



What is YOUR banking IQ?

There are many advantages to using a bank, but, like most tools, you need to be smart about the way you use your accounts.

Bank accounts allow you to save your money in a secure way, accurately keep track of what you are spending, and keep you from having to use cash in every situation.

A checking account with a debit card can provide a safer alternative to a credit card if you have trouble managing your credit. A savings

account can also boost your credit score and help you to build savings.

There are many amenities that a bank offers, sometimes these are free and sometimes they have a fee. It is important to use banking skills to ensure that you are managing your money well and not falling prey to the fees that can occur if you do not monitor your bank balance.

When you are opening a bank account, be sure to ask for a list of fees that your account may be charged. These fees can include ATM fees, check costs, online banking fees, fees for having a bank account, and overdraft and

automatic balance transfer costs. Most banks will require you to open a savings account and a checking account, and some will even advertise automatic fund transfers from savings to checking if your balance gets too low, but watch out for the fees for that service.

It is still very important to keep track of how much you are spending and your account's balance so you can have an accurate idea of how you are spending your money. Don't let the convenience of a checking account keep you from using smart money management skills.

Tips for Better Banking

- If you are using a debit card with your checking account, make sure to keep track of all expenditures.
- Don't be afraid to ask your bank about any charges or fees on your statement that you are unsure you should have to pay.
- Find out what services your bank offers and take advantage of any that are beneficial to you; just make sure to check if there are any fees associated with the service.
- If you have a job, look into opening a Roth IRA to use as a savings tool. Even putting just \$25 to \$50 away per month can add up to a large account over time with compounding interest.
- Do your research about factors such as bank or credit union locations of branches and ATMS, as well as their operating hours to make sure you find the one that works best for you.
- Make sure that your bank is insured under the FDIC. This will protect your deposits up to \$250,000. Most banks are insured, but, but you should still check every time.



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Did you know?

According to a 2008 Sallie Mae study, college seniors graduated with an average credit card debt of more than \$4000, and that close to 1/5th of seniors carried balances greater than \$7000.*

By using an ATM that does not belong to your bank just once a week, you can waste over 208 dollars per year.

If you have damaged paper currency and you have more than half of it, you can bring it to a commercial bank to be replaced. The bank will then send it to the Fed along with other damaged and worn bills. If you have less than half of a bill, you have to send it to the Treasury yourself.

By using websites such as bibliotarian.org and allbookstores.com, you can compare prices on textbooks and save hundreds of dollars per year on books.

There is no federal law regulating the rate of interest a credit card company can charge, so each state is responsible for regulating interest rates itself.

Sources for this issue:

Finaid.org
Americorps.gov
Bankrate.com
Bargainneering.com
Salliemae.com

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If you have any questions about this newsletter, or suggestions for future newsletter topics, please e-mail Diana Mallon, Grant Coordinator:

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* For more information on "How Undergraduate Students Use Credit Cards", please see Sallie Mae's full report at:

<http://www.salliemae.com/NR/rdonlyres/0BD600F1-9377-46EA-AB1F-6061FC763246/10744/SLMCreditCardUsageStudy41309FINAL2.pdf>