

INTERVIEW WITH A SAVER:

Crystal, Recent College Graduate, Young Illinois Saves Volunteer

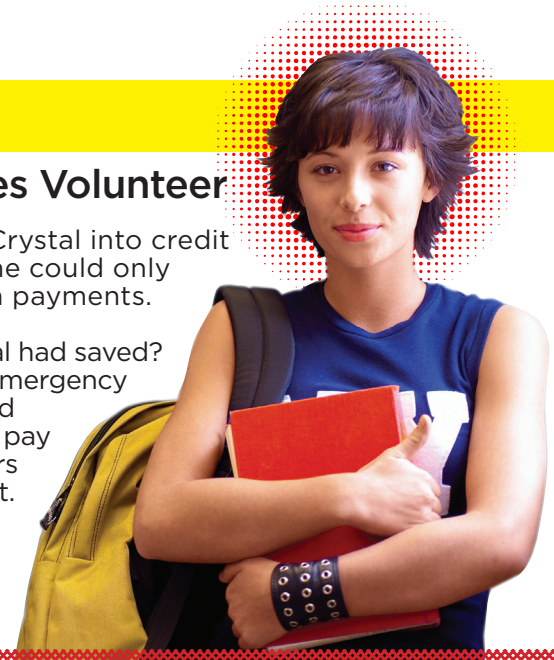
Crystal was a typical young adult. Like almost three-quarters of young adults, Crystal had a credit card and she used it!

Crystal got into trouble with credit. She did NOT realize how the extra charges on her credit card would add up. Pretty soon Crystal was stuck in debt. Almost all of Crystal's payments went to her extra charges.

How did Crystal end up in credit card debt? Crystal went to college in an urban area that had a lot of crime. In Crystal's first year of college, her car was broken into 6 times. Because of this, Crystal had over \$1,000 in unexpected, emergency expenses. These

expenses drove Crystal into credit card debt, and she could only pay the minimum payments.

But, what if Crystal had saved? If Crystal had an emergency account, she would have been able to pay for all of her repairs out of this account. This would have saved her a lot of headache, worry and money!



GET SMART:

Fun activities to learn more about credit!

ACTIVITY 1 SAVE TO AVOID CREDIT CARD DEBT.

How much do you think Crystal would have saved by building an emergency savings account and paying her bill from that emergency account instead of using credit?

How many years of payments would Crystal have avoided?

ACTIVITY 2 SAVE FIRST.

What should you do **BEFORE** you get a credit card?

1. Successfully **BUDGET** your money for several months **BEFORE** getting a credit card.
2. Open a **CHECKING ACCOUNT** and start an **EMERGENCY SAVINGS** account. Practice keeping your checking account balanced and using a **DEBIT** card **BEFORE** getting a credit card.
3. Learn about managing credit and building a positive credit record. **CHECK** your **CREDIT RECORD BEFORE** getting a credit card.
4. Credit cards may have different interest rates, fees and terms. These differences can cost you! Read the fine print on credit card offers **BEFORE** you sign.
5. Make a commitment to **PAY OFF YOUR BALANCE IN FULL EVERY MONTH BEFORE** getting a credit card. Make a commitment to use your credit card only for a set amount of purchases that fit into **YOUR** budget. When you reach this amount, put the card away!

ACTIVITY 3 BUILDING AN EMERGENCY SAVINGS ACCOUNT.

Do you have an emergency savings account?
How much have you saved?
How much emergency savings do you need?
What is your goal?
How much can you save each month?
How long will it take you to reach your emergency savings goal?

DEFINITIONS:

Credit: Buying a product or service NOW but agreeing to pay for it at a date in the future.
Interest: Money charged for the use of credit.
Minimum Payment: The least amount of money you must pay towards your bill each month.
Grace Period: The time from when you are billed for something until the time when you have to pay for it or be charged interest.
Credit Record: The history of your credit (borrowing and payment) activities.



SET A SAVINGS GOAL AT www.YoungIllinoisSaves.org !