

Smart Money Management

Know Your Money Options

Whether you're continuing high school or heading off to college next year, it's never too early to start investing for the future. Check out these investment options, listed in order of risk, from less to more:

Savings Accounts

Pro: There's no risk (if your account is FDIC insured) and you can withdraw your money at any time. If you can tie your savings account to your paycheck, you can make savings automatic.

Con: Interest rates are very low, usually between one-half and one percent.

Certificates of Deposit (CDs)

Pro: There's minimal risk (if your account is FDIC insured). The longer you keep your money in the account, the higher the interest rate.

Con: There's usually at least a \$500 minimum to open a CD, and there are costly penalties for withdrawing your money early.

Money Market Funds

Pro: These are generally safe and you can redeem your shares of a money market fund at any time with no penalty.

Con: Interest rates are sometimes lower than a CD. You often have to keep a minimum balance in your account, and you can be charged fees if you slip below that minimum.

Mutual Funds

Pro: Provided the funds you select are well-diversified, the risk is lower than holding an individual stock because your money is distributed among many stocks. Even if one stock does poorly, you're still OK if the other stocks increase in value.

Con: Most mutual funds require a minimum investment. It can be very difficult to convert your investments back to cash easily if you need the money. If your funds are not properly diversified, the entire value of your fund could decrease dramatically, depending on the market.

There are many banking opportunities available to you. Talk to your parents and a representative at your local bank for more information.

FastTip: Balance Your Checkbook

Unsure how to balance your checkbook or reconcile your bank statement? Ask your bank for information on how to perform these tasks.

The Power of Plastic: What Card Does What?

Automatic teller machine (ATM) card: Card used at teller machines to withdraw cash (usually cannot be used for purchases). Usually tied to a savings account.

Debit/Check card: When you use this card, money is drawn directly from your checking account. It can be used anywhere a credit card works, at an ATM machine, and sometimes to get cash back in a store. You will usually have to provide a personal ID number (PIN) for these transactions. There are no interest rates associated with debit/check card purchases. However, you must have the necessary cash in your account to avoid overdraft fees.

Credit card: Credit cards allow you to buy things or "borrow" money without having money available immediately. However, credit cards charge interest (an additional percent of your purchase) and fees if you don't pay your entire bill when it's due. Over time, your purchases will cost more.

Pre-paid credit card: Load up the card with your own cash and then use it as you would a credit card. There are no interest rates because you are not borrowing money from a bank or lender. There are usually fees associated with this type of card.

Stay Secure: Prevent ID Theft

How can you protect yourself?

- "Phishing" refers to e-mails that appear to be from your bank or credit card asking you for account numbers or other sensitive information. *These are fake!* Do not give out social security number, credit card or bank account numbers to an unsolicited e-mailer or caller.
- Shred documents such as credit card statements and pre-approved credit card offers before you throw them away.
- Password protect all of your accounts.
- Check your bank and credit card statements regularly for suspicious activity, such as a charge you did not make.
- Get your credit report for free (nationwide as of 9/1) at: www.annualcreditreport.com or call 877-322-8228.

What to do if you're an ID theft victim:

- File a report with your local law enforcement.
- File a report with the Federal Trade Commission at: www.consumer.gov/idtheft.
- Contact your bank and credit card issuers.
- Contact the main credit bureaus (Equifax, Experian, TransUnion) to place a fraud alert on your file.

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Think about Your Future: College and Beyond

What Should I Do For the Rest of My Life?!

One day, you'll have to select a college major and/or a career. Whether you're thinking about your major at college or prepping for a career, there are things you can do now to help you make a decision.

Target Your Interests

- What subjects or classes have you enjoyed in school?
- Write down extracurricular activities or job tasks that you have enjoyed.
- Brainstorm majors or jobs that seem interesting to you. Is there a pattern to any of the above?
- Take a personality test to find out what major or job field might suit you.
- Take a look at a prospective college's course book. What course topics catch your interest?
- Talk to your high school counselor for more ideas!

Discover Your Values

- Do you want to study a broad topic that will apply to many jobs or a major that will prepare you for a specific career?
- Think about what you want to accomplish in the long term. Is it related to money? Status? Giving back to the community at large? Helping people? A job that will allow you life balance?

Expand Your Knowledge

- Talk to people who work in your fields of interest. Ask about their day-to-day experiences in those fields. How did they choose their careers or majors (if they went to college)?
- Ask your teachers, parents and parents' friends about their careers. What should you expect if you major or get a job in one of their fields?
- Ask if you can "job-shadow" a parent or family friend. Visit his or her workplace to get a taste of what a typical workday is like.
- Check out career profiles at www.monster.com.

Change Your Mind (It's OK!)

- Studies show that a majority of college students change their major at least once.
- The average college graduate changes jobs once every three years and changes their career fields two or three times over a lifetime.
- The earlier you start thinking about your major and career, the closer you'll be to realizing your life goals.

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Discover a Major the Online Way

Confused about your major? Just curious to know what's out there? Use colleges' departmental websites to discover information about possible majors.

How do I find this info?

1. Go to the school's website.
2. Look for links such as "Current Students," "Academics," "Degrees," etc. Different colleges may use different wording. Click on one of these links.
3. After clicking the link from Step 2, select the academic discipline you want to learn about.
4. Try to find the course selection list. You may find it in either the "Prospective Student" or the "Current Student" section.

What do I do once I get there?

- Many college websites will list their classes, with a description of each one. Do those courses sound interesting to you?
- Does the academic page in your field of interest have an "Events" or "Calendar" link? You can check out any extra things a college offers for students in that major.
- Does the site have access to newsletters or other announcements and events within the department? Look for a sense of the atmosphere in that major. Is it cutting edge? Conservative?
- You might be able to find information on what the college/department is currently researching. Do those programs and projects excite and motivate you?