Your Money, Your Goals

A financial empowerment toolkit – Part Two of Four

4-9-2019
Disclaimer

This presentation is being made by a Consumer Financial Protection Bureau (Bureau) representative on behalf of the Bureau. It does not constitute legal interpretation, guidance, or advice of the Bureau. Any opinions or views stated by the presenter are the presenter’s own and may not represent the Bureau’s views.

This document includes links or references to third-party resources. The inclusion of links or references to third-party sites does not necessarily reflect the Bureau’s endorsement of the third-party, the views expressed on the third-party site, or products or services offered on the third-party site. The Bureau has not vetted these third-parties, their content, or any products or services they may offer. There may be other possible entities or resources that are not listed that may also serve your needs.
Training purpose

To provide you with:

▪ An introduction to the Consumer Financial Protection Bureau.

▪ An orientation to the Your Money, Your Goals toolkit.

▪ Tools and handouts you can use with the people you serve.

▪ Strategies for using the tools.
The suite of *Your Money, Your Goals* resources

- **Your Money, Your Goals toolkit**
  - The toolkit (English, Spanish, and Mandarin)
  - The training (English and Spanish)
  - Implementation guide
  - Resource and referral guide
  - Sample survey instruments

- **Companion guides for special populations**
  - Focus on Native Communities
  - Focus on People with Disabilities
  - Focus on Reentry

Access electronic materials and order printed copies online: [http://www.consumerfinance.gov/your-money-your-goals](http://www.consumerfinance.gov/your-money-your-goals)
Organization of the toolkit

- Introduction
- Module 1: Setting Goals
- Module 2: Saving
- Module 3: Tracking Income and Benefits
- Module 4: Paying Bills
- Module 5: Getting through the Month
- Module 6: Dealing with Debt
- Module 7: Understanding Credit Reports and Scores
- Module 8: Choosing Financial Products and Services
- Module 9: Protecting your Money
Your Money, Your Goals

Module 5: Getting through the Month
Cash flow

- What is a cash flow budget?
- How is it different from a regular budget?
- What do you think may be the benefit of this approach?
## Tool: Creating a cash flow budget

<table>
<thead>
<tr>
<th></th>
<th>WEEK 1</th>
<th>WEEK 2</th>
<th>WEEK 3</th>
<th>WEEK 4</th>
<th>WEEK 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEGINNING WEEKLY BALANCE</strong></td>
<td>$250</td>
<td>$400</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>ADD MONEY YOU RECEIVE EACH WEEK</strong></td>
<td>+300</td>
<td>+100</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>SUBTRACT YOUR WEEKLY EXPENSES</strong></td>
<td>$</td>
<td>$</td>
<td>$200</td>
<td>$35</td>
<td>$15</td>
</tr>
<tr>
<td><strong>ENDING WEEKLY BALANCE</strong></td>
<td>$650</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
Managing cash flow: Scenario overview

- Rafael is a single parent with two children.
- He is often late with his rent and other bills, because he does not have the money when he needs it.
- After tracking his spending, he developed a cash flow budget with an educator at a parenting class he takes through Cooperative Extension in his community.
- Using the cash flow, make some recommendations to Rafael so he can make ends meet.
## Managing cash flow scenario

<table>
<thead>
<tr>
<th></th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance for the Week</strong></td>
<td>$257.00</td>
<td>-$361.00</td>
<td>$65.52</td>
<td>-$463.22</td>
</tr>
<tr>
<td><strong>Sources of Cash &amp; Other Financial Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from Job</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$990.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from Part-Time Job</td>
<td>$220.00</td>
<td>$220.00</td>
<td>$220.00</td>
<td>$220.00</td>
</tr>
<tr>
<td>SNAP</td>
<td>$412.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Sources of Cash &amp; Other Financial Resources</strong></td>
<td>$889.00</td>
<td>$849.00</td>
<td>$285.52</td>
<td>$746.78</td>
</tr>
<tr>
<td><strong>Uses of Cash &amp; Other Financial Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Payments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Card Payments</td>
<td></td>
<td></td>
<td>$90.00</td>
<td></td>
</tr>
<tr>
<td>Personal loan payments</td>
<td></td>
<td></td>
<td></td>
<td>$100.00</td>
</tr>
<tr>
<td>Student Loan</td>
<td></td>
<td></td>
<td></td>
<td>$235.00</td>
</tr>
<tr>
<td>Savings</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Housing (Rent including utilities)</td>
<td>$845.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Television</td>
<td></td>
<td></td>
<td></td>
<td>$63.48</td>
</tr>
<tr>
<td>Internet Service</td>
<td></td>
<td></td>
<td></td>
<td>$22.74</td>
</tr>
<tr>
<td>Phone and Cell Phone Service</td>
<td></td>
<td></td>
<td></td>
<td>$86.00</td>
</tr>
<tr>
<td>Household Supplies &amp; Expenses</td>
<td></td>
<td></td>
<td></td>
<td>$25.00</td>
</tr>
<tr>
<td>Groceries</td>
<td>$200.00</td>
<td>$80.00</td>
<td>$100.00</td>
<td>$80.00</td>
</tr>
<tr>
<td>Eating Out (Meals and Beverage)</td>
<td>$25.00</td>
<td>$25.00</td>
<td>$25.00</td>
<td>$25.00</td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
<td></td>
<td>$245.00</td>
</tr>
<tr>
<td>Car Payment</td>
<td></td>
<td></td>
<td></td>
<td>$60.00</td>
</tr>
<tr>
<td>Fuel</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
<td>$60.00</td>
</tr>
<tr>
<td>Auto Insurance</td>
<td></td>
<td></td>
<td></td>
<td>$175.00</td>
</tr>
<tr>
<td>Childcare</td>
<td>$70.00</td>
<td>$70.00</td>
<td>$70.00</td>
<td>$70.00</td>
</tr>
<tr>
<td>Misc.</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td><strong>Total Uses of Cash &amp; Other Financial Resources</strong></td>
<td>$1,250.00</td>
<td>$783.48</td>
<td>$748.74</td>
<td>$385.00</td>
</tr>
<tr>
<td><strong>Ending Balance for the Week (Sources - Uses)</strong></td>
<td>-$361.00</td>
<td>$65.52</td>
<td>-$463.22</td>
<td>$361.78</td>
</tr>
</tbody>
</table>
Improving cash flow

**Increase** sources of cash, income, or other financial resources, including accessing public benefits and applying for tax credits for which you qualify.

**Decrease** your spending or uses of cash and other financial resources.

**Match** timing of sources and uses of income where possible.
Tool: Improving cash flow

What to do:

1. Read through the strategies for improving your cash flow.
2. Write down any questions you have or next steps you can take.
3. Commit to implementing one or two strategies for the coming month and see if your cash flow improves.

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>THINGS TO CONSIDER</th>
<th>QUESTIONS I HAVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’ll negotiate a new due date for my bills with the company so they’re due after I receive income.</td>
<td>First contact companies where you have a good payment history and long-standing relationship. They are more likely to be open to adjustments.</td>
<td></td>
</tr>
<tr>
<td>I’ll negotiate splitting a large monthly payment into two smaller ones due at different times.</td>
<td>For example, if you can cover your $700 rent with a $350 payment on the first and fifteenth of the month, it might free up more money at the beginning of the month to cover other bills.</td>
<td></td>
</tr>
<tr>
<td>I’ll change large lump-sum payments into smaller monthly payments on things like car insurance.</td>
<td>There may be a small fee to pay monthly, but it can still make handling these payments more manageable by breaking them into smaller chunks.</td>
<td></td>
</tr>
</tbody>
</table>
Your Money, Your Goals
Module 6: Dealing with Debt
What is debt?

- What is debt?
  - Money you owe.
  - Debt is a liability.
  - Debt may obligate future income.

- How is debt different from credit? For our purposes...
  - Credit is the ability to borrow money.
  - Debt is the result of using credit.
Good debt, bad debt

- Loan from friend or family member
- Auto loan
- Student loan
- Payday loan
- Mortgage (loan for a home)
- Auto title loan
- Pawn shop loan
Co-signers: Agree to pay the loan

- **Co-signing on a loan**
  - Means you have the same obligation to pay the debt as the borrower
  - Can result in you having to repay any missed payments
  - Can affect your credit score and ability to obtain a future loan

- **Before co-signing, read the terms of the loan and consider carefully before taking on the risk.**
Types of debt

- This module talks about three types of debt:
  - Student loan debt
  - Medical debt
  - Payday loans

- There are also tools to help you:
  - Manage your debt
  - Respond to debt collectors
  - Shop for an auto loan
Handout: Avoiding medical debt

▪ Preparing for medical bills
  □ Check what’s covered by insurance and make sure your information is up to date
  □ Keep good records
  □ Review medical bills carefully

▪ Disputing medical bills
  □ Negotiate your bill
  □ Act quickly to resolve or dispute medical bills

▪ Paying for medical bills
  □ Find out about charity care
  □ Don’t pay for medical bills on credit cards unless you can pay the balance
Tool: Debt log

- On the debt log, you will include:
  - The person, business, or organization you own money to;
  - The amount you owe them;
  - The amount of your monthly payment; and
  - The interest rate you are paying and other important terms.

- To complete this tool, you may need to get all of your bills, credit card statements, court orders, mortgage and loan agreements together in one place, and a copy of your credit report.
Tool: Debt action plan

- The two ways to reduce debt:
  - Pay smallest debt first
  - Pay highest interest rate first
- Consider the pros and cons of each.
Tool: When debt collectors call

- If you have questions about the debt, do not send money or even acknowledge the debt the first time you are contacted. Why?
  - You want to make sure you actually owe the debt, and
  - You want to make sure the individual contacting you really has the authority to collect the debt

- Also, ask for the name, number and address for the debt collector and request information about the debt in writing.

- If you're sued by a debt collector, be sure to respond to court documents.
Verify the debt

I am responding to your contact about a debt you are trying to collect. Please supply the information I have marked so that I can be fully informed.

I have asked for this information because I have some questions. I need to hear from you to make an informed decision about your claim that I owe this money. I am open to communicating with you for this purpose, in order to make sure that I am not put at any disadvantage, in the meantime please treat this debt as being in dispute and under discussion between us.

In addition to providing the information requested below, please let me know whether you are prepared to accept less than the balance you are claiming is owed. If so, please tell me in writing your offer with the amount you will accept to fully resolve the account.

Thank you for your cooperation. Sincerely,

Name

Please supply the information I have marked so that I can be fully informed.

WHY YOU THINK I OWE THE DEBT AND TO WHOM I OWE IT, INCLUDING:

☐ The name and address of the creditor to whom the debt is currently owed, the account number used by that creditor, and the amount owed.

☐ If this debt started with a different creditor, provide the name and address of the original creditor, the account number used by that creditor, and the amount owed to that creditor at the time it was transferred. When you identify the original creditor, please provide any other name by which I might know them, if that is different from the official name. In addition, tell me when the current creditor obtained the debt and who the current creditor obtained it from.

☐ Provide verification and documentation that there is a valid basis for claiming that I am required to pay the debt to the current creditor. For example, can you provide a copy of the written agreement that created my original requirement to pay?

☐ If you are asking that I pay a debt that somebody else is or was required to pay, identify that person. Provide verification and documentation about why this is a debt that I am required to pay.

THE AMOUNT AND AGE OF THE DEBT, INCLUDING:

☐ A copy of the last billing statement sent to me by the original creditor.

☐ State the amount of the debt when you obtained it, and when that was.

☐ If there have been any additional interest, fees or charges added since the last billing statement from the original creditor, provide an itemization showing the dates and amount of each added amount. In addition, explain how the added interest, fees or other charges are expressly authorized by the agreement creating the debt or are permitted by law.

☐ If there have been any payments or other reductions since the last billing statement from the original creditor, provide an itemization showing the dates and amount of each of them.
Know your rights

The Fair Debt Collection Practices Act prohibits debt collectors from engaging in certain conduct, such:

▪ Repeated phone calls intended to annoy, abuse, or harass
▪ Obscene or profane language
▪ Threats of violence or harm
▪ Publishing lists of people who refuse to pay their debts
▪ Calling you without telling you who they are
▪ Using false, deceptive, or misleading practices
Your Money, Your Goals
Module 7: Understanding Credit Reports and Scores
What is credit?

- Use of credit
- Creates credit history
- Compiled into credit reports
- Used to calculate credit scores
Why do credit reports and scores matter?

A poor credit history can make it difficult for you to:

- Get a job
- Get and keep a security clearance for a job, including a military position
- Get an apartment
- Get insurance coverage
- Pay lower deposits on utilities and get better terms on cell phone plans
- Get a credit card
- Improve your credit score
What’s in a credit report?

- Header/identifying information
- Public record information
- Collection agency account information
- Account information
- Inquiries made to your account
Negative information

- Negative information can appear on your credit report for a specified period of time—seven years for most items.
- Bankruptcy can stay on your credit report for up to 10 years.
- Civil suits and judgments can be reported on your credit report for seven years or until the statute of limitations has expired, whichever is longer.
- There is no time limit to the length of time that positive information can stay on your credit report.
Nationwide credit reporting companies

- Equifax
- Experian
- TransUnion

You can get a free credit report from each of the three nationwide credit reporting companies once every 12 months at [www.annualcreditreport.com](http://www.annualcreditreport.com)
Credit scores: Example based on FICO

These percentages reflect how much each category determines a typical FICO score.

- Payment history, 35%
- Amounts owed, 30%
- Length of credit history, 15%
- Types of credit, 10%
- New credit, 10%
Tool: Requesting your free credit reports

- Pick a method to order your credit reports
  - Online
  - Phone
  - Mail
- Decide when you’ll order each report
- If you get a report from a different credit reporting company every four months, you can monitor your credit for free throughout each year
Tool: Requesting your free credit reports

- To order through the website, visit: www.annualcreditreport.com
  - Complete a form with basic information (name, Social Security number, address, etc.).
  - Select the report(s) you want—Equifax, Experian, and/or TransUnion.
  - Answer security questions: former addresses, amount of a loan you have, phone numbers that have belonged to you, counties you may have lived in, etc.
    - If you are unable to answer these questions, you will have to use another method.
- Save a PDF version of your report, print the report, or both.
- Be sure you do this in a safe and secure location. Avoid doing this on public computers (library).
Tool: Reviewing your credit reports

What to do:

- Start by getting free copies of your credit reports. Use the “Requesting your free credit reports” tool to find out how.

- Read through each credit report carefully, using the checklist as a guide for what errors to look for.
Handout: Disputing errors on your credit reports

▪ To correct errors, it can help to contact both the credit reporting company and the source of the mistake.

▪ You may file your dispute online, by phone, or by mail.

▪ **Explain the error and what you want changed.**
  □ Clearly identify each mistake separately, state the facts, explain why you are disputing the information, and request that it be removed or corrected.

▪ If you mail your dispute letter, send it by certified mail, return receipt requested.

▪ Enclose a copy of the portion of your report that contains the disputed items and circle or highlight the disputed items.
Tool: Getting and keeping a good credit history

What to do:

▪ Identify a strategy for improving and maintaining your credit history that works for you.

▪ Implement that strategy and monitor how your credit score improves.

▪ Once you’re done with your first strategy, pick a new one and keep practicing good habits to maintain a strong credit history.
Your Money, Your Goals
Module 8: Choosing Financial Products and Services
Financial service providers

- Who provides financial services and products?
Financial service providers

- Bank or credit union
- Car dealer
- Check cashing store
- Credit card company
- Department store
- Employer (working with a financial institution)
- Grocery, retail, or other store
- Large gas station chain
- Large retail store
- Non-profit organization
- Online lender
- Pawn shop
- Payday loan provider
- Prepaid card
- Title loan company
- U.S. Postal Service
Tool: Comparing financial service providers

- Shop around when deciding on a financial service provider
- Ask questions about:
  - Fees and other costs
  - Services offered
  - Security
  - Convenience
  - Access
Your Money, Your Goals

Module 9: Protecting your Money
Identity theft

1. What can you do to prevent your identity from being stolen?
2. How can you tell if your identity has been stolen?
3. What steps can you take if your identity has been stolen?
4. What questions do you have about identity theft?
### Handout: How to handle identity theft

#### CREDIT PROTECTION AND REQUIREMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Security Freeze</th>
<th>Initial Alert</th>
<th>Extended Alert</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lender is required to verify your identity before approving new credit</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Completely prevents your report from being shared with most third parties unless lifted</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Triggers heightened verification procedures for the people who use your credit report</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Request if you believe you're a victim of ID theft</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Requires an identity theft report</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Extra free credit report</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Exclusion from prescreening lists</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Free in every state</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
HOW TO SUBMIT A COMPLAINT

- Online: consumerfinance.gov/complaint
- By phone (180+ languages)
  M-F, 8 a.m. - 8 p.m. ET
  (855) 411-2372
  (855) 729-2372 TTY/TDD
- By mail
  Bureau of Consumer Financial Protection
  P.O. Box 2900
  Clinton, IA 52733-2900
- By fax
  (855) 237-2392
## Submitting a complaint

┄ Submit a complaint

<table>
<thead>
<tr>
<th>What is this complaint about?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Choose the product or service that best matches your complaint.</td>
<td></td>
</tr>
<tr>
<td>Debt collection</td>
<td>Vehicle loan or lease</td>
</tr>
<tr>
<td>Credit reporting, credit repair services, or other personal consumer reports</td>
<td>Student loan</td>
</tr>
<tr>
<td>Mortgage</td>
<td>Payday loan, title loan, or personal loan (installment loan or personal line of credit)</td>
</tr>
<tr>
<td>Credit card or prepaid card</td>
<td>Money transfer, virtual currency, or money service (check cashing service, currency exchange, cashier’s/traveler’s check)</td>
</tr>
<tr>
<td>Checking or savings account</td>
<td></td>
</tr>
</tbody>
</table>
Complaint process

1. Complaint submitted
2. Review and route
3. Company response
4. Complaint published
5. Consumer review
Q&A

- Questions?
Closing

▪ What is the most important thing you are taking away from this training?
▪ What is something you would like to learn more about?

▪ Next webinar: *Companion guides*
An online and in-person opportunity to access Bureau tools and resources, and connect with the Bureau and your peers engaged in financial education.

Our goal is to help you improve the financial well-being of the people you serve.

Regional convenings:
- Dallas, TX
- Fort Worth, TX
- Maryland
- Denver, CO
- Kansas City, MO
- Atlanta, GA
- Sacramento, CA
- Madison, WI
- St. Louis, MO
- Tacoma, WA
- Nashville, TN
- Boston, MA

Monthly webinars include:
- Fraud prevention for older adults
- Disaster recovery and preparedness
- Resources for servicemembers
- Accessing credit scores
- Managing spending
- Debt collection resources
- Credit card spending
- Libraries as Financial Education Resources
- Financial Coaching
- Financial Education Programs Serving Immigrant Populations
- Federal Financial Education Resources
- Take Control of Your Auto Loan
- Financial Rules to Live By
- Resources for Parents
- Tips for Strengthening Financial Education Curriculum
- Resources for Parents and Caregivers
- Resources for Financial Caregivers
- Measuring Financial Well-Being
- Owning a Home
- Tax Time Savings
- Your Money, Your Goals Toolkit

To sign up, email CFPB_FinEx@cfpb.gov

Number of financial educators signed up for CFPB FinEx: Over 5,000 Members!
Resources for financial educators webpage

Financial education for adults

We help you help the people you serve. For adult financial educators, the tools here show our latest thinking on consumer financial behavior and effective financial education practices.

Featured event

Your Money Your Goals

Tuesdays, April 2nd, 9th, 16th, 23rd from 2-3 p.m. ET

View details and enroll

About us

We're the Consumer Financial Protection Bureau (CFPB), a U.S. government agency that makes sure banks, lenders, and other financial companies treat you fairly.

Learn how the CFPB can help you

CONNECT WITH US

Join the CFPB Financial Education Exchange (CFPB FinEx) to get the latest news, invitations to webinars, and to learn from your peers.

Email address

mail@example.com

Sign up

See Privacy Act statement

CONNECT WITH OTHERS

We also invite you to like us on Facebook.
Resources

Bureau Resources for Financial Educators webpage:
consumerfinance.gov/adult-financial-education

To sign up for the Financial Education Exchange:
CFPB_FinEx@cfpb.gov

To sign up for the Financial Education Discussion Group:
linkedin.com/groups/CFPB-Financial-Education-Discussion-Group-5056623

Next Webinar: Your Money, Your Goals Toolkit *(Part 3 of 4)* will be held on Tuesday, April 16, 2019 at 2-3 pm ET