

## What You Should Know about Credit

**Too much credit card debt often leads to:**

- ◆ Stress
- ◆ A bad credit score
- ◆ Inability to get future loans
- ◆ Filing for bankruptcy, which stays on your credit report for 10 years

### What is a credit score?

Credit scores are based on a person's credit history. They are like a grade in school. You need to "earn" a good score. The scores range from 300 to 850. The two factors that have the most impact on credit scores are payment history and outstanding debt.

### A low credit score usually means:

- ◆ You will be denied credit in the future.
- ◆ When you do get credit, you will pay higher interest rates.
- ◆ You have far fewer options when getting an apartment, a checking account, a car, even a job!

*When you establish good credit and financial habits, your opportunities in life will be far greater! Start now building a good credit score!*

*Benchmark's friendly customer service representatives will be glad to answer your banking questions and help get you on the right financial track.*



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# Starting Your Financial Journey



*A Helpful  
How-to Guide  
for Young Adults*



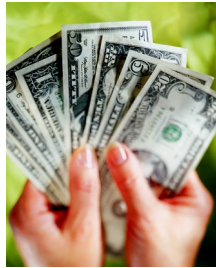
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## Tips for Managing Your Money

- ◆ Create an income worksheet: List all forms of income and their source. Total them.

Income	Amount
Wages	\$1,500.00
<b>Total</b>	<b>\$1,500.00</b>

- ◆ Create an expense worksheet: List your known expenses and amounts. Total them.



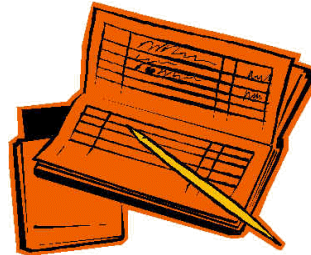
Expense	Amount
Rent	\$650.00
Car Payment	\$200.00
Cell Phone	\$ 60.00
Electric	\$ 80.00
Food	\$100.00
<b>Total</b>	<b>\$1,090.00</b>

- ◆ Calculate your spending money by subtracting expenses from income.



$$\$1,500.00 - \$1,090.00 = \$410.00$$

- ◆ Keep a record every month of what you spent your “extra” money on. If you are always running low, look to see where you could cut back.
- ◆ Don’t borrow what you can’t pay back within your budget.
- ◆ Don’t lend to friends if it puts you in jeopardy.



## Tips for Keeping Your Checking Account Straight

- ◆ Use a check register. Fill it out before you write a check.
- ◆ Make sure you include all transactions using your debit card.
- ◆ Be diligent in figuring the balance.
- ◆ Don’t forget to record any bank fees incurred or any interest earned.
- ◆ Use your monthly statements to reconcile your account balance.
- ◆ Keep your statements in a safe place.



## Tips for Credit Card Use

- ◆ Use a credit card only when you know you have the resources to cover it.
- ◆ Pay off the balance at the end of the month. The longer the wait, the more interest added and the harder it is to pay off in the future.
- ◆ If you do not maintain a zero balance, make sure your payments are made on time to avoid more fees.
- ◆ Never keep your PIN with your card and never share your PIN with anyone.
- ◆ Keep your credit and/or debit cards debit in a secure place.

