FINANCIAL LITERACY COMPONENTS:

Income
Expenses
Budgeting
CREDIT
TYPES OF CREDIT:

- Credit Cards (Store and Personal)
- Educational Loans (You Already Know About These)
- Auto Loans
- Personal Loans
- Mortgages
CREDIT CARDS:

- Observe Credit Limits (Remember this is not same as CASH)
- Look for LOWEST Interest Rate
- Pay Off Balance EVERY Month (You have a 25-day window to do so without Interest accrual)
- If You Pay in Full: Minimum PLUS Accrued Interest (at least – try minimum plus $100 above interest) Quicker You Pay, the Less this Borrowing Will Cost You
CREDIT SCORE:

- Components:
  - Total Amount Borrowed
  - Types of Borrowing
  - Total Available Credit
  - Payment History
  - Length of Time Each Account has been Active
HOW TO KEEP SCORE HIGH

- Remember: The Higher The Score The Cheaper It Is To Borrow Money In The Future
  - Pay Off Credit Cards Each Month
  - Pay More Than the Minimum on Both Loans and Cards (if you cannot pay in full)
  - Limit Your Number of Credit Applications (the more you apply for, the more desperate you seem)
  - NO LATE PAYMENTS (30 days or more)
AVOIDING CREDIT CARD DEBT

- Remember: This is Not Real Money
- Pay Cash for Things You Want (SAVE for things until you can pay with cash)
- Only Use a Card When You Have No Choice (Airline Tickets, Car Rental, Emergencies)
- Then Pay Off In Full When You Get Bill
SEE:

- How To Improve Your Credit Score