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CA\$HTALK

The Newsie Letter from the Cash Management Connection

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STOP WHAT YOU'RE DOING AND GO RENT THIS MOVIE RIGHT NOW

Just in time for back-to-school, when millions of just-a-few-weeks-ago-high-school-seniors are entering college and getting ready to be "on their own" for the first time ever, out comes a new documentary that should be required viewing for every college-bound teen and their parents before those darlings head out the door. (And there's an accompanying book, too.)

"**Maxed Out**", a documentary by James Scurlock (no, not the same guy who did "Super Size Me", but the behaviors described are equally as dangerous) explores debt in America, from people who build McMansions and figure out really interesting ways to pay for that which they cannot afford, to credit card companies and the many inventive ways they have for charging customers more, and more frequently, to college students who get bombarded with credit card offers from the moment they submit their first college application. While it's not going to win any cinematic awards, "**Maxed Out**" expertly illuminates the seamy underbelly of debt and the cottage industries that support it. It's not a movie for young kids, but I highly recommend it for viewing with your college-bound children, and here's why:

- Credit card companies prey on college students, as they count on parents to bail out kids who get into credit card debt.
- Credit card companies routinely do not divulge the terms of credit cards to college signers, so the kids have no idea what their interest rate is,

how payments work, etc..

- Students are increasingly paying for credit card debt by using their student loans, which snowballs them into ever higher debt levels that they cannot pay back, which the credit card issuers love!

Don't send your child off to college without arming them against these predatory credit card issuers. Give them the information they need to understand what happens when they fill out those "free" applications. Help them to be aware of their money and their future, by talking to them now, before they leave, about their financial responsibility to themselves. Don't forget you can download a free "College Tipsheet" from our website, and a monthly budget sheet, too, for your kids to use. And watching "**Maxed Out**" might open kids' eyes to financial dangers that they might not otherwise hear from us droning parents.

It takes doing something 21 times for it to become a habit. Get your college-bound kids started on good financial habits now, so they'll be ready for real life when they graduate. It will absolutely be the best going-away gift you could possibly give them.

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Starting College?

Some Quick and Practical Tips On Managing Your Money

In less time than you think, you'll be on your own, working and earning a salary. You'll be 100% responsible for what you do with your money, and how you take care of it, so it can take care of you. Everybody has to live within a budget, large or small. For most college students, that budget will set the tone for how they conduct their financial futures. Here are a few tips:

- 1. Credit card companies prey on young adults by appealing to what they think is your lack of knowledge about money.** You can prove them wrong by educating yourself about your finances, and by tearing up every credit card application you receive.
- 2. If you're on a college campus and getting hit with a million credit card offers, don't give in, no matter how much you want that "free" tee-shirt or CD.** Just filling out those applications will lower your future credit rating, even if you never use the card.
- 3. Here's a fact: if you have a \$1000 balance on your credit card, and you only pay the \$20 monthly minimum, it will take you 17 years to pay it off, and you'll end up paying \$4090 for that \$1000 you charged.** Duh!
- 5. Make a budget and stick to it.** You can only spend as much as you have, not more.
- 6. You're not competing with anyone (don't try to "keep up with the Jones").** In the end, the only ones who gain from your overspending are the stores you frequent.
- 7. Save at least some portion of everything you get or earn.** Here's a fact: putting \$50 away every month starting at age 20 (and investing it conservatively, like in a mutual fund) will result in a nest egg of about \$1 million by the time you turn 60. Can't save \$50? Save \$25!
- 8. Be practical: buy groceries, not lunch out.** Even buying a six pack of bottled water, rather than a single one at the convenience store, can save you an enormous amount of money over the long run.
- 9. Start thinking long term.** You'll be on your own before you know, and contrary to popular belief, your parents will not be supporting you for the rest of your life. Remember: *you* spend your money; *you* save your money; therefore, *you control your money.*

Cut this out and
give it to your kid!



At the **Cash Management Connection**, we believe that being in control of your finances starts with knowing where your money goes, no matter how young or old you are. Our workbooks teach basic budgeting and goal-setting, then guide the user through 12 months of tracking what they get, spend and save. We invite you to visit our website to learn more about how our workbooks can help you, or someone you know, learn how to manage money. We have versions for just about everyone! Come take a look...

- **KIDSCASH** Workbooks (age 8-12)
- **MYCASH** Workbooks (for non-kids, in pocket- and full-size versions)
- **KIDSCASH** and **MYCASH** Spanish versions
- **HISCASH** and **HERCASH** Pocket Workbooks: a great way to manage money together
- **KIDSCASH** Birthday Bundle (the perfect kid gift!)
- **MYCASH** College
- And our **KIDSCASH** and **MYCASH Personal Finance Curricula**: 10-part courses on basic money skills.



And while you're on our site, you can download a **free** monthly budget worksheet, enter our contest to win the workbook of your choice, or sign up to receive our **CASH TALK** newsletter by email. And don't miss the "Tips and Coupons" page, with downloadable money tip sheets and coupons: all for free.

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