

Money Talks



To Young Adults
and their families

Volume 2

Brought to you by your local bank and the ABA Education Foundation

Quick Tips to Help Your Young Adult Save Money!



1 Tie savings to a goal. Suggest saving for a trip, car, home, further schooling, or an emergency fund.

2 If a 401(k) or other employee matching program is offered, encourage young adults to enroll, even though retirement seems far away.

3 Purchase a locking, fireproof box for your young adult to keep their important documents safe and secure in their new dorm room or apartment.

4 Since young adults are regular Internet users, paying bills and checking their account balance online may help them stay on track. Encourage your young adult to sign up for these features, if available.

Young Adults Face Higher Risk of Identity Theft

Did you know that 18-24 year olds are most likely to be victims of identity theft?

According to the Federal Trade Commission's Identity Theft Resource Center, young adults are most at risk, and often the thieves are people they know.

Young adults trust their friends, and sometimes friends abuse this trust. Young adults sometimes downplay the importance of safeguarding their personal information. The combination of a desperate friend in need of money and an unlocked desk drawer with a credit card inside can lead to a case of identity theft or fraud. Identity theft will wreak havoc on your young adult's personal financial history and credit report — and the damage increases the longer the theft goes undiscovered.

Share these tips with the young adult in your life and help keep his or her identity safe.

- Safeguard your credit and debit card(s). Do not leave them lying around. Don't keep your wallet in an unlocked room or office. If you have boxes of blank checks, keep them safe as well. Always lock your dorm room or apartment.
- Never give out your personal financial information, including Social Security number, account numbers, personal identification number (PIN), or any other identifying information over the phone or in an e-mail. If your bank contacts you, they already have your information. If they ask for it, it's probably not really your bank calling.
- It's scary when an e-mail suggests that your account is in jeopardy if you do not respond with the pertinent information, but resist the urge. If you are worried, go directly to your bank or credit card issuer's website or call them directly and determine the authenticity of the telephone call or e-mail you received.
- Monitor your bank account activity often, either online, over the telephone or at an ATM. Contact your bank immediately if you notice something unusual.



Use Your
Paycheck

to Establish a

Successful Savings Plan



Their academic careers have prepped them for the intellectual part of the workforce, but how many young adults are prepared to manage the financial aspects? As a parent or trusted adult, sharing a few tips with the young adults in your life may help them succeed financially.

Instead of delivering a paper check, most employers offer to deposit wages into a checking or savings account automatically each payday, known as direct deposit. Direct deposit offers easy and immediate access to pay and eliminates the need to visit the bank twice a month.

Direct deposit may come with another benefit. Many employers allow employees to allot a set dollar amount or percentage of their pay into two (or more) separate accounts. For example, a \$500 total paycheck can be divided by electing to deposit 10 percent or \$50 into a savings account.

This is a great way for young adults to save. The money is sent directly to a savings account where it stays, rather than ending up in a checking account where it could be spent much more easily.

If your young adult's new employer offers this service, encourage him or her to open a savings account and determine how much he or she can set aside each pay period.

Check Out These Books!

Visit your local library
or bookstore ...



The Money Book for the Young, Fabulous and Broke

By *Suze Orman*

Aimed specifically at "Generation Broke" — those in their 20s and 30s who are working yet buried in credit card debt and student loans — this user-friendly guide offers a clear introduction to practical investing and money management techniques that can turn even a dismal financial situation around.



Please Send Money: A Financial Survival Guide for Young Adults on Their Own

By *Dara Duguay*

This book is a hands-on money management guide for young people from 16 to 25 years of age, written by a money management expert. Since most college students now graduate with debt, either student loans or from credit cards, young adults are desperately in need of the skills this book teaches.

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<http://moneycentral.msn.com/home.asp>

Microsoft's MSN Money website includes information on all aspects of money management. There is information on saving for college, why it's important for young people to start saving in their employer's 401(k) program, debt reduction, and universal information on personal finance and investing for all ages.

www.youngmoney.com

InCharge® Institute of America, a non-profit credit counseling service, publishes a magazine for young people, written by young people called *Young Money*. The magazine and its companion website offer great tips for young adults who want to know more about personal finance, investing, debt management and savings plans.



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