list-style-type: none"> • Name, Address, Phone Number • Where you work, how often you are paid, and how much you are paid • What is important to you, financially • Your current banking situation | <h3>How you will use your account</h3> <ul style="list-style-type: none"> • How you pay your bills (cash, credit, checks) • Online Banking • Why you need an account • How much you plan on keeping in your account |
| | <h3>Future Needs</h3> <ul style="list-style-type: none"> • Follow-up calls • Appointments to talk about other financial topics that are important to you • Bank Partners who can help you |  |

The Foundations Of Credit

What is Credit?

- Borrowed Money, Goods, or Services with the expectation of future payment

Why is Credit important?

- Purchasing Power
- Rent Application

How do I get credit?

- Most consumers establish credit from a secured credit card.
- Once you establish a fair credit score, you can apply for an unsecured card and enjoy lower fees and interest rates, as well as card rewards.



TIP: How you handle money says a lot about you



What is a Credit Score?

Three-digit number

Determine credit risk

Ability to pay back

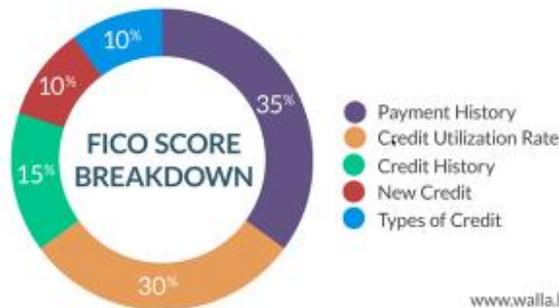
Why does it matter?

- Access to credit to make a necessary purchase
- Some credit card companies allow non-U.S. citizens to apply with other forms of identification, such as an ITIN or government-issued passport.
- If your lack of an adequate U.S. credit history keeps you from getting approved, applying for a secured credit card may be your best bet. Use it responsibly, and you could be on your way to an unsecured credit card further down the line.
- Funnel of data that goes into a credit report- Rent history, etc

Good or Risky Bet?



The formula for a good credit score- Where do you stand?



www.walla.by

What is the average credit score for Austin Residents???

CREDIT SCORE CATEGORY

| CATEGORY | RANGE |
|-----------|-------------|
| Excellent | 750 & Above |
| Good | 700 - 749 |
| Fair | 650 - 699 |
| Poor | 550 - 649 |
| Bad | 550 & Below |



Two Most Common Forms of Debt: Line of Credit Vs Loan- What the Difference

Line Of Credit- Credit Card

- **Key Term:** Revolving
- Purpose: Car Repair
- Payments: Variable
- Term: Card Expiration

Pay Attention to:

- Late Fees
- Annual Fees
- Balance Transfer Fee

Loan- Auto Note

- **Key Term:** Non-Revoving
- Purpose: Purchase a vehicle
- Payments: Fixed
- Term: Maturity Date

Pay Attention to:

- Pre-Payment Penalty
- Late Fees
- What is the total cost of loan-Low monthly payment isn't always a good deal



TIP: When you submit a credit application, the check results in a "Hard Inquiry" which can lower your credit score by a few points



What is the total **cost** of my loan?

Federal Reserve Board requires Lenders to disclose all terms of loans to potential borrowers

| REG Z BOX | | | |
|------------------------|----------------|-----------------|-------------------|
| Annual Percentage Rate | Finance Charge | Amount Financed | Total of Payments |
| A% | \$B | \$C | \$D |

Payday Loan

Example: Freddy gets a payday loan for unexpected medical bills. The loan is priced at 300% and the term is 3 months months.

| Reg Z BOX | | | |
|------------------------|----------------|-----------------|-------------------|
| Annual Percentage Rate | Finance Charge | Amount Financed | Total of Payments |
| 300% | \$537 | \$1,000 | \$1,537 |

Represents the cost of borrowing \$537

Auto Loan

Example: Freddy goes to the local credit union and gets a car loan for \$10,000. The loan is priced at 5% and the term is 60 months.

| Reg Z BOX | | | |
|------------------------|----------------|-----------------|-------------------|
| Annual Percentage Rate | Finance Charge | Amount Financed | Total of Payments |
| 5% | \$1,323 | \$10,000 | \$11,323 |

Represents the cost of borrowing \$1,323

Companies that accept an ITIN for credit card applications

- 1) American Express
- 2) Bank of America
- 3) Citi®
- 4) Capital One®

Source: <https://www.creditcards.com/advise/credit-card-without-a-social-security-number/>

Information generally required for Credit Applications

| | | |
|----------------------------------|-------------------------------|---|
| Full name | Social Security number/ ITIN | Date of birth |
| Physical address (No P.O. Boxes) | Estimated gross annual income | Checking and/or savings account information |

How can I control debt?

Consider debt consolidation

Pay Off Debt faster

Lower you monthly payments to help free up cash (refinancing)

Understand the total cost of borrowing (refer to Reg Z Box)

Types of Consumer Fraud

Debit/Credit Card Fraud

- Check your Bank Statements often
- Protect your PIN
- Recommend using credit card for online transactions

Fake Charities

- Before you donate, make sure you know where your money is going
- Ignore high-pressure sales pitches

Fake Lotteries

- Scam requesting you “The Winner” to send money to cover taxes on the prize
- Don’t share your credit card or bank account numbers. They usually say they need to send you the check first.

Fake Debt

- Scammer send you mail claiming that they are with a law firm or government (IRS), and threaten to arrest you or file a lawsuit if you don’t pay the debt you owe

Making Financial Cents- Insurance 101

By Financial Team of the Hispanic Austin Leadership Program



Reason to consider insurance

Insurance is an economic institution that allows the transfer of financial risk from an individual to a pooled group of risks by means of a two-party contract. The insured party obtains a specified amount of coverage against an uncertain event for a smaller but certain payment.





Auto Insurance

- Coverage to OTHERS
- Coverage to YOU AND YOUR FAMILY
- Coverage to YOUR



Coverage to others: Bodily Injury (BI) Property Damage (PD)

| | 1st person claim \$20,000 | 2nd Person claim \$70,000 | 3rd person claim \$150,000 | Your Risk |
|---------|---|--|---|--------------|
| 30/60 | Insurance \$20,000 Your Responsibility \$0 | Insurance \$30,000 Your Responsibility \$40,000 | Insurance \$10,000 Your Responsibility \$140,000 | \$180,000 |
| 50/100 | Insurance \$20,000 Your Responsibility \$0 | Insurance \$50,000 Your Responsibility \$20,000 | Insurance \$30,000 Your Responsibility \$120,000 | \$140,000 |
| 100/300 | Insurance \$20,000 Your Responsibility \$0 | Insurance \$70,000 Your Responsibility \$0 | Insurance \$120,000 Your Responsibility \$50,000 | \$50,000 |
| 250/500 | Insurance \$20,000 Your Responsibility \$0 | Insurance \$70,000 Your Responsibility \$0 | Insurance \$150,000 Your Responsibility \$0 | \$0 |



- Coverage to YOU AND YOUR FAMILY:
Underinsured Motorist (UIMBI and UIMPD)
Personal Injury Protection (PIP) OR Medical Expenses

- Coverage to YOUR VEHICLES:
Comprehensive (COMP)
Collision
Road side assistance (TOWING)
Loss of Use (rental reimbursement)
Residual Coverage (GAP)





Renters and Home Insurance

BUILDING COVERAGE

PERSONAL PROPERTY COVERAGE

PERSONAL LIABILITY

LIVING - MOVING EXPENSES



Health Insurance

- ✓ Individual and Group Policies
- ✓ Copay
- ✓ Cost-share
- ✓ Deductible
- ✓ Out of Pocket



Life Insurance

DO I NEED LIFE INSURANCE?

- Replace income for dependents
- Pay final expenses
- Create a legacy for your heirs



TYPE OF LIFE INSURANCE?

TERM LIFE INSURANCE

VS

PERMANENT LIFE INSURANCE



Life Insurance Analysis





Life Insurance

What do I need to apply for Life Insurance:

- ✓ Live in the US for at least 12 month
- ✓ Have a SSN or ITIN number
- ✓ Have a valid ID card (matricula also applied)



Questions?



Insurance Definition:

Insurance is an economic institution that allows the transfer _____ from an individual to a _____ of risks by means of a two-party contract.

The insured party obtains a specified amount of _____ against an uncertain event for a smaller but certain payment.

Types of Insurance

| Type of Business Insurance | Critical, Mandatory or Important |
|----------------------------|----------------------------------|
| Property & Liability | Critical - Mandatory |
| Health & Medical | Important |
| Life Insurance | Important |
| Umbrella Liability | Important |
| Business Insurance | Critical |

Auto Insurance

| | 1st person claim \$20,000 | 2 nd person claim \$70,000 | 3rd person claim \$150,000 | Your Risk |
|---------|--|--|--|-----------|
| 30/60 | Insurance \$ Your responsibility \$ | Insurance \$ Your responsibility \$ | Insurance \$ Your responsibility \$ | \$ |
| 50/100 | Insurance \$ Your responsibility \$ | Insurance \$ Your responsibility \$ | Insurance \$ Your responsibility \$ | \$ |
| 100/300 | Insurance \$ Your responsibility \$ | Insurance \$ Your responsibility \$ | Insurance \$ Your responsibility \$ | \$ |
| 250/500 | Insurance \$ Your responsibility \$ | Insurance \$ Your responsibility \$ | Insurance \$ Your responsibility \$ | \$ |

WHAT IS AN UMBRELLA POLICY?

Umbrella insurance supplements the liability coverage you already have with your auto and home policies, providing an extra layer of coverage. Consider it financial-catastrophe protection, and psychological and emotional comfort, when you really need it the most.



LIABILITY EXPOSURE WORKSHEET

REAL PROPERTY

| | | | | |
|--------------|---|----------|---|--------|
| Market Value | - | Mortgage | = | Equity |
| _____ | - | _____ | = | _____ |
| _____ | - | _____ | = | _____ |
| _____ | - | _____ | = | _____ |

TOTAL EQUITY: _____

PERSONAL PROPERTY

General Household Items (*Furniture, Clothing, etc.*): _____

Jewelry: _____ Art: _____

Recreational Vehicle(s): _____ Other: _____

TOTAL PROPERTY: _____

INCOME

Annual Household Income x 35percent x Average 15 Years = Garnishment (*may be as high as 25 years*)

_____ x .35 x 15 = _____

RETIREMENT SAVINGS

Qualified Accounts

IRA'S: _____

401K: _____

Other: (*Profit Sharing, TSA, 403b, etc.*): _____

Non-Qualified Accounts

Stocks/Mutual Funds: _____

Annuities / Life Insurance Cash Value: _____

CD's: _____

Other: _____

Liquid Assets at Risk _____

DO I NEED RENTERS INSURANCE IF MY LANDLORD HAS INSURANCE?

Yes your landlord’s insurance policy will only cover damage to the building. It won’t pay for the replacement of your belongings and it won’t cover your relocation costs, should you need to move out while repairs are made.

I DON’T HAVE MANY VALUABLES. DO I STILL NEED RENTERS INSURANCE?

Take a look around your home and imagine how much it would cost to replace everything you have—your computer, TV, DVD player, MP3 player, digital cameras, jewelry, bike and so on. Could you afford to do that? If not, you may want to consider renters insurance.

DOES RENTERS INSURANCE PAY MY RENT IF I CAN’T?

Renters insurance does not pay your rent. However, it may cover expenses related to temporary housing if you can’t live in your building while it’s being rebuilt or repaired after being damaged by a covered loss.

HOME INSURANCE

Hazard Insurance to cover incidental and catastrophic losses.



ADDITIONAL COVERAGE:

Additional Coverage: Extended replacement, building ordinance, etc.

Loss Assessment (Condominiums, town home)

IS EARTHQUAKE DAMAGE COVERED BY MY HOME POLICY?

No, earthquake coverage must be purchased separately.

AM I COVERED IF MY DOG BITES MY NEIGHBOR?

Dog bites are included with your basic liability coverage. However, dogs that have a history of bites are considered “vicious” and will be excluded from coverage.

DO I NEED TO TAKE AN INVENTORY AND PHOTOGRAPHS OF MY BELONGINGS?

We all have so much stuff! It’s a good idea to prepare a home inventory—Keep it in a safe, accessible place in the event you need to file a claim.

WHEN SHOULD I THINK ABOUT INCREASING MY HOME INSURANCE COVERAGE?

Whenever you change something significant about your home or its contents. For example, if you put an addition on your home, start a business from your home or make a major purchase.

FOOD INSURANCE

Flood is defined as a general and temporary condition of partial or complete inundation of two or more acres and two or more properties of normally dry land. Flood damage can only be caused by the following water sources: Overflow of inland or tidal waters.

DO I NEED FLOOD INSURANCE?

If it rains, it can flood. Basic home insurance does not cover flood, although mortgage companies typically require homeowners in a flood zone to carry flood insurance.

BENEFITS OF FLOOD INSURANCE VERSUS DISASTER ASSISTANCE

| FLOOD INSURANCE | DISASTER ASSISTANCE |
|---|--|
| You are in control. Flood insurance claims are paid even if a disaster is not declared. | Most forms of federal disaster assistance require a Presidential declaration. |
| Between 20 and 25 percent of all claims paid by the NFIP are outside of special flood hazard areas. | Federal disaster assistance declarations are not awarded in all flooding incidents. |
| There is no playback requirement. | The most typical form of disaster assistance is a loan that must be repaid with interest. |
| Flood insurance policies are continuous and are not nonrenewed or cancelled for repeat losses. | The duration of a Small Business Administration (SBA) disaster home loan could extend to 30 years. |
| Flood insurance reimburses you all covered building losses up to \$250,000 and \$500,000 for business. Contents coverage is also available up to \$100,000 for homeowners and \$500,000 for business. | The average individual and household program award for Presidential disaster declarations related to flooding in 2008 was less than \$4,000. |
| The average cost of flood insurance policy is a little more than \$500 annually. The cost of a preferred risk policy is less than \$450 annually, depending on where you live. | Repayment on a \$50,000 SBA disaster home loan is \$240 a month or \$2,880 annually at 4 percent interest. |

HEALTH INSURANCE RESOURCES

www.communicaresa.org

www.obamacareplans.com

LIFE INSURANCE ANALYSIS



TIPS TO BALANCING THE ACT OF PURCHASING INSURANCE:

- Need for professional assistance
- Value vs. price?
- What do I really need?
- What can I really afford?
- Research the company <https://www.opic.texas.gov/>

Making Financial Cents

Congratulations! You have picked up a valuable tool that will increase your financial planning knowledge. Having a financial plan will help you plan for a future full of success. The "Making Financial Cents" team has invested a lot of time into this information workbook based on five common themes: Banking, Budget, Credit, Insurance and College Financing. These five common themes are a crucial factor in Financial Planning. Financial Planning is a skill that takes time and effort to develop, but over time it will help you make every "cent" count.

It's true—you can learn how to change your money mindset. In order to make every "cent" matter you should develop a savings plan, create good financial habits, create a spending budget, build a positive credit

history, protect your personal identity, and pay for college. All of these money management skills will help you today, tomorrow, and far into the future. As a new member of the Austin community, you may be more concerned about short-term goals, and that is OK! We have designed some money saving plans to help you start small and save BIG. Short-term goals will lead to long term benefits and it is never too soon to start managing your personal finances. "Making Financial Cents" was created so you can reach your individual or family goals.

—The Making Financial Cents Team



Marieli Costari

Marieli is originally from Venezuela and has been living in the United States since 2000. She graduated in industrial Engineering from Yacambu University in 1999. In 2005, she decided to become a Farmers Insurance Agent and develop her career in the insurance and financial services industries. In 2013, she completed the Minority Business Executive Program from Washington University—Foster School of Business, and received her certification as a Life Underwriter Training Council Fellow with the American College Institute in 2014. Marieli's passion is to help her community and is a member of several local nonprofits in the Austin, Texas area.



Luis Lashillo

Luis is a native of Brownsville, Texas and his experience in Finance has been centered in commercial banking for the past five years. He is currently a Business Relationship Manager for Wells Fargo, and has successfully helped businesses that operate across Texas obtain millions of dollars in commercial financing. His roadmap towards servicing his customers is based on continuously practicing and advocating for a credit culture with well defined financial principals. When he is not building relationships with his customers, you can find Luis mentoring his community on sound financial management or traveling across local venues to listen to his favorite musicians.



Crystal Hone

Crystal Hone: Crystal is a native of El Paso, TX and has lived in Austin since 2015. Crystal attended Midwestern State University in Wichita Falls, Texas. She received her Bachelors of Business Administration in 2013 and her Masters of Business Administration in 2015. Crystal is currently a Branch Manager for Wells Fargo Bank. She has been with Wells Fargo since 2010, where she started as a teller. Crystal is also active in the local Austin community through community services. She serves as the Co-Chair for the Latin Connection Team Network and the Wells Fargo Green Team.



Felipe Romero

Felipe Romero has over 10 years of experience in communications and community engagement. He currently works for the Austin Independent School District HUB Department that creates contract opportunities for minority businesses. Felipe is a proud son of Mexican immigrant parents who raised him and his brother along the border city of Laredo, Texas. As a first generation college graduate, the "Making Financial Cents" program is a tool that hopes to educate the local Hispanic community on the steps for financial success. On the weekends, you can find Felipe mastering the art of grilling a traditional Mexican carne asada (BBQ) at home. Yes, that includes homemade salsa and flour tortillas.

1

Banking

When you are ready to open a checking and a savings account you must be prepared. This section will tell you what you need to take into the bank, and what to expect once you arrive.

Let the bank research you here!

What is important?

Location

Service

Reviews

Hours

Let the bank research you here!

Circle the ones you will take.

Debit Card =

Mobile Banking =

ATM =

Direct Deposit

Smart Card

Internet Banking

Let the bank research you here!

Circle the deposit you will start with.

\$25

\$50

\$75

\$100

What To Expect

You should receive disclosures: written document containing all accounts the bank offers with their fees.

Expect the banker to ask you a lot of questions. They need to get to know your financial picture and/or plans in order to put you in an account that best fits you. If you don't answer the questions or answer them truthfully you may get into an account that charges you fees.

Questions

Where you live?

What is your income?

Do you use credit?

What do you plan on using your account for? And more...

Next Steps

After opening your account, make sure to download your bank's mobile app.



TIP
Online banking is one tool you can use to stay on top of your finances.

2

A public service provided by

How we call ourselves an Austin bank.

Investing in our communities is our business.

Wells Fargo has a rich history just like Austin, and we're doing our part to give back to our communities. As Austin locals, our more than 1,600 team members live here, work here, and play here. Wells Fargo contributed \$1,672,701 towards community development, education, and local nonprofit organizations in 2016. Additionally, our team members raised \$402,191 and volunteered more than 15,350 hours in support of local nonprofit organizations throughout the Austin area. At Wells Fargo, serving and caring for customers and communities is embedded in our culture.

Together we'll go far

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Goal Setting Worksheet

As you determine your goals, consider what action steps you'll need to take; what obstacles you may face and how you'll address them; what resources you'll need; and who can help you. Update your goals on a regular basis and during times of major change.

Immediate Goals
Next 6 months-1 year

Category: Finance

Goal: plan to save \$528 by using the 52 week challenge

Obstacle: Lack of discipline

Action: Set up automatic transfer from your checking to savings

Start Date: 9/3/18 Goal Date: 12/3/18

Category: _____

Goal: _____

Obstacle: _____

Action: _____

Start Date: _____ Goal Date: _____

Short Term Goals
Next 1-5 year Goal:

Category: Leisure

Goal: Open a savings account to save \$5,000 in 5 years to travel to Europe

Obstacle: Don't have a safety net for unexpected expenses

Action: Life happens, it's ok to start over

Start Date: 09/03/18 Goal Date: 09/03/23

Category: _____

Goal: _____

Obstacle: _____

Action: _____

Start Date: _____ Goal Date: _____

Categories

- Career
- Finance
- Education
- Health & Fitness
- Community
- Personal Development
- Leisure

Long-Term Goals
Next 6-10 yrs +

Category: _____

Goal: _____

Obstacle: _____

Action: _____

Start Date: _____ Goal Date: _____

Category: _____

Goal: _____

Obstacle: _____

Action: _____

Start Date: _____ Goal Date: _____

52 Week Challenge

Start by saving \$1 in the first week of the year, and then gradually increase your savings by a dollar a week throughout the year. By the end of the year, if you complete the challenge, you'll will have saved \$1,378.

| Week | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday | Total |
|------|--------|---------|-----------|----------|--------|----------|--------|-------|
| 1 | \$1 | \$1 | \$1 | \$1 | \$1 | \$1 | \$1 | \$7 |
| 2 | \$2 | \$2 | \$2 | \$2 | \$2 | \$2 | \$2 | \$14 |
| 3 | \$3 | \$3 | \$3 | \$3 | \$3 | \$3 | \$3 | \$21 |
| 4 | \$4 | \$4 | \$4 | \$4 | \$4 | \$4 | \$4 | \$28 |
| 5 | \$5 | \$5 | \$5 | \$5 | \$5 | \$5 | \$5 | \$35 |
| 6 | \$6 | \$6 | \$6 | \$6 | \$6 | \$6 | \$6 | \$42 |
| 7 | \$7 | \$7 | \$7 | \$7 | \$7 | \$7 | \$7 | \$49 |
| 8 | \$8 | \$8 | \$8 | \$8 | \$8 | \$8 | \$8 | \$56 |
| 9 | \$9 | \$9 | \$9 | \$9 | \$9 | \$9 | \$9 | \$63 |
| 10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$10 | \$70 |
| 11 | \$11 | \$11 | \$11 | \$11 | \$11 | \$11 | \$11 | \$77 |
| 12 | \$12 | \$12 | \$12 | \$12 | \$12 | \$12 | \$12 | \$84 |
| 13 | \$13 | \$13 | \$13 | \$13 | \$13 | \$13 | \$13 | \$91 |
| 14 | \$14 | \$14 | \$14 | \$14 | \$14 | \$14 | \$14 | \$98 |
| 15 | \$15 | \$15 | \$15 | \$15 | \$15 | \$15 | \$15 | \$105 |
| 16 | \$16 | \$16 | \$16 | \$16 | \$16 | \$16 | \$16 | \$112 |
| 17 | \$17 | \$17 | \$17 | \$17 | \$17 | \$17 | \$17 | \$119 |
| 18 | \$18 | \$18 | \$18 | \$18 | \$18 | \$18 | \$18 | \$126 |
| 19 | \$19 | \$19 | \$19 | \$19 | \$19 | \$19 | \$19 | \$133 |
| 20 | \$20 | \$20 | \$20 | \$20 | \$20 | \$20 | \$20 | \$140 |
| 21 | \$21 | \$21 | \$21 | \$21 | \$21 | \$21 | \$21 | \$147 |
| 22 | \$22 | \$22 | \$22 | \$22 | \$22 | \$22 | \$22 | \$154 |
| 23 | \$23 | \$23 | \$23 | \$23 | \$23 | \$23 | \$23 | \$161 |
| 24 | \$24 | \$24 | \$24 | \$24 | \$24 | \$24 | \$24 | \$168 |
| 25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$175 |
| 26 | \$26 | \$26 | \$26 | \$26 | \$26 | \$26 | \$26 | \$182 |
| 27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$27 | \$189 |
| 28 | \$28 | \$28 | \$28 | \$28 | \$28 | \$28 | \$28 | \$196 |
| 29 | \$29 | \$29 | \$29 | \$29 | \$29 | \$29 | \$29 | \$203 |
| 30 | \$30 | \$30 | \$30 | \$30 | \$30 | \$30 | \$30 | \$210 |
| 31 | \$31 | \$31 | \$31 | \$31 | \$31 | \$31 | \$31 | \$217 |
| 32 | \$32 | \$32 | \$32 | \$32 | \$32 | \$32 | \$32 | \$224 |
| 33 | \$33 | \$33 | \$33 | \$33 | \$33 | \$33 | \$33 | \$231 |
| 34 | \$34 | \$34 | \$34 | \$34 | \$34 | \$34 | \$34 | \$238 |
| 35 | \$35 | \$35 | \$35 | \$35 | \$35 | \$35 | \$35 | \$245 |
| 36 | \$36 | \$36 | \$36 | \$36 | \$36 | \$36 | \$36 | \$252 |
| 37 | \$37 | \$37 | \$37 | \$37 | \$37 | \$37 | \$37 | \$259 |
| 38 | \$38 | \$38 | \$38 | \$38 | \$38 | \$38 | \$38 | \$266 |
| 39 | \$39 | \$39 | \$39 | \$39 | \$39 | \$39 | \$39 | \$273 |
| 40 | \$40 | \$40 | \$40 | \$40 | \$40 | \$40 | \$40 | \$280 |
| 41 | \$41 | \$41 | \$41 | \$41 | \$41 | \$41 | \$41 | \$287 |
| 42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$42 | \$294 |
| 43 | \$43 | \$43 | \$43 | \$43 | \$43 | \$43 | \$43 | \$301 |
| 44 | \$44 | \$44 | \$44 | \$44 | \$44 | \$44 | \$44 | \$308 |
| 45 | \$45 | \$45 | \$45 | \$45 | \$45 | \$45 | \$45 | \$315 |
| 46 | \$46 | \$46 | \$46 | \$46 | \$46 | \$46 | \$46 | \$322 |
| 47 | \$47 | \$47 | \$47 | \$47 | \$47 | \$47 | \$47 | \$329 |
| 48 | \$48 | \$48 | \$48 | \$48 | \$48 | \$48 | \$48 | \$336 |
| 49 | \$49 | \$49 | \$49 | \$49 | \$49 | \$49 | \$49 | \$343 |
| 50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 | \$350 |
| 51 | \$51 | \$51 | \$51 | \$51 | \$51 | \$51 | \$51 | \$357 |
| 52 | \$52 | \$52 | \$52 | \$52 | \$52 | \$52 | \$52 | \$364 |

Can you figure out the missing amounts in the piggy bank?

This 52 week challenge is a concept taken from the money blog thefrugalfamily.com.

Austin is the most taco-obsessed city in the world!

Did you know?

- In 2017, Americans ate over 4.5 billion tacos!
- Average cost of 1 taco = \$1.50-\$2.50
- On average, a person will get 3 tacos per serving

How much do you spend on tacos?

| Servings | Cost |
|-------------|-------|
| 1 Serving | \$12 |
| 2 Servings | \$24 |
| 3 Servings | \$36 |
| 4 Servings | \$48 |
| 5 Servings | \$60 |
| 6 Servings | \$72 |
| 7 Servings | \$84 |
| 8 Servings | \$96 |
| 9 Servings | \$108 |
| 10 Servings | \$120 |
| 11 Servings | \$132 |
| 12 Servings | \$144 |
| 13 Servings | \$156 |
| 14 Servings | \$168 |
| 15 Servings | \$180 |
| 16 Servings | \$192 |
| 17 Servings | \$204 |
| 18 Servings | \$216 |
| 19 Servings | \$228 |
| 20 Servings | \$240 |
| 21 Servings | \$252 |
| 22 Servings | \$264 |
| 23 Servings | \$276 |
| 24 Servings | \$288 |
| 25 Servings | \$300 |
| 26 Servings | \$312 |
| 27 Servings | \$324 |
| 28 Servings | \$336 |
| 29 Servings | \$348 |
| 30 Servings | \$360 |
| 31 Servings | \$372 |
| 32 Servings | \$384 |
| 33 Servings | \$396 |
| 34 Servings | \$408 |
| 35 Servings | \$420 |
| 36 Servings | \$432 |
| 37 Servings | \$444 |
| 38 Servings | \$456 |
| 39 Servings | \$468 |
| 40 Servings | \$480 |
| 41 Servings | \$492 |
| 42 Servings | \$504 |
| 43 Servings | \$516 |
| 44 Servings | \$528 |
| 45 Servings | \$540 |
| 46 Servings | \$552 |
| 47 Servings | \$564 |
| 48 Servings | \$576 |
| 49 Servings | \$588 |
| 50 Servings | \$600 |
| 51 Servings | \$612 |
| 52 Servings | \$624 |

Price for 3 Tacos

- Los Tacos
- Naguro Taqueiro
- Marcosino
- Michousana
- Fiesta

What could a year of tacos have bought you?

- 1 Austin City Limits your 2018 ticket
- 4 bus passes
- 174 movie tickets
- 6 Google Chromebooks

How do I save?

It is important that you learn how to save money. Saving money can help you become financially secure and provide a safety net in case of an emergency.

Play Yourself First
Each time you receive a paycheck, your savings is the first expense you should take care of. Here are a couple of ways to do this.

AUTOMATIC SAVING ACCOUNT-set your self on a regular automatic transfer from your direct deposit to your savings when you get paid.

OUT OF SIGHT, OUT OF MIND-Open up a separate checking/saving account at another financial institution. Make an automatic transfer and start paying yourself outside of your primary bank.

What is the importance of a safety net?
MANAGE YOUR FINANCES
Spot unintended outflows, then see if and where you need to make any adjustments.

EMERGENCY FUND
You have the necessary funds to pay for unexpected high figure expenses such as car repairs, medical bills, large home maintenance repairs, etc.

REDUCE DEBT
With excess cash, pay down your high-interest rate debt to reduce interest expenses.

PREDATORY LENDER
Steer away from payday loans, Cash Advance Loans, Car-title Loans. These are very costly loans, where the average borrower pays an annual percentage rate (APR) to 400%. APR's for credit cards average 9%-30% (applies to apples view).

Don't forget to talk to your banker or financial advisors. It's never too early to start your retirement plan.

Needs vs Wants
A need is something you have to have. A want is something you would like to have. How do you tell the difference?

LIST SOME EXAMPLES OF A NEED

EX. Utilities

LIST SOME EXAMPLES OF A WANT

EX. Going to the movies

Forms of budgeting

There are many ways to budget. Here are a few ways to budget each month.

Bill Pay Calendar
It is a good idea to keep a bill pay calendar so that you can SEE what bills you have coming up. We have included an example below. Fill out your calendar for the next month. Try using different color pens to give your calendar variety.

EXAMPLE

Envelope Budgeting
The Tom Money Malinow a popular technique created by Financial Guru, David Ramsey

This method keeps your money separate so you can allocate your money to specific expenses. It will show you balances as you spend, which helps you control spending. This method is also a good preventative measure against credit cards and a great alternative if you don't want to utilize online banking.

DID YOU KNOW?
25% of Americans would struggle to scrape up \$1000 in an emergency! (1)

1. The Associated Press-NORC Center for Public Affairs Research.

Budget WORKSHEET

MONTHLY INCOME
MONTHLY EXPENSES
MONTHLY SAVINGS
MONTHLY DEBT

| Income | Expected | Actual | Difference |
|-------------------------|----------|--------|------------|
| Take Home Pay | | | |
| Expenses: Home | | | |
| Mortgage/Rent | | | |
| Maintenance | | | |
| Insurance | | | |
| Other | | | |
| Utilities | | | |
| Electric | | | |
| Water/Sewage | | | |
| Telephone/Data | | | |
| Cable/Internet | | | |
| Food | | | |
| Groceries/Personal Care | | | |
| Restaurant/Fast Food | | | |
| Transportation | | | |
| Other | | | |
| Entertainment | | | |
| Movies/Concerts | | | |
| Other | | | |
| Debt/Insurance | | | |
| Car Payment | | | |
| Car Insurance | | | |
| Credit Cards | | | |
| Other Loans | | | |
| Other | | | |
| | | | |
| | | | |
| | | | |

Home Projects
Look up "DIY" projects on YouTube. It can be a fun family activity to create something rather than buy it.

Utilities
Use the benefits of online payments so you are not charged late fees.

Food
Make sure you stick to your grocery list and eat before shopping at the grocery store. This will keep you from buying unnecessary things.

Entertainment
Austin has so many parks and green spaces that are free. Have weekly family activities at Lady Bird Lake. Make sure to check out do512.com for fun free family events in 2022.

Tip
How You Handle Credit Says A Lot About You!

Credit Score Ranges

- 750 & Above
- 700 - 749
- 650 - 699
- 550 - 649
- 550 & Below

FICO SCORE BREAK-DOWN

- 35% Payment History
- 30% Credit Utilization Rate
- 15% Credit History
- 10% New Credit
- 5% Types of Credit

Take Home Pay: money that an employee actually receives from working after employment taxes and the cost of benefits and retirement contributions are subtracted.

What is Credit?

Borrowed money, goods, or services with the expectation of future payment.

How do I get credit?
Most consumers establish credit from a secured credit card. Once you establish a fair credit score, you can apply for an unsecured card and enjoy lower fees and interest rates, as well as card rewards.

Why is credit important?
Credit is important because it gives you purchasing power so you are able to purchase a new car or home. It is also important for things like a rental application.

What is a credit score?
Your credit score is a three-digit number that relates to how likely you are to repay debt. It will determine your credit risk and your ability to pay back borrowed money.

The flow of credit reporting

The formula for a good credit score — Where do you stand?

Use an online resource to pull a free credit report. "Making Financial Cents" recommends you to sign up for Credit Karma ([CreditKarma.com](https://www.creditkarma.com)) to gain access to your credit score. What category do you think that your credit score is in?

TIP
Checking your credit score from a website like Credit Karma is known as a soft inquiry and won't affect your credit score.

- What category is my credit score in?
 - Excellent
 - Good
 - Fair
 - Bad
 - Very Bad
- Based on my credit report, what can I do to increase my credit score
- What do you want your credit score to be? When do you want to achieve this?



Two Most Common Forms of Debt: Line of Credit vs Loan—What's the Difference?

Line of Credit—Example: CREDIT CARD

Key Terms

- Credit type: Revolving
- Payment type: Variable
- Term: Card Expiration

Balances for revolving lines of credit typically go up and down throughout the term of the credit card, just like the roller-coaster you see above. Once you pay down the principal of that balance, you can make purchases to bring that card balance up.

TIP
The interest you pay on your credit card is based on your credit rate, and the balance on your card.

Pay attention to:

- ANNUAL PERCENTAGE RATE: the total cost of the loan. A low monthly payment isn't always a good deal because of the interest being charged on your loan.

Some credit card companies will accept an ITIN for credit card applications. Here are four of them:

1. American Express
2. Bank of America
3. Citic
4. Capital One

Loan—Example: AUTO NOTE

Key Terms

- Credit type: Installment
- Payment type: Fixed
- Term: Maturity date

Once a non-revolving loan, such as an Auto Note, is funded the balance of the note starts to go down as payments are being made. Think about Felipe on the bicycle in the image above. He's heading down the slope and can't bicycle back up.

DID YOU KNOW?
There are special provisions that accept an ITIN for credit card applications.

Fees to look-out for:

- ANNUAL FEES and make sure you are aware of balance transfer fees, late fees, and returned payment fees.

The information that is generally required for a credit card application is as follows:

1. Full name
2. Social Security Number or ITIN
3. Date of Birth
4. Physical Address (NO P.O. box)
5. Estimated gross annual income
6. Checking and/or savings account

Paying for College

Getting an education past high school at a trade school, community college, or university will change your life positively in almost all areas: your health, your wealth, your earnings over time, your feelings of well being, and the financial future of your family.

Choose the right fit

Choosing a college is an important decision for you or your children. You will want to find the college that fits the unique needs, talents, and ambitions that each individual has. However, the cost of education is important too. Education is an investment in the person's future and you want to be sure that it is a wise investment that considers all of the expenses. Think about housing, transportation, and living expenses in addition to tuition, books and supplies.

Grants/Scholarships

Grants and scholarships should be your first option when paying for college. Always build a relationship with your school counselor or principal to know what programs are available based on your grades and taking advanced STEM courses. You can search for scholarships at collegeseeklight.com or myscholly.com (\$.99/month).

Save Money for college

Saving for college is important because it sets up an expectation of college. By saving for higher education, you are preparing yourself or your family for college. Making a college savings plan ahead of time can be a very powerful motivator.

Financial aid

Paying for college starts at home with you and your family. There are options to help students and families afford an education. These options are called "financial aid" and help make college a reality for millions of students each year. Financial aid is money that is given, borrowed, or earned to pay for college. This money comes in the form of grants, scholarships, work-study jobs and

loans. Most of it is awarded based on financial need but some of it comes in the form of scholarships based on merit.

TASFA (Texas Application for State Financial Aid)
This aid is for non-citizens who are classified as Texas residents.

If you are a foreign student or non-citizen, you may be eligible to be classified as a Texas resident for tuition purposes. If so, you may also be eligible to receive state financial aid.

To apply for state financial aid as a House Bill 1403/Senate Bill 1528 eligible student, you must complete the following forms:

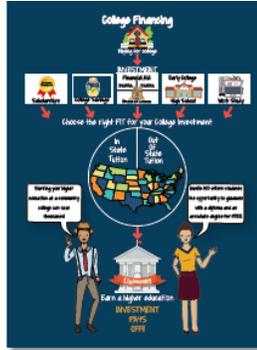
- Texas Application for State Financial Aid (TASFA) and Instructions for 2018-2019
- You and your parents' tax return transcripts (for example, 2016 tax return transcripts for the 2018-2019 academic year)
- 2018-2019 Verification Worksheet Dependent Student: You are a dependent student if you were required to report your parents' tax information on your TASFA form.
- 2018-2019 Verification Worksheet Independent Student: You are an independent student if you were not required to include parents' tax information on your TASFA form.

Higher education is the most direct, and in some cases, the only path to achieve higher financial goals. Any education after high school will increase your career opportunities and therefore your potential income levels. It is important to shop around

and compare price tags or the cost of attendance for each institution to which you are interested in applying. Most importantly, remember that the investment in higher education will pay off the most when you complete a degree.

Understand how student loans work

Part of being a smart purchaser of higher education is determining whether you'll be able to comfortably repay any student loans that you'll need to borrow. Wells Fargo.com/Student/Calculators/Student offers a calculator to find out how much you can comfortably borrow in student loans based on your expected starting salary. Most federal student loans have lower interest rates than other loans or credit cards and offer repayment options that may be helpful when it's time to start paying back the loan. If you're planning to borrow, always consider federal loans first!



Insurance

Insurance is an economic institution that allows the transfer of financial risk from an individual to a pooled group of risks by means of a two-party contract.



Most common questions about renters insurance

- WHY DO I NEED RENTERS INSURANCE?**
Yes your landlord's insurance policy will only cover damage to the building. It won't pay for the replacement of your belongings and it won't cover your relocation costs should you need to move out while repairs are made.
- I DON'T HAVE MANY VALUABLES. DO I STILL NEED RENTERS INSURANCE?**
Take a look around your home and imagine how much it would cost to replace everything you have—your computer, TV, DVD player, MP3 player, digital cameras, jewelry, bike and so on. Could you afford to do that? If not, you may want to consider renters insurance.
- DOES RENTERS INSURANCE PAY MY RENT IF I CAN'T?**
Renters insurance does not pay your rent. However, it may cover expenses related to temporary housing if you can't live in your building while it's being rebuilt or repaired after being damaged by a covered loss.
- DO I NEED TO TAKE AN INVENTORY AND PHOTOGRAPHS OF MY BELONGINGS?**
We all have so much stuff! It's a good idea to prepare a home inventory—keep it in a safe, accessible place in the event you need to file a claim.

- COLLECT AND EXCHANGE INFORMATION**

 1. Collect the name, address, and phone numbers of all drivers and passengers involved in the accident.
 2. Obtain the make and model of each car involved in the accident as well as the license plate.
 3. Vehicle operator's driver license number, insurance company and policy number.
 4. Names and addresses of as many witnesses as possible.
 5. Names and badge numbers of police officers.
 6. Take additional photos to document damage or decide if you need to call the police.
 7. If the police can't come, still file a report if insurance agent suggests it.
 8. Contact claims Services immediately.
 9. You contact your agent



DOG BITES are included with your basic liability coverage. However, dogs that have a history of bites are considered "vicious" and will be excluded from coverage.

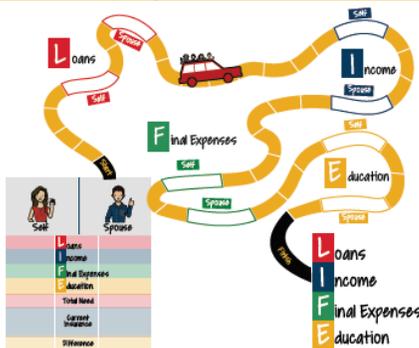
Flood Insurance

DO I NEED FLOOD INSURANCE?

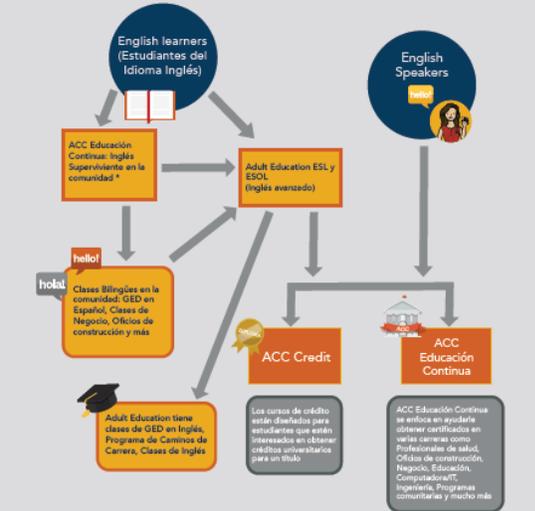
If it rains, it can flood. Basic home insurance does not cover flood, although mortgage companies typically require homeowners in a flood zone to carry flood insurance.

| BENEFITS OF FLOOD INSURANCE VERSUS DISASTER ASSISTANCE | |
|---|---|
| FLOOD INSURANCE | DISASTER ASSISTANCE |
| You are in control. Flood insurance claims are paid even if a disaster is not declared. | Most forms of federal disaster assistance require a Presidential declaration. |
| Between 20 and 25 percent of all claims paid by the NFIP are outside of special flood hazard areas. | Federal disaster assistance declaration are not awarded in all flooding incidents. |
| There is no playback requirement. | The most typical form of disaster assistance is a loan that must be repaid with interest. |
| Flood insurance policies are continuous and are not non-renewed or canceled for repeat losses. | The duration of a Small Business Administration (SBA) disaster home loan could extend to 30 years. |
| Flood insurance reimburses you all covered building losses up to \$250,000 and \$500,000 for businesses. Contents coverage is also available up to \$100,000 for homeowners and \$500,000 for business. | The average individuals and household program award for Presidential disaster declarations related to flooding in 2008 was less than \$4,000. |
| The average cost of flood insurance policy is a little more than \$500 annually. The cost of a preferred risk policy is less than \$450 annually, depending on where you live. | Repayment on a \$50,000 SBA disaster home loan is \$240 a month or \$2,880 annually at 4% interest. |

Advice for purchasing life insurance. What do I need? What can I afford?



Higher Education Options for English Second Language Learners



AUSTIN COMMUNITY COLLEGE
ACC Educación Continua o *clases en su comunidad
Terra o Virginia: 512-223-7140
ACC Adult Education: 512-223-5300 or <http://www.austinctc.edu/abe/>
ESOL Y ACC Credit: 512-223-4222



Community Survey

Please take a moment to help us improve our program. When you're done, please hand the questionnaire to a volunteer.

Program Quality

I was able to understand all the basic finance topics in this workshop. For example:
 Banking/Budget/Credit/College Finance/Insurance
 Yes, I understood
 I understood some topics
 Not sure
 No, I did not understand

How would you rate our financial literacy program?
 Very good
 Good
 Fair
 Poor

Please comment:

Please comment:

What topic did you learn about the most?

Banking
 Budget
 Credit
 College Financing
 Insurance

Would you invite family or friends to attend this workshop?

Yes
 Maybe
 No

If no, what can we do better?

Service and Environment

Was the workshop an adequate amount of time?
 Adequate
 Too Long
 Too Short

Do you feel more confident to apply the new knowledge and to implement the new knowledge skills?

Very confident
 Confident
 Not sure
 Not confident

How would you rate the team?

Friendly and helpful
 Average
 Poor presentation

Did the program meet your expectations?

Yes
 No

Additional Comments

Muy bueno y bien explicado

Optional Information on Back Page

About You (optional)

Name Ofelia Duran
 School _____
 Phone _____
 Email _____

You can get more information or request a workshop by going to our Facebook Page:

Thank you for your participation!



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 Poor presentation

Did the program meet your expectations?

Yes
 No

Additional Comments

Queremos otro sobre "Colegio" Taller.

Optional Information on Back Page

About You (optional)

Name Travis
 School Travis
 Phone (512) 348 3888
 Email _____

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Thank you for your participation!





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 Yes
 No

Additional Comments
 Officer otro taller
 Optional Information on Back Page

About You (optional)
 Name: Alejandra Garcia
 School: Travis
 Phone:
 Email:

You can get more information or request a workshop by going to our Facebook Page:
 Thank you for your participation!



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 No

Additional Comments
 Si pueden occer mas talleres.
 Optional Information on Back Page

About You (optional)
 Name: Haizabel Cruz
 School:
 Phone: 512-590-5280
 Email:

You can get more information or request a workshop by going to our Facebook Page:
 Thank you for your participation!











