

BE WELL, BE FREE, AND BE YOU

A FINANCIAL PLANNING WORKBOOK

Acknowledgments

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All information presented here and throughout the financial workbook is based on sound research principles and sources, yet we cannot guarantee its accuracy outside of regular research channels and disclaim liability resulting from any actionable reliance.

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BUDGETING

Steps for Making a Budget

Step 1

Write down how much money you receive in your typical paycheck. If you are paid weekly, add that amount four times to get your monthly income. If you are paid bi-weekly, add that amount two times to get your monthly income.

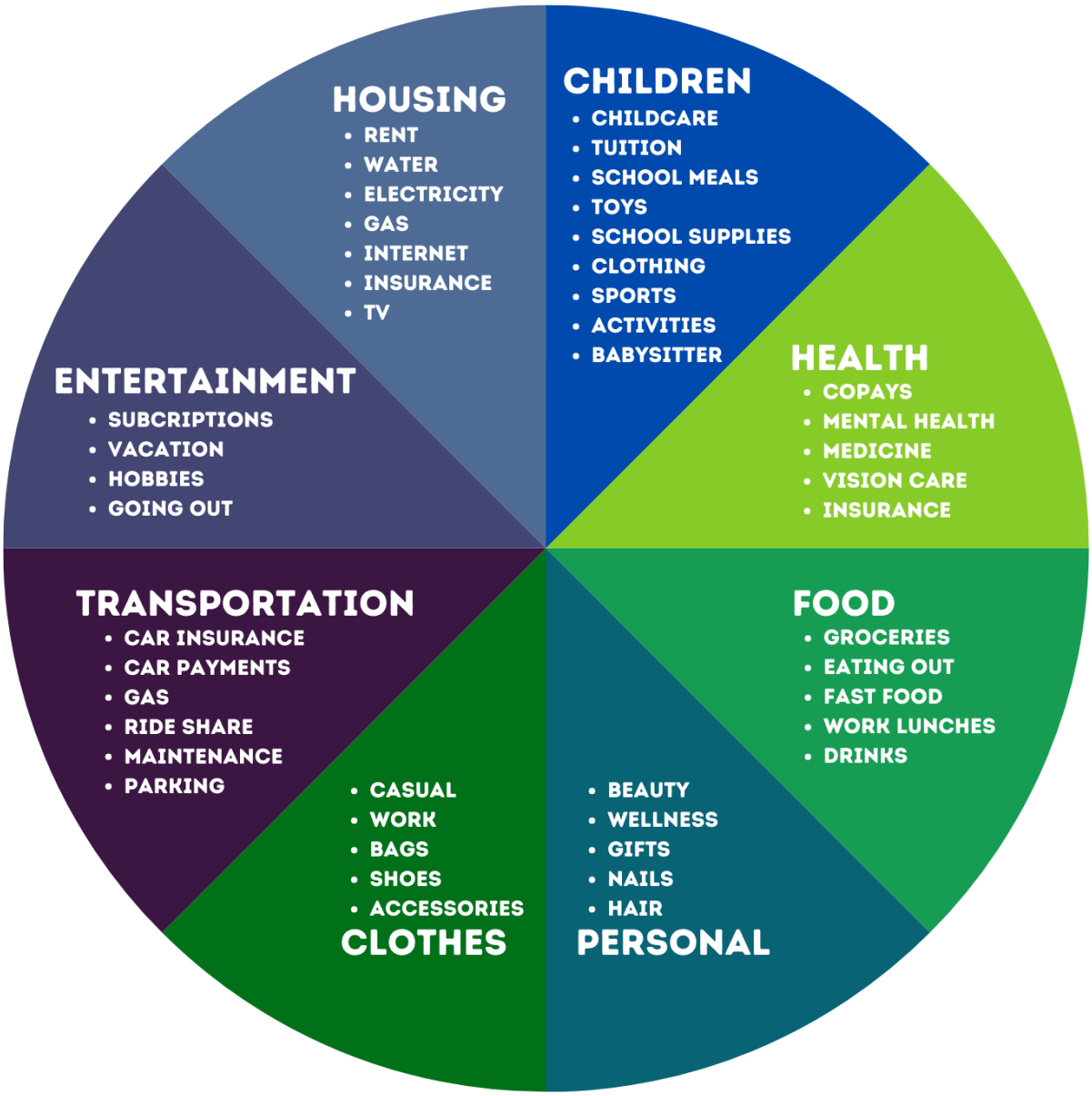
INCOME		
DATE	SOURCE	AMOUNT
TOTAL INCOME		

NOTES

Step 2

Track your expenses.

Here are some examples to help you get started: Mortgage, Rent, Utilities (such as gas, water, electricity, cable/satellite, internet, and cell phone), Transportation (including insurance, gas, car payments, and ride-share), Food (including groceries, eating out, energy drinks, and daily snacks), Personal Expenses (such as clothing, laundry, and toiletries), Holiday Gifts, Child Care/Support and School Supplies.



MONTHLY SPENDING

FOOD	
GROCERIES	
EATING OUT	
COFFEE	
FAST FOOD	
WORK LUNCHES	
DRINKS	
HOME DELIVERIES	
TOTAL	

HOUSING	
RENT/MORTGAGE	
WATER	
ELECTRIC	
GAS	
PHONE	
TELEVISION	
INTERNET	
INSURANCE	
REPAIR & MAINTENANCE	
TOTAL	

CLOTHES	
CASUAL	
WORK	
LOUNGEWEAR	
BAGS	
SHOES	
ACCESSORIES	
INTIMATES	
TOTAL	

ENTERTAINMENT	
SUBCRIPTIONS	
VACATION	
HOBBIES	
GOING OUT	
TOTAL	

HEALTH	
INSURANCE	
MEDICAL BILLS	
VISION	
DENTAL	
MEDICATIONS	
MENTAL HEALTH	
TOTAL	

PERSONAL	
BEAUTY	
WELLNESS	
GIFTS	
NAILS	
HAIR	
TOTAL	

TRANSPORTATION	
CAR INSURANCE	
CAR PAYMENTS	
GAS	
RIDE SHARE	
MAINTENANCE	
PARKING	
TOTAL	

CHILDREN	
CHILDCARE	
TUITION	
SCHOOL MEALS	
TOYS	
SCHOOL SUPPLIES	
CLOTHING	
SPORTS	
ACTIVITIES	
BABYSITTER	
ALLOWANCE	
CAMP	
TOTAL	

Step 3

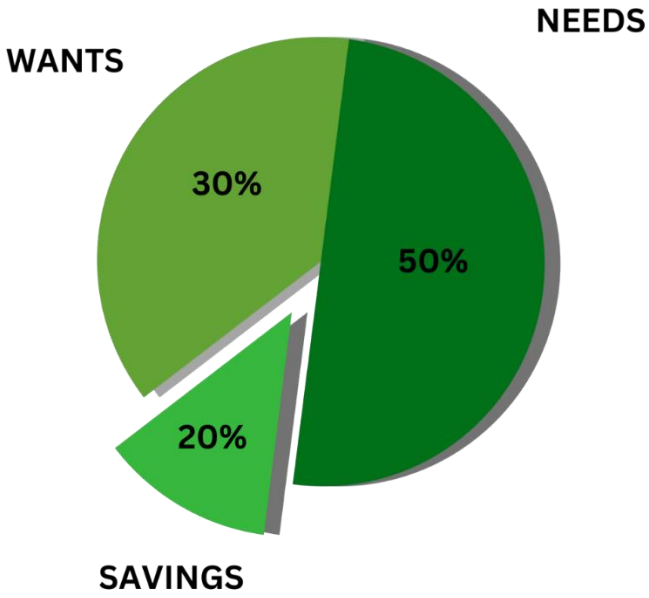
Use the monthly budget table and add the total income from Step 1. Then add the total of each expense from Step 2 to the table as well. Finally, subtract your monthly expenses from your income to determine your monthly savings.

INCOME - EXPENSES = SAVING

50/30/20 Rule

The 50/30/20 rule is a budgeting technique that involves dividing your money into three primary categories based on your after-tax income. It involves dividing your money into "NEEDS," "WANTS," and "SAVINGS". Fifty percent of your money should usually go to your NEEDS. Then thirty percent should go to your WANTS. Lastly, twenty percent should be put towards your SAVINGS.

It's important to note this is one of many budgeting techniques you can use to make a budget. Do not be discouraged if you are not able to meet 50/30/20 rule. What's important is that you start tracking your income and expenses to see where you can improve your budget.



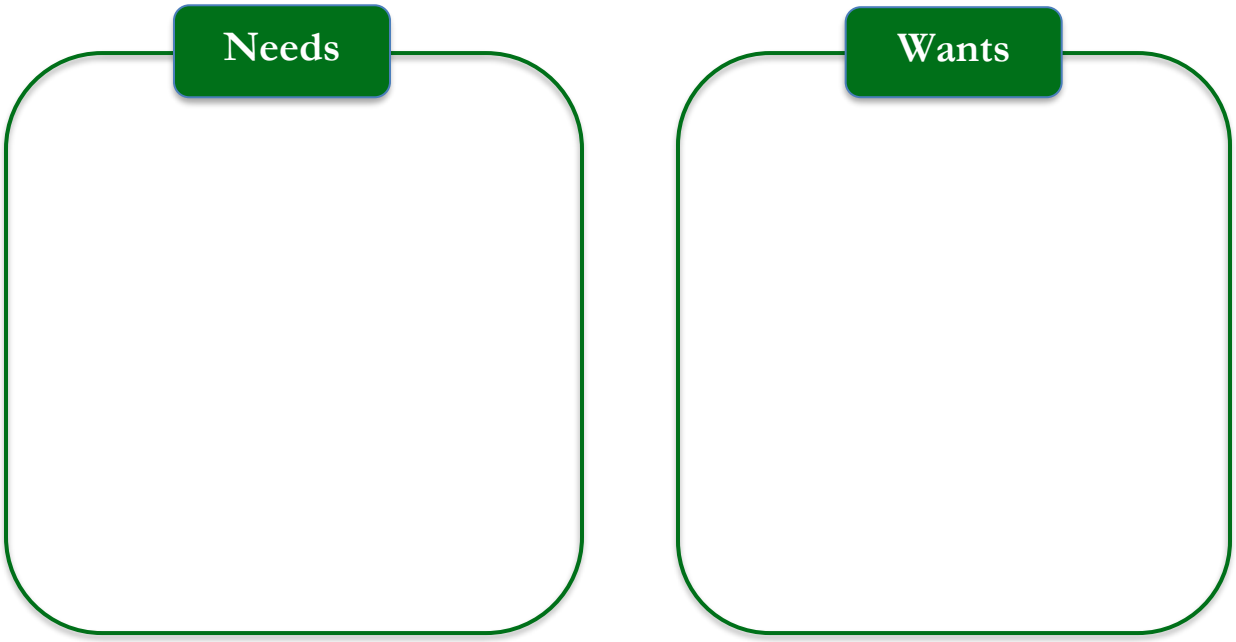


What are Needs and Wants?

Needs: things that people require to survive. Food, water, clothing, and shelter are all needs.

Wants: things that a person would like to have but are not needed for survival. A want may include a toy, expensive shoes, or the most recent electronics.

Directions: Categorize the list of expenses into Needs or Wants.



Clothes | Vacation | Food | Latest Smartphone

Phone | Internet Access | Designer Clothes | Water

Shelter | Healthcare

MONTHLY BUDGET	
	AMOUNT
TOTAL INCOME	
EXPENSES	
FOOD	
HOUSING	
CLOTHES	
ENTERTAINMENT	
HEALTH	
PERSONAL	
TRANSPORTATION	
CHILDREN	
TOTAL SAVINGS	



Scenario 1

Stephany is a single mother raising a 3-year-old child. She works full-time at a fast-food restaurant and resides in Carroll County, GA. Her weekly income is $500, making it $2,000 per month. After accounting for all necessary expenses, Stephany is left with $50 to put towards savings each month.

STEPHANY: MONTHLY BUDGET	
	AMOUNT
TOTAL INCOME	$2000
EXPENSES	
FOOD	$250
HOUSING: RENT	$800
HOUSING: UTILITIES	$150
PERSONAL	$100
TRANSPORTATION: GAS	$200
CHILDREN: CHILDCARE	$425
GIFTS	$25
TOTAL SAVINGS	$50

a. **How could Stephany decrease her expenses?**

b. **How could Stephany increase her income?**



Scenario 2

Carter is a single man, works full-time at a wood products company, and lives in Carrollton, GA. Carter also makes $2,000 income per month ($500 per week). Carter spends a total of $1,800 each month on expenses and items he needs. Carter puts $200 in savings each month.

CARTER: MONTHLY BUDGET	
	AMOUNT
TOTAL INCOME	$2000
EXPENSES	
FOOD	$250
HOUSING: RENT	$900
HOUSING: UTILITIES	$150
TRANSPORTATION: GAS	$300
PERSONAL	$100
GIFTS	$100
TOTAL SAVINGS	$200

a. **What could Carter do to save more money?**

b. **How could Carter cut on his spending?**



Scenario 3

The Johnson Family has two working adults: Brittany and Jamal, a grandmother: Ma Joe, one toddler: Jacob, and two school-age children: Nathan and Ivory, in the home. Ma Joe receives $750 SSI (Supplemental Security Income) each month. Jamal works full-time at an oil change garage and earns $2,000 income per month ($500 per week). Brittany works part-time as a waitress and earns $800 income per month ($200 per week). Total household income = $3,550 per month, and they spend $3,425 monthly on their needs and expenses. The Johnson Family puts $125 in savings each month.

THE JOHNSON FAMILY: MONTHLY BUDGET	
	AMOUNT
TOTAL INCOME	$3550
EXPENSES	
FOOD	$400
HOUSING: RENT	$1800
HOUSING: UTILITIES	$300
HOUSING: LAWNCARE	$125
CHILDREN: CHILDCARE	$100
TRANSPORTATION: GAS	$500
PERSONAL	$150
GIFTS	$50
TOTAL SAVINGS	$125

a. How could the Johnson Family cut their spending?

b. What could the Johnson Family do to save more money overall?

Additional Tips and Resources

There are many resources available to help you keep track of your income and spending once your budget is created. Below are a few apps you can use on your phone or through the Internet. But note that pen and paper are just as useful.

iGrad.com
Customized, interactive online and mobile financial wellness platform. You can sign up here: https://westga.igrad.com/signup

Consumer.gov
The main topics are Managing Your Money, Scams & Identity Fraud, and Credits, Loans, & Debts.

Fudget.com
You make lists of incoming and outgoing money and track your balances.



SAVINGS

What is a Savings Plan?

A **savings plan** includes emergency funds, retirement plans, and savings accounts. There are a few steps to follow when creating a savings plan. After completing your budget, which includes all expenses, start by:

Step 1

Listing the savings you would like to have, including emergency funds, retirement, vacation, savings accounts, a new car, etc.

Example: Savings Plan

1. Emergency fund
2. Vacation fund
3. Car fund
4. Retirement fund
5. _____

My Savings Plan

1. _____
2. _____
3. _____
4. _____
5. _____

Step 2

Once you've found the amount of money you have left over after your expenses, decide how much money you would like to place in each savings fund.

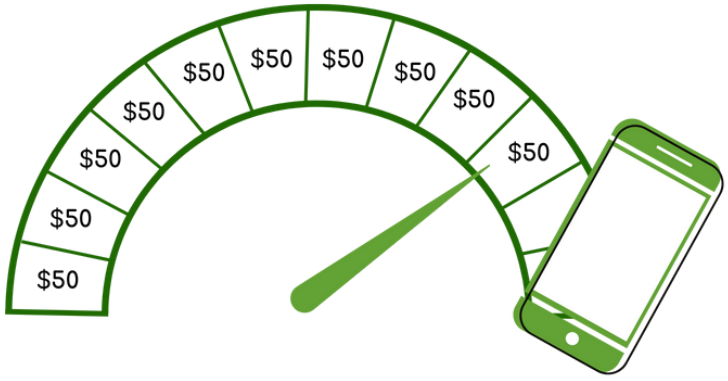
Savings scenario 1

Carter's goal: New phone

Carter wants to save for a new phone. The phone he wants costs about $500 with tax. Each month Carter had decided to put $50 in his new phone saving fund.

Carter began saving on January 1st with the aim of purchasing a new phone by October.

Below is his savings chart. Each bar on the chart represents $50 he's saved. It is July. Color in the correct number of bars to show how close Carter is to reaching his goal.



Savings scenario 2

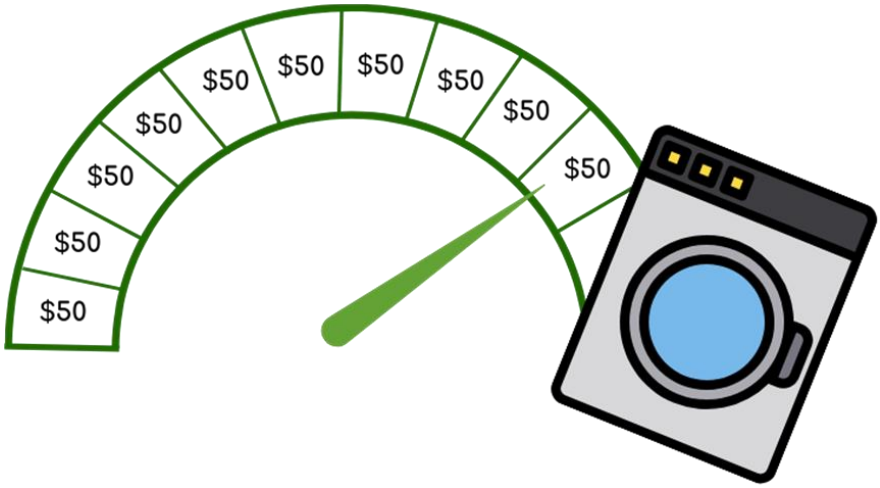
The Johnson Family Goal: New washing machine

The Johnson Family decided that they would like to start an emergency fund, a vacation fund, and a savings account. Remember: the Johnson Family makes $3,550 per month and spends $3,425 monthly on necessities, leaving $125 for savings.

The Johnson Family decides to place $50 each month in their emergency fund, $50 each month in their vacation fund, and $25 in their savings account.

In March, the Johnson Family's washing machine broke. They got two prices to repair the machine and looked up the cost of a new machine. The repair would cost them $300 and buying a new machine would cost them $500. They looked a little further and found a scratch and dent appliance outlet. They decided it would be better, in the long run, to take money out of their emergency fund and purchase a new machine with a minor dent for $250, saving $50 over the cost of the repair and $250 over the cost of a new machine.

So far, the Johnson Family has $500 saved in the emergency fund. Each bar on the chart represents $50. Color in the $250 cost of the washing machine the Johnson family decided to buy.





Tips for Increasing Your Income

Ask for a raise or bonus:

If you want to increase your income quickly, one of the best ways to achieve that is to ask your employer for a raise or bonus. However, it is crucial to prepare for it correctly. Make sure to keep a record of your professional achievements and honors. Highlight specific measurements and outcomes that demonstrate how your contributions and skills have positively impacted the company's ability to achieve its goals. In other words, you need to sell your story through your accomplishments.

Get a better-paying job:

If you are looking to increase your earning potential, it's recommended to update your LinkedIn profile and Resume to prepare for a higher-paying job. You can learn how to use LinkedIn to find better job opportunities with the help of a free course. Before applying for jobs, it's essential to check salaries in your area using websites like Glassdoor. This will help you get a fair idea of your worth. Additionally, you may consider taking classes or obtaining qualifications that can enhance your skills and help you earn more money.

Get a part-time job:

Consider getting a part-time job if your schedule allows. It can be an excellent way to increase your income, especially if a higher-paying position or a raise is not available at the moment. Your part-time job doesn't have to be a permanent or elaborate position. You can work part-time until you reach a certain amount of money or for a set time. The key is to focus on your goals and leverage part-time work to help you achieve them faster. Also, make sure to manage the additional income you earn from part-time employment wisely.

Start a low-cost side hustle:

Another option to boost your income is to start a low-cost side hustle. Starting a side gig allows you to make money from your skills or interests while developing a business. You can begin your side business on weekends or evenings after work.

Tips for Cutting Expenses

If you cannot change the income you receive, one way to increase savings is to cut expenses.

Save on medication by finding the lowest price:

Looking for the lowest price on medication? Save money by checking out these two URLs: https://www.goodrx.com/ and https://www.webmd.com/rx.

Suggestions for saving on food and groceries:

Plan your meals around sales, make a shopping list, consider buying store brands, stock up on non-perishable items when they are on sale, avoid convenience stores, and use a refillable water bottle.

Suggestions for general savings:

Ask for discounts: Many stores offer discounts to veterans, seniors, and teachers. Others offer discounts on particular days of the week and/or have free “memberships” that grant special prices and deals (such as Kroger Plus, Ingles Advantage, and CVS Care).

Savings Plan

Date : **Month :** **Year :**

My Goal	My Motivation

Starting Balance :

Required Amount :

Per/Day :	Per/Month :

Due Date :

My Notes

CREDIT

Establishing Credit

Option 1

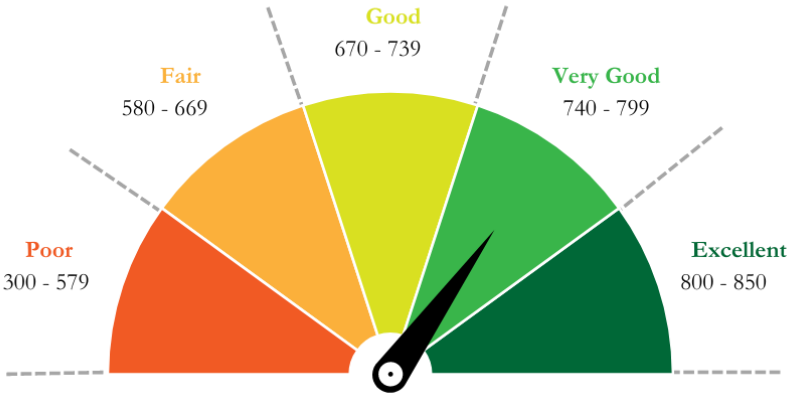
Having money available to borrow (credit card or loan) helps build your credit score. If you do not have a credit card, think about opening one: Visa, MasterCard, or American Express.

Avoid Discover, Diners Club, and store-specific credit cards, such as Belk, Macy's, Lowe's, Home Depot, etc. Choose the card with the lowest interest rate.

The card may be used to make purchases. If there is a balance, interest will be charged and the borrower must make a payment. The bank will report to the credit agencies, and each month you have used the card responsibly, your credit score will increase.

Option 2

A different option is to open a secure credit card. Similar to a security deposit, when a credit card is secured, it means money must be deposited with the bank. The money is a security deposit and is held by the bank while the credit card is open. The credit limit is the same amount as the deposit. The card may be used just like a regular credit card to make purchases. If there is a balance, interest will be charged and the borrower must make a payment. The bank will report to the credit bureaus as they do with all credit cards, and each month you have used the card responsibly, your credit score will increase.



Credit scenario

Carter has a credit score of 450 (Poor) because he does not have a credit history. He does not qualify for a credit card but would like to establish credit. Remember: Carter earns $2,000 monthly and pays $1,800 for monthly expenses. Carter sets up a secured credit card with his local credit union. He uses $200 of his savings to place as a security deposit. Carter now has a credit card with a limit of $200. He uses his credit card to pay his utilities each month, and he pays off the $120 balance each month on the day after the bank reports to the credit bureau. After one year of spending 60% of his available credit and paying off the balance in full, he has established a credit history and can now open a regular credit card.

Types of Lending Agencies

Retail Banks

Retail Banking provides you with personal financial services. It allows you to manage your money, have access to credit, and deposit your money safely. Retail banks may be local community banks or big commercial banks. Retail banks are insured by the federal government.

PROS	CONS
Online Banking	Stricter Eligibility Rules
Multiple Locations	High Interest Rates
Secured Money	Higher Transaction Fees

Credit Unions

A credit union is similar to a retail bank. It is owned by those who do their banking there instead of being owned by a company. Credit unions are insured by the federal government.

PROS	CONS
Lower interest rates for credit and loans. Higher interest rates for savings.	Must be a member
Lower Fees	Fewer Physical Locations
Secured Money	Offers fewer financial products: Consumers have less options to choose from

Savings and Loan Associations

Savings and Loan Associations are owned by those who do their banking there instead of a company. They may offer other banking services, but savings and loan associations are focused on home loans.

PROS	CONS
Focus on low-cost funding for mortgages	Minimum balance requirement or monthly fees
Deposits are insured by the federal government	
High interest rates on accounts: they encourage deposits	

Types of Credit Cards

American Express (Amex)

The American Express credit card provides a range of benefits including rewards, travel perks, and security features, catering to diverse financial needs with a reputation for reliability and service excellence.

PROS
Potential to earn reward points
Multiple offers and benefits such as cashback or limited time discounts when purchasing certain products
Emergency card replacement
Contactless payment

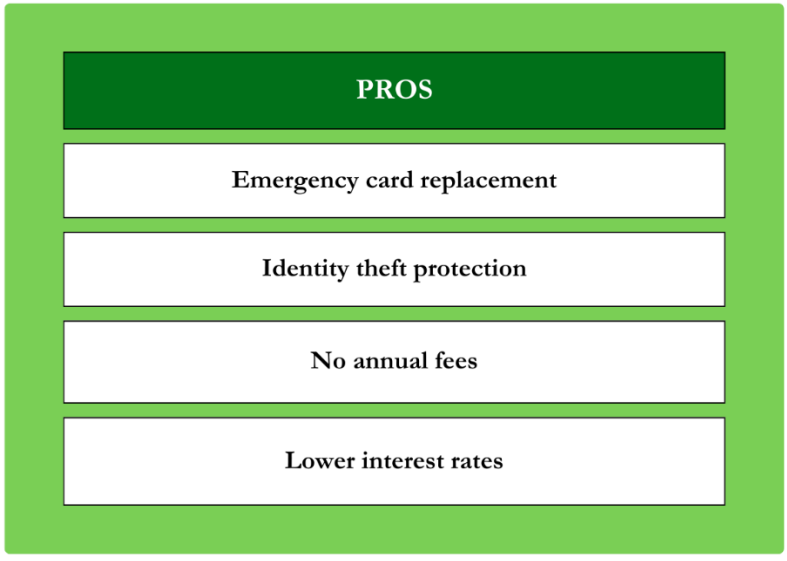
Visa

The Visa credit card is a widely accepted financial tool offering flexibility and convenience for everyday purchases, travel, and online transactions with its global network and various card options.



MasterCard

The MasterCard credit card is a globally accepted financial tool known for its widespread accessibility and diverse range of benefits with various card options tailored to different needs.



How to Improve Credit

- Use your credit card monthly to purchase or pay bills that are already budgeted.
- Do not use your credit card for expenses or purchases that are not budgeted.
- Carry a balance of 10% or less of your available credit limit.
- Pay off credit balances each month on the day after the bank reports to the credit bureau.

Scenario

Stephany already has a credit card with a limit of $500 and a credit score of 629 (fair). She would like to raise it. Remember: Stephany earns $2,000 monthly and pays $1,950 for monthly expenses. To raise her credit score, Stephany uses her credit card to pay up to $50 of her monthly needs (groceries, gas, personal hygiene, and school supplies). She pays the total balance off each month on the day after the bank reports to the credit bureau. After 12 straight months in a row, her credit score rises from fair to good.

Tips for Managing Credit

- Look at your credit score often (see below for free websites/apps to see your credit score).
- Be careful with small things that can impact your credit: unreturned library books, unpaid medical bills, unpaid parking tickets, etc.
- Do not allow companies to run credit checks or reports unless needed.
- Keep copies of credit receipts in a secure place and check them against your monthly statement.



Understanding Loans

A loan is an amount of money borrowed that is expected to be paid back with interest. (A loan is a type of credit that can affect one's credit score).

There are different types of loans. Some of the most common are:

Payday Loans

Payday loans are small, short-term loans. They are usually $500 or less and must be repaid within two to four weeks. They may also be called cash advance loans.

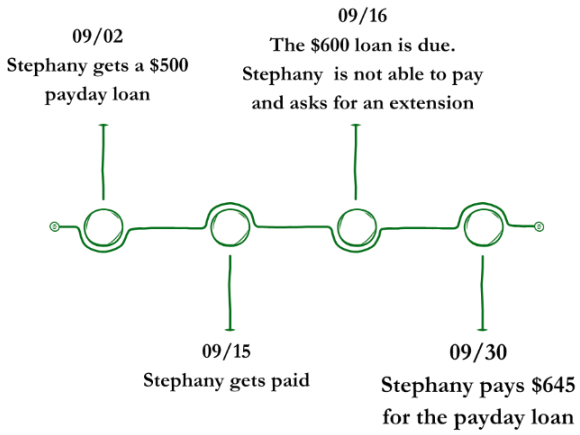
To get a payday loan, you give the lender permission to take out of your bank account the amount you have borrowed plus the lender fee on a specific date in the future. To make sure the lender will receive payment, you will need to give the lender your bank account details or a personal check. If you do not repay the loan on time, the lender will cash the check or debit your account.

- Keep in mind: If there is not enough money in the account to cover the check or debit, the bank will likely charge additional fees.
- These loans have high-interest rates: Lenders usually charge from $10 to $30 for every $100 borrowed.
- These loans are to be repaid within two to three weeks.

You can extend your time to repay your loan but, with each extension, an additional fee called a rollover fee is charged. Rollover fees can be $40 - $50 per two-week extension.

Payday loan scenarios

Stephany gets paid on September 15. She gets a $500 payday loan on September 2 that has a finance charge of $100. The total loan amount is $600. She wrote a personal check to the lender for $600 dated September 16. On September 16, she is not able to repay the loan and asks for an extension. The lender agrees to 14 more days but charges an additional rollover fee of $45. Stephany wrote an additional check for $45 dated September 30. In total, Stephany paid $645 for a $500 payday loan.



Pawn

When one gives a lender something of value in exchange for a short-term loan, then once the loan plus a fee is repaid, the lender returns the valuable item.

- Valuable items may include jewelry, electronics, tools, equipment, etc.
- Pawn loans must be repaid in 15 to 30 days.
- If you do not repay the loan on time, the valuable item becomes the property of the lender.

Title Pawn

A title pawn is a type of agreement in which a borrower gives their car title to a lender in exchange for a short-term loan. Once the loan plus a fee is repaid, the lender returns the car title to the owner. They typically last 15 or 30 days.

They are usually for amounts ranging from 25% to 50% of the vehicle's value. The lender will want to see the vehicle, a photo ID, and proof of insurance. Many lenders also want a duplicate set of keys for the vehicle. If you get the title loan, you won't get your vehicle title back until you repay the amount you borrowed, plus the lender's finance charge and other fees.

Like payday loans, title loans are very expensive, and the time to pay back your debt can be extended; however, unlike payday loans, when a title loan is extended it does not solely receive rollovers; additional interest is added on as well.

If your loan is not paid back, the lender can take possession of your vehicle and do what they please.

Mortgage Loans

A mortgage is a loan from a bank or other financial institution that helps a borrower purchase a home. These loans are typically 15 to 30 years.

Car Loans

A car loan is a loan from a bank or other financial institution that helps a borrower purchase an auto vehicle. These loans are typically 3 to 6 years.

Personal Loans (Line of Credit)

A personal loan is a loan that allows flexible use, with short-term repayment options and relatively quick funding. Lines of credit, like a credit card, do not have a time limit.

General Loan Information

Co-signing a Loan

A co-signer is not the borrower. A co-signer is a person who agrees to support the borrower. The co-signer signs the loan along with the borrower and agrees to pay back the loan in case the borrower does not.

Interest Rates

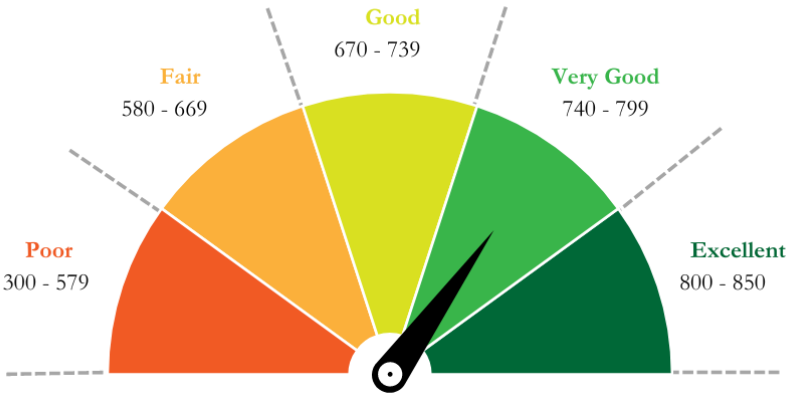
Interest rates are amounts charged for borrowing money. Depending on your credit score, you will be charged a specific amount of interest rate.

Factors that affect your interest rate include:

- Current Income – How much money you make per month.
- Credit Score - The better the credit score, the lower the interest rate.
- Current Debt – How much money you owe others (credit cards, loans, etc.).
- Current Employment – Full-time, part-time, or unemployed status.

Credit Score

300-579 is poor, 580-669 is fair, 670-739 is good, 740-799 is very good, and 800-850 is excellent. For example, if you have a high credit score (for example, 750), it means that you are in good standing and that you have always paid your bills on time.



Credit Resources

AnnualCreditReport.com

AnnualCreditReport.com is a centralized platform authorized by federal law that enables consumers to request free credit reports from the three major credit bureaus: Equifax, Experian, and TransUnion. This service allows individuals to review their credit history annually, helping them monitor for inaccuracies, detect potential fraud, and manage their financial well-being effectively.

To receive this free credit report, go to AnnualCreditReport.com, call 1-877-322-8228, or complete the Annual Credit Report Request Form and mail it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

Credit Karma

This service is available as a website and phone application:

- https://www.creditkarma.com/

This service will link to your financial accounts and let you know your real-time credit score and a history of your scores and recent changes.

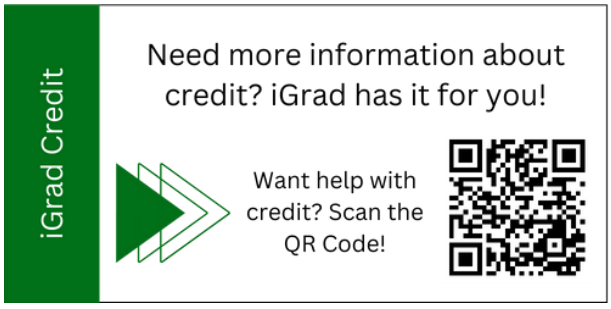
Credit Exercise

Knowing how to manage your credit well is essential to financial stability. In this exercise, you will learn about Stephany and the financial decisions that she makes. After reading about her financial behavior, determine whether each decision had a positive, negative, or minimal/no impact on her credit.

Directions:

On the Impact on Credit column, place either a +, --, or no impact to represent positive, negative, and no impact respectively.

The Answer key is in the Appendix.



Behavior	Impact on Credit	Explanation
Stephany has been using her credit card for the last three years and always makes her payments on time. She sometimes pays her amount in full, but always pays at least the minimum.		
Stephany applied for a new credit card with a higher limit.		
Stephany applied for a management position at her fast food job. As part of the process, they order a credit report on Stephany. Stephany gets the management position!		
Stephany finds a new apartment, and her landlord orders a credit report.		
Stephany gets new furniture for her apartment, pushing her credit card over its limit.		
Stephany applied for three new credit cards at nearby department stores.		
Stephany maxes out two of her three new credit cards.		
Stephany struggles to make her credit card payments as well as her rent. She's later on two of her credit card payments.		
Stephany's car breaks down, and she decides to buy a new one. The car dealer turned down her request for a loan due to poor credit.		
Stephany seeks help from a reputable local nonprofit credit counseling agency.		
Stephany sticks to her spending plan and meets all her minimum payments; sometimes she pays more than the minimum amount.		
Stephany cancels two of her recent credit cards and only uses her remaining credit cards when she needs them.		

TAXES

Doing your taxes can be overwhelming, but it can become a simple task with a little knowledge. As you follow this workbook, we will help you get the basic knowledge you need to fill out your personal taxes. This starts with the forms you may need and what they are to credits and deductions that may be available to you.

Now, let's get started on improving your knowledge of your personal tax return.

Gathering Information

The first step is to collect the official tax forms you received to prepare your personal tax return. Use the checklist below to confirm you have all the documents you need.

Forms You May Be Sent	
W-2 A form you get from any business you did work for as an employee that outlines your gross income earned, deductions withheld, and taxes paid.	☐
1098 If you have a mortgage, this will outline the interest you paid.	☐
1098-E If you paid more than $600 in student loan interest.	☐
1098-T If you paid qualified tuition and enrollment fees in the prior tax year.	☐
1099-B If you sold assets with a broker during the year.	☐
1099-DIV If you were paid dividends this year it will outline the amount you were paid.	☐
1099-INT If you earned interest from places you hold money; financial institutions, brokerages, etc...	☐
1099-MISC This is a "catch-all" form for miscellaneous income paid to you. Examples are renting a property out or selling items to people or a business.	☐
1099-NEC If you did freelance or contract work, this is for work where you're not considered an employee.	☐

Using the Right Tax Form

The next step is to know which tax form to complete. Below are the possible forms you may need to fill out. The most common is form 1040.

Forms You May Need to Complete	
1040 The standard form used to report tax information.	☐
1040-SR If you're aged 65 or older and need to file your taxes, you can use Form 1040-SR, which is specifically designed for seniors. It's very similar to the standard Form 1040, but with larger font size and highlights senior-specific tax benefits more prominently.	☐
Schedule A Itemizing deductions requires filing Schedule A, which includes seven categories of expenses: medical and dental expenses, taxes, interest, gifts to charity, casualty and theft losses, job expenses, and certain miscellaneous expenses.	☐
Schedule C Schedule C is a place to report the revenue from your business, as well as all the types of expenses you incurred to run your business.	☐
1040-ES Form used to pay estimated tax payments throughout the year.	☐
1040-V A voucher used to pay any taxes you have due with your return.	☐
1040-X Form used to change or update your previously filed tax return.	☐

Aside from collecting the documents you need; it is also important for you to know your:

- Name as written on your Social Security Card
- Date of birth
- Social Security number
- Current home address
- Names and Social Security number of any dependents (if applicable)

Your name and the dependents' names on the tax return should match what is written on the Social Security Card.

Filing Status

Filing status is used to determine your filing requirements, standard deduction, eligibility for certain tax credits, and the rate at which your income is taxed.

Single:

Taxpayers who are unmarried, divorced, or legally separated can use this filing status. Filing single often results in a higher tax rate but is the default choice for unmarried, divorced, or legally separated taxpayers who do not qualify as a Head of Household (HOH) or Qualifying Widow(er) (QW).

Similar to filing as "Married Filing Separately," filing as "Single" limits your liability to your own tax obligation.

Head of Household (HOH):

Considered unmarried, not be claimed on someone else's tax return, and be able to claim a qualifying dependent on your return.

Qualifying Widow(er):

If you qualify, you can use this filing status for the two tax years after the death of your spouse, but you cannot use it for the year of their death.

The requirements to qualify are that you are qualified to file as married filing jointly with your spouse the year they died and that you didn't remarry before the close of the tax year your spouse died. Additionally, if you have a child, stepchild, or adopted child, you can claim them as your dependent (This does not apply to foster children). You also have to have paid more than half the cost of maintaining your home, which must be the main home of your dependent child for the entire year.

Married Filing Jointly:

Married taxpayers can file a joint return with their spouse. If a spouse passes away, the widowed spouse can choose to file a joint return for that year.

Filing jointly with your spouse generally results in the lowest total tax because it allows for a larger standard deduction. It also has higher income thresholds for certain tax benefits like IRA contributions. Additionally, it qualifies taxpayers for multiple tax credits.

Married Filing Separately:

Married taxpayers can choose to file separate tax returns. Even though the spouses will be filing separately, they both must either take the standard deduction or itemize deductions (i.e. one spouse can't take the standard deduction if the other spouse wants to itemize their deductions.).

Filing separately can be beneficial in some unusual cases. One example is if you or your spouse has significant out-of-pocket medical expenses to claim. This is because the threshold for calculating the deductibility of out-of-pocket medical expenses may be lower by filing separately compared to filing jointly.

If both spouses itemize their deductions and have shared deductions paid for by both spouses, the deduction can either be claimed in full by one spouse or can be split between spouses.

Note: All of the tests for filing status are based on your status on the last day of the tax (calendar) year, which is December 31st. (i.e. if you are married on December 31st, you can file as "Married Filing Jointly" for that entire year).

If you need more assistance in determining your filing status, the IRS has an interactive tax assistant tool to help you determine this. See the "Resources to File Your Taxes" section for access to this tool.

Directions: Match the scenarios to a filing status

Single	Head of Household	Married Filing Jointly	Married Filing Separately	Qualifying Widow(er)

1. _____ is the default filing status.
2. _____ requires you to take the same deduction as your spouse.
3. _____ cannot be remarried before the close of the tax year of their spouse's death.
4. _____ generally, results in the lowest total tax.
5. _____ is unmarried and paid more than half the costs of your household for the year.
6. _____ and _____ limit your liability to your own tax obligation.
7. _____ requires that you have a child, stepchild, or adopted child you can claim as a dependent.
8. When you're _____, one spouse can claim the full itemized deduction, or they can both split the deduction.
9. _____ qualifies taxpayers for multiple tax credits.
10. _____ and _____ require that you pay more than half the cost of maintaining your household for the year.

The Answer key is in the Appendix.

Dependents

If you support someone other than your spouse, you may be able to claim a tax break for them, which will lower the amount of your income that is subject to tax. This tax break is called a dependency exemption.

There are two types of dependents: Qualifying Child and Qualifying Relative

Qualifying Child

All of the following tests must be met to claim a dependency exemption under the rules for a qualifying child.

Dependent Taxpayer Test: If you could be claimed as a dependent by another person, you cannot claim anyone else as a dependent. Even if you have a qualifying child or a qualifying relative, you cannot claim that person as a dependent.

Joint Return Test: To meet this test, the child must be:

a. Unmarried,
b. Married but does not file a joint return, or
c. Married and files a joint return only to claim a refund of withheld tax, neither the dependent nor spouse can claim personal exemption on their joint return.

Citizen or Resident Test: To meet this test, the child must be:

a. A U.S. citizen or resident,
b. A resident of Canada or Mexico, or
c. An adopted child who has lived with you for the entire year.

Relationship Test: To meet this test, the child must be your son, daughter, stepchild, eligible foster child, adopted child, or a descendant (for example, your grandchild) of any of them, or your brother, sister, half-brother, half-sister, stepbrother, stepsister, or a descendant (for example, your niece or nephew) of any of them.

Age Test: To meet this test, the child must be under the age of 19 at the end of the year and younger than you (or your spouse if filing jointly), a full-time student under the age of 24 at the end of the year, and younger than you (or your spouse if filing jointly) or permanently disabled at any time during the year, regardless of age.

Residency Test: To meet this test, the child must have lived with you for more than half of the year or meet one of these two exemptions:

a. Temporary absences: illness, education, business, vacation, or military service.
b. Death or birth of child: a child who was born or died during the year.

Support Test: To meet this test, the child must not have provided more than half of his or her own support.

Note: There are special rules for a child that is the "qualifying child" of more than one person.

Qualifying Relative:

Similarly, to qualify as a qualifying relative, the dependent must meet the Dependent Taxpayer Test, Joint Return Test, Support Test, and Citizen or Resident Test.

Member of Household or Relationship Tests: Live with you all year as a member of your household or be related to you in one of the allowable ways under relatives who do not have to live with you.

Taxpayers will meet this test for persons who are relatives, even if the persons are not members of the taxpayer's household for the entire year or who are not relatives if the persons are members of the taxpayer's household for the entire year.

Not a Qualifying Child Test: A child is not your qualifying relative if the child is your qualifying child or the qualifying child of anyone else.

Gross Income Test: Taxpayers will meet this test for persons whose gross incomes are less than the exemption amount. This number changes yearly, but they must not make more than the threshold set by the IRS.

A taxpayer cannot claim a dependency exemption for a person who can be claimed as a dependent on another tax return.

Let's test your understanding of the dependency exemption

Choose the correct answer to the following questions.

1. Carter's cousin lived with him all year. Meets

A. Relationship
B. Member of Household
C. Both
D. Neither

2. Brittney's daughter lived at college for nine months during the year. Meets

A. Relationship
B. Member of Household
C. Both
D. Neither

3. Stephany's best friend lived with her all year. Meets

A. Relationship
B. Member of Household
C. Both
D. Neither

4. Jamal's cousin visited every weekend during the year. Meets

A. Relationship

B. Member of Household

C. Both

D. Neither

Nathan, a U.S. citizen, is single and studied on an exchange program in Costa Rica during the year. Nathan's parents want to claim a dependency exemption for him. Answer the following questions about Nathan.

1. Does Nathan meet the relationship test?

A. Yes

B. No

2. Does Nathan meet the joint return test?

A. Yes

B. No

Stephany's parents want to claim a dependency exemption for her. Stephany is 18 years old. Stephany got married and is filing a joint return with her husband. Stephany's husband is an attorney; he earns $47,500 per year. Since Stephany and her husband owe $500 in tax, they will not receive a refund of the withheld tax. Answer the following questions about Stephany.

1. Does Stephany meet the relationship test?

A. Yes

B. No

2. Does Stephany meet the test to be a "qualifying child"?

A. Yes

B. No

3. Can Stephany's parents claim a dependency exemption for her?

A. Yes

B. No

The Answer key is in the Appendix.

Tax Credits and Deductions

Tax credits and tax deductions can both reduce your tax bill, but they work in different ways.

Tax credits and tax deductions are two different ways to reduce your tax liability. Tax credits directly lower the amount of tax you owe, providing a dollar-for-dollar reduction of your tax bill. For example, if you have a tax credit worth $2,000, your tax bill is reduced by the same amount of $2,000.

On the other hand, tax deductions decrease the amount of your income that is subject to taxes. Deductions reduce your taxable income by the percentage of your highest federal income tax bracket. So, if you fall into the 22% tax bracket, a $2,000 deduction will save you $440.

Tax credits can fall into one of these three categories: nonrefundable, refundable, and partially refundable.

Nonrefundable tax credits

Nonrefundable tax credits directly reduce your tax liability by the credited amount. For instance, if you're eligible for a $500 nonrefundable credit, your taxes owed decrease by that exact amount. However, any unused portion of the credit isn't refunded once your tax liability reaches zero.

Refundable tax credits

Refundable tax credits are valuable, as they not only lower taxes owed but can also result in a refund. If your tax liability is less than the credit amount, the excess is returned to you as a refund after filing your tax return. For example, owing $500 with a $700 refundable credit means receiving a $200 refund from the IRS.

Partially refundable tax credits

Partially refundable tax credits offer a middle ground, lowering tax liability by the credited amount. If taxes owed are less than the credit, you may receive a partial refund for the excess, up to a specified limit. For instance, a $1,000 credit with $500 being refundable could either reduce tax liability by $1,000 or provide up to a $500 refund if taxes owed are less than the credit amount.

The below-listed credits are the most common and available to most individuals:

Child Tax Credit

This is a tax break for families who have children below the age of 17, but there are income requirements that you have to meet.

Child and Dependent Care Credit

This is meant to cover a percentage of daycare or similar expenses for a child under the age of 13, a spouse/parent unable to care for themselves, or another dependent so you can work.

American Opportunity Tax Credit

This allows you to claim all of the first $2,000 you spent on tuition, books, equipment, and school fees — but not living expenses or transportation — plus 25% of the next $2,000, for a total of $2,500.

Lifetime Learning Credit

This credit lets you claim 20% of the first $10,000 you paid toward tuition and fees, for a maximum of $2,000, but it does not include living or transportation expenses. You can claim books or supplies needed for coursework.

Adoption Credit
This is a non-refundable tax break that helps taxpayers cover a certain amount of qualified adoption costs per child. The credit begins to incrementally decrease at certain income levels and completely phases out once your modified adjusted gross income (MAGI) exceeds the given threshold for that tax year.

Earned Income Tax Credit
A refundable tax break for low-income taxpayers with and without children.

Saver's Credit
A credit that removes 10% to 50% of up to $2,000 ($4,000 if filing jointly) in contributions to an IRA, 401(k), 403(b), or certain other retirement plans from the taxes you have to pay. The percentage depends on your filing status and income.

There are two types of deductions: Standard and Itemized.

Standard deduction:
A standard deduction is a dollar amount that individuals can subtract from their overall tax bill. This dollar amount changes every year and all you do is check the appropriate boxes to claim these deductions. Some people are ineligible to take the standard deduction.

Itemized deduction:
For an itemized deduction, you will need a Schedule A. This is a form that shows qualified itemized deductions. An itemized deduction is specific to each taxpayer and is calculated based on the total of all applicable deductions you have.

Filling Status	2023 Standard Deduction
Single	$13,850
Married, filing separately	$13,850
Married, filing jointly; qualified widow/er	$27,700
Head of household	$20,800

How to Calculate Your Tax Liability or Refund

For the 2023 tax year, there are seven tax brackets for most ordinary income, ranging from 10 percent to 37 percent. Your specific tax bracket is determined by your taxable income and filing status: single, married filing jointly, married filing separately, or head of household. Generally, as your income increases, so does your tax rate.

Understanding tax brackets can be complex because taxpayers often overlap multiple brackets, making it necessary to calculate their effective tax rate based on their gross income rather than simply identifying their tax bracket based on income alone.

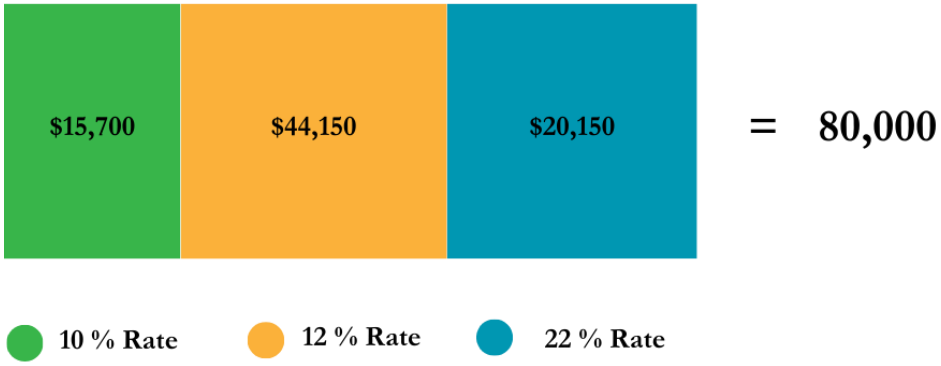
Scenario

Stephany made $24,000 gross income in 2023 and has one qualifying child. Her filing status is Head of Household, so her standard deduction is $20,800. Stephany's taxable income is $3,200 ($24,000 - $20,800). Based on the Head of Household 2023 tax bracket, Stephany would fall into the 10% tax bracket. Her tax liability is $320.

Head of Household (Based on Taxable Income)	
Income Range	**Tax Rate**
$0 - $15,700	10% of the amount over $0
$15,701 - $59,850	$1,570 + 12% of the amount over $15,700
$59,851 - $95,350	$6,868 + 22% of the amount over $59,850
$95,351 - $182,100	$14,678 + 24% of the amount over $95,350
$182,101 - $231,250	$35,498 + 32% of the amount over $182,100
$231,251 - $578,100	$51,226 + 35% of the amount over $231,250
$578,101+	$172,623.50 + 37% of the amount over $578,100

Let's say Stephany made $50,000 gross income in 2023. Stephany's taxable income is $29,200 ($50,000 - $20,800). The first $15,700 of her taxable income would be taxed at 10%, and then $13,500 would be taxed at 12%. Stephany's tax liability is $3,190 ($1,570 + $1,620).

a. **How much would Stephany's tax liability be if she made $80,000?**



Scenario (Continued)

From Stephany's W-2 job, her employer withheld $500. Additionally, Stephany qualifies for the Child Tax Credit of $2,000, which includes the refundable portion of the Child Tax Credit of $1,600. She also qualifies for the nonrefundable Child and Dependent Care Credit of $3,000 and refundable Earned Income Tax Credit of $3,995. Due to her tax credits, her true tax liability is a tax refund of $5,775. ($500 - $320 + $1,600 + $3,995).

Resources to File Your Taxes

What is my filing status?

https://www.irs.gov/help/ita/what-is-my-filing-status

Tax Deadline:

Tax time comes around every year. Most people have to get their taxes in by April 15th, However, people can request an extension to file their taxes until October 15th by filing "Form 4868".

There are so many helpful tools to prepare your taxes: Free filing, VITA, and TCE.

Free File

To free file with the IRS, your Adjusted Gross Income (AGI) must be less than $79,000 for your federal taxes. Free filing may also be available for your state taxes.
Free File: https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free

Volunteer Income Tax Assistant Program (VITA)

Another helpful free resource for filing your taxes is the "Volunteer Income Tax Assistant Program" (VITA). This is a program for individuals who make $60,000 a year and/or have disabilities or limited English. They are IRS-certified volunteers who help individuals fill out their basic tax forms.
VITA Finder: https://irs.treasury.gov/freetaxprep/

Tax Counseling for the Elderly (TCE)

One additional way is "Tax Counseling for the Elderly" (TCE), which is a program for individuals who are 60+ years old. **TCE Finder:** https://irs.treasury.gov/freetaxprep/





FRAUD

Identity Theft & Scams

Every year, roughly 15 million Americans are affected by identity theft and, in 2021 alone, the Federal Trade Commission (FTC) received 2.8 million fraud reports from Americans that have been scammed. There are ways to ensure the security of your identity and protect yourself from scammers.

Fraud

A crime in which someone tricks somebody else to get unfair or unlawful gain.

Identity Theft

A type of crime in which someone wrongfully obtains and uses another person's personal data.

Scam

A fraudulent or deceptive act or operation.

How to Protect Yourself Against Identity Theft

- Destroy mail or other documents that include personal information before throwing it away.
- Create different and strong passwords for your accounts.
- Look at credit card and bank statements weekly for any transactions you don't recognize.



How to Protect Yourself Against Scams

Most common types of scams:

Telephone scams

Scammers call people and tell them that they won a lottery, and they need their bank account information to send the money.

Email scams

When you get a random email that asks you to click on a link. If you click the link, they can steal information and data from your laptop or cellphone.

Fake Internal Revenue Service (IRS) websites

There are websites that pretend to be part of the IRS so people will pay the amount due on their websites.

Habits of Scammers:

Typically, scammers will ask you to send them money in very suspicious ways, including the scammer telling you to keep secret that you are talking to them and sending them the money. One of their most common ways to have you send them money is by mailing cash in a package along with something such as a book; they will also specifically ask you to mention that the package is for your family.

Another very common way that scammers ask you to send them money is by buying gift cards and giving them the scratch-off code, and the scammers will almost always tell you to mention to the cashier that the cards are for personal use.

Scenarios

- Scammers may call and say you did not appear for jury duty and must pay a fine or you will be arrested.
- Scammers may call and say you will be fined, arrested, or deported if you do not pay taxes or some other debt right away.
- Scammers may say your Social Security or medical benefits have been suspended because of COVID-19-related office closures.
- Scammers may say you can get a free COVID-19 test kit from Medicare in exchange for giving personal or financial information.
- Scammers may say you owe back taxes, there is a problem with your return, or please verify your information.

Things to Know About Identity Theft and Scams

Internal Revenue System (IRS)

The IRS will never call or email you; they will only send you mail through the United States Postal Service.

Emails

When receiving emails from companies, always compare the email address in the message that you received with their official email address on the website. Most companies' official emails will end with a custom domain name.

ex: John who works at Coca-Cola has a work email address with the Coca-Cola domain: JohnSmith@Coca-Cola.com.

The Social Security Administration (SSA)

The SSA will never call you and say that your Social Security Number (SSN) has been suspended. You will always receive a mailed letter for anything related to your SSN.

United States Citizenship and Immigration Services (USCISC)

USCISC will never call you and say that your SSN has been suspended. You will always receive a mailed letter for anything related to your SSN.

Free gift card

Do not reply to text messages or emails saying that you won a gift card, and they want you to provide more contact information. Do not click on a website or take a short survey that asks questions about your finances or other personally sensitive details.



What to Do if You Experience Identity Theft or Scams

The Federal Trade Commission (FTC)

The FTC's mission is to protect consumers against identity theft and scams. Though you should always speak to your local police first, you should report it to the FTC when you are the victim of identity theft or fraud.

Report identity theft and fraud to the FTC at www.identitytheft.gov or 1-887-382-4357.

IdentityTheft.gov can help you report and recover from identity theft.

Here's How it Works:

Tell them what happened.
They'll ask some questions about your situation. Tell them as much as you can.

Get a recovery plan.
They'll use that info to create a personal recovery plan.

Put your plan into action.
If you create an account, they'll walk you through each recovery step, update your plan as needed, track your progress, and pre-fill forms and letters for you.



INVESTING IN YOU

Buying a Vehicle

Budgeting for Your Vehicle

Step 1 Assessing Your Needs

Consider size, fuel efficiency, and purpose when evaluating your unique car needs to find the perfect fit for your lifestyle. Below is the form "Assessing Your Vehicle Needs." Give each characteristic a number from one to five, with one being less important and five being highly important.

Step 2 Conducting Research

Once you know what your needs are, do a lot of searching to find different types of cars. Compare features, specifications, and customer reviews to narrow down your choices. This research phase will provide valuable insights into which vehicles align with your preferences and requirements. Here are a few resourceful websites to start your research.

- https://www.nhtsa.gov/ratings
- https://www.edmunds.com/
- https://www.kbb.com/
- https://www.cars.com/
- https://www.autotrader.com/

Step 3 Cost Comparison

Compare the total costs associated with each potential vehicle. Consider factors beyond the purchase price, such as maintenance, fuel efficiency, and potential resale value. Take a look at the monthly payments for each car, factoring in expenses like insurance and other fees associated with your preferred payment method. This step is essential for understanding the overall financial implications of owning a particular vehicle, and this analysis will help you gauge the affordability of the vehicle on a month-to-month basis. Below is a "Car Comparison Spreadsheet" you can use for this step.

Assessing Your Vehicle Needs

Need / Preference	Importance
Fuel Effiency	
Car Size	
Vehicle Reliability	
Reasonable Maintenance Costs	
Safety features	
Comfort	
Year/make/Model	

Car Comparison Spreadsheet

		Car #1	Car #2	Car #3
Car	Year			
	Make			
	Model			
	Trim			
Cost	Sticker price			
	Monthly payment			
	Insurance			
	Est. annual maintenance			
	Warranty			
	Est. monthly fuel			
Interior	Seating capacity			
	Passenger volume			
	Cargo volume			
Exterior	Color			
	Off-road features			
	Bed dimensons (for trucks)			
	Tires			
	Wheels			

Car Comparison Spreadsheet

		Car #1	Car #2	Car #3
Performance	Horsepower			
	Torque			
	Max towing			
	Fuel economy			
Safety	NHTSA score			
	IIHS score			
Used Cars Only	Mileage			
	Number of previous owners			
	Vehicle history notes			
	Exterior condition			
	Interior condition			
Additional Features	Infotainment			
	Safety tech			
	Headlights			
	Sunroof			
	Power seats			
	Climate control			
	Other features			

Step 4 Consider Leasing or Buying

Based on your financial assessment, determine whether leasing or buying is the more suitable option. Leasing may offer lower monthly payments while buying provides long-term ownership benefits. Understanding the implications of each choice will guide your decision-making process. Following these budgeting steps will help you understand the finances involved in buying the car of your choice and will make sure that it aligns with your budget and financial goals.

Scenarios:

Carter is a single man who lives in Carrollton, GA. He has decided to visit his family in Sidney, Montana for a year.

a. Would it be more financially responsible for Carter to buy or lease a car while he is in Montana? Please explain.

The Johnson family became a family of six: two working adults, one grandmother, and two schoolchildren and their toddler. They have decided to get a bigger car to accommodate the family.

b. Would it be more financially responsible for the Johnson family to buy or lease a car for their long-term use? Please explain.





Preparing for the Purchase

Step 1

After deciding between leasing or buying, the initial step is to prepare for the purchase or lease. This involves creating a budget, whether establishing a savings plan or considering a loan to cover expenses for the car.

Step 2

For a savings plan, start by outlining your income and expenses. This will help determine the amount of money you can comfortably set aside after addressing your essential needs and expenses.

Step 3

Decide on a reasonable time frame for your savings plan based on your income and expenses. This will guide you in establishing a timeline to reach your financial goal for the purchase.

Note: Refer back to the Budgeting and Saving Chapters for steps 1 through 3

Paperwork

Step 1 Document Gathering for Loan

Assemble the required paperwork for your intended loan, including proof of income, credit reports, and employment verification. **(See the checklist on the next page)**.

Step 2 Review and Update

Thoroughly examine collected documents, ensuring they are complete and up to date. Update any changed information, such as income or employment details.

Step 3 Car Transaction Paperwork

Familiarize yourself with the paperwork needed for buying or leasing a car. Utilize resources like the checklist to ensure you have all the necessary documents and comprehend their importance.

Step 4 Preparing for Car Purchase

Before buying a car, confirm possession or identification of all required paperwork. This proactive approach streamlines the buying process, preventing delays or complications.

CAR PURCHASE - DOCUMENT CHECKLIST

- [ ] Proof of Income
- [ ] Credit and Financial History
- [ ] Vehicle Information
- [ ] Proof of Insurance
- [ ] Proof of Identity (Driver's license, Passport, or State ID)
- [ ] Proof of Residence e.g; A recent bank statement
- [ ] Down Payment
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____
- [ ] _____

Buying a Home

Picking Out Your First Home

Step 1 Prioritize Your Preferences

Determine your priorities and preferences. Develop a comprehensive checklist that includes factors such as location, size, and desired features. Below is the form "Home Purchase Needs". Give each characteristic a number from one to five, with one being less important and Five being highly important.

Step 2 Neighborhood Exploration

Research and explore potential neighborhoods that align with your lifestyle and preferences. Consider factors like amenities, safety, and proximity to essential services.

Step 3 Budgeting for Affordability

Establish a realistic budget for your first home, factoring in your financial capacity, income, and potential mortgage options. Ensure your budget accounts for both upfront costs and ongoing expenses.

Step 4 Home Inspection Awareness

Educate yourself on the importance of home inspections. Understand the process, potential issues to look for, and how to hire a qualified inspector to assess the condition of your prospective home.

Step 5 Future Planning

Consider the long-term aspects of your chosen home. Evaluate its potential for appreciation, resale value, and compatibility with your future lifestyle changes. Plan for the future to make a sound investment in your first home.





HOME PURCHASE NEEDS

Need / Preference	Importance
Affordability	
Size and Layout	
Condition of Property	
Resale Value	
Commute and Accessibility	
Neighborhood Safety	

Saving for Your First Home

Financial Self-Assessment
Evaluate your current financial situation, including income, expenses, and existing savings. Identify areas where you can cut expenses or increase income to boost your savings for a down payment.

Establish a Budget
Create a detailed budget that outlines your monthly spending and savings goals. Allocate a specific portion of your income to your home fund, considering both short-term and long-term saving objectives.

Explore Government Assistance
Research and explore government programs or grants that can aid first-time homebuyers. Determine if you qualify for any assistance that can accelerate your savings or reduce the financial burden of purchasing your first home.

- https://www.hud.gov/topics/buying_a_home
- https://georgia.gov/apply-georgia-dream-homeownership-program

Investigate Investment Options
Consider investment opportunities to grow your savings faster. Explore low-risk investment options such as mutual funds or a high-interest savings account. Consult with a financial advisor to tailor an investment strategy that aligns with your goals and risk tolerance.

Automate Savings
Set up automatic transfers to your dedicated home savings account. Automating your savings ensures consistency and discipline, making it easier to reach your savings goals over time.

Side Hustle for Extra Income
Explore side hustle opportunities to generate additional income dedicated to your home fund. Whether freelancing, consulting, or leveraging skills, a supplementary income stream can significantly boost your savings.

Review and Adjust
Regularly review your savings plan and adjust as needed. Keep track of your progress, reassess your budget, and make necessary modifications to stay on course toward achieving your goal of homeownership.

Paying for College

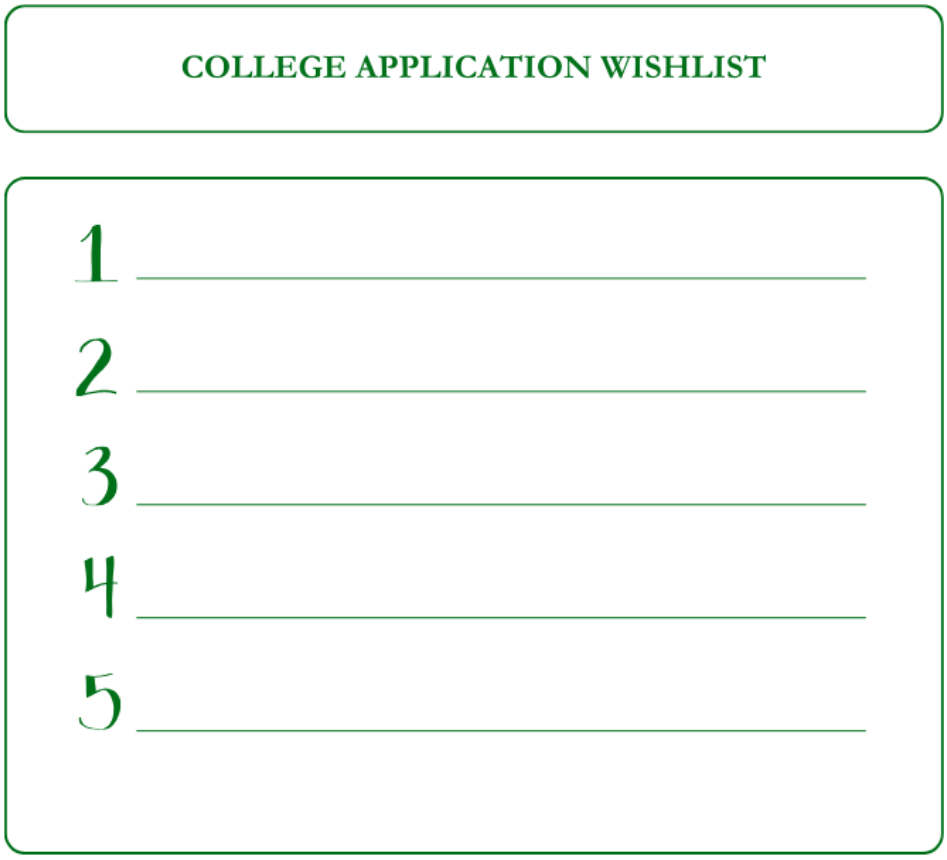
Whether you're about to start college or have already been through it, you know it's pricey. Figuring out how to pay for it can feel overwhelming. But here's the good news: There are ways to make it work without breaking the bank. Many colleges have different prices, and there are grants, scholarships, and loans to help cover the costs like tuition, books, and living expenses. The trick is finding out about these options and using them wisely.

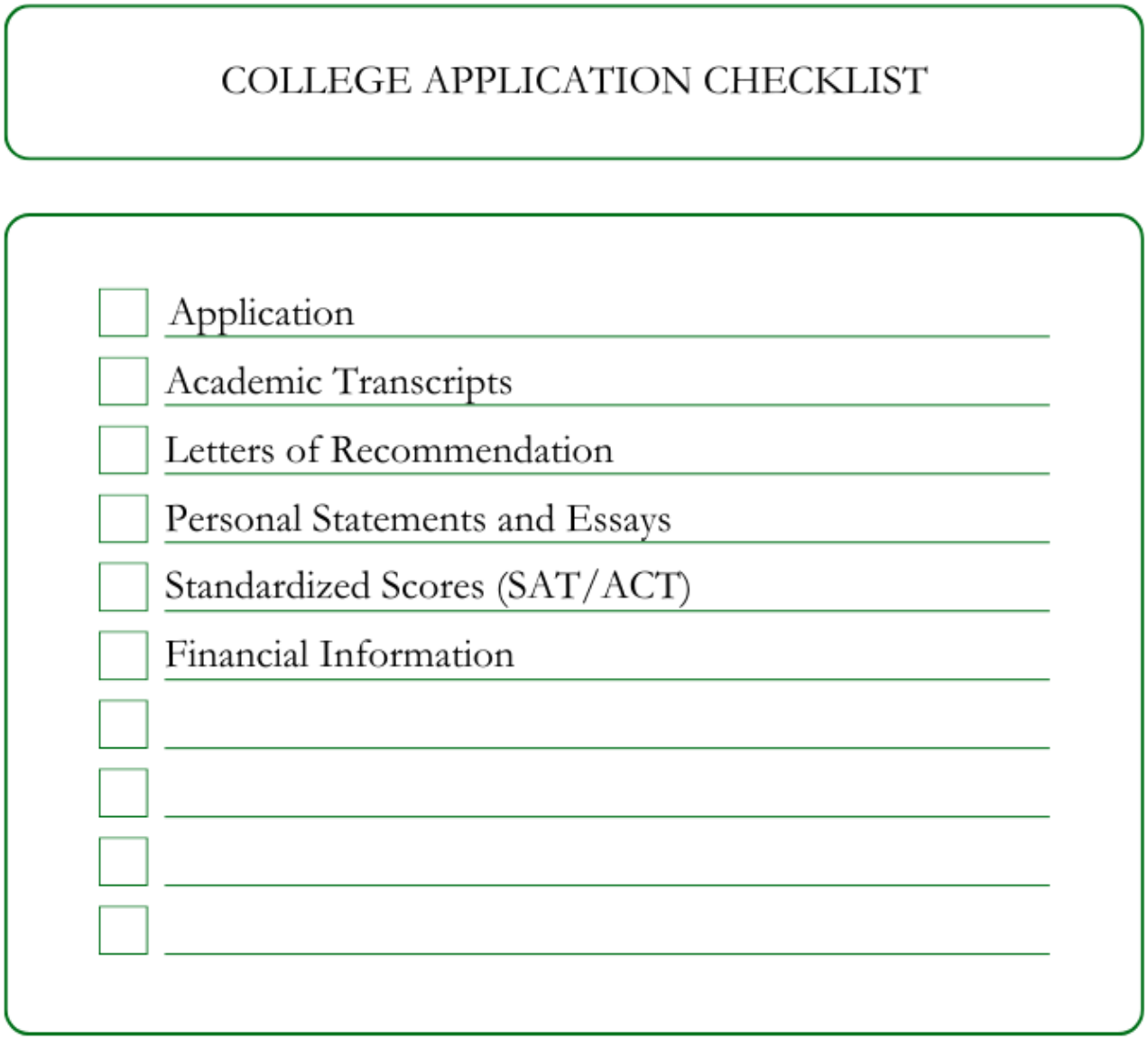
So, how can you afford college without going broke? We've got the answers! Let's break it down step by step:

Step 1 Apply for College

When you're applying to colleges, remember to consider the expenses. Each application can cost between $50 to $100 and take up your time. It's smart to apply to several schools to increase your chances of getting accepted. But don't apply to too many because it can cost a lot and make things overwhelming. Choose enough schools that give you different choices both academically and financially. You want options for where you can go based on both your interests and how much financial aid you might get.

Use the College Application Wishlist to list your top five schools, then use the Checklist to ensure you have all the necessary documents.





Step 2 Award Letters

By late spring, most colleges will send you award letters, which are important for choosing where to go to college. These letters tell you about the financial aid a college can give you. They might offer grants, scholarships, federal student loans, or work-study options. Once you have the award letter, you'll know better how much extra money you (or your loved ones) might need to pay.

Step 3 Choosing How to Pay for College

There are different options for how you can fund your education. These include grants, scholarships, and student loans, or a combination of the three. Each option comes with its considerations, so it's important to explore all possibilities and choose the one that best suits your financial situation and goals.

Student Loans

Student loans can be a valuable resource for financing education, but they come with both advantages and disadvantages.

ADVANTAGES	DISADVANTAGES
Immediate access to funds	Accumulation of debt
Flexible repayment options	Repayment obligations
Build credit history	Impact on future finances

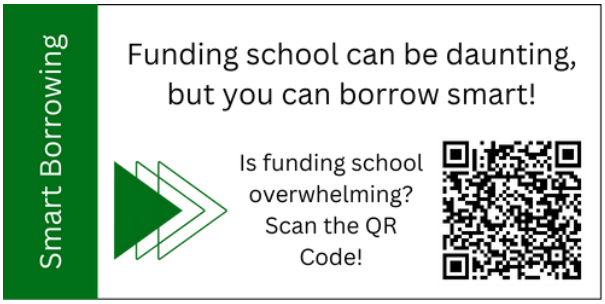
Types of student loans

Student loans are not free. You have to pay them back, and you're charged extra money called interest for borrowing them. The government offers federal student loans through the Department of Education. Since the government isn't trying to make money off these loans, the interest rates are low. On the other hand, some students might find private loans cheaper, depending on their credit and situation. So, it's a good idea to look into both types of loans to see what works best for you.

Federal Loans

Regulated by the government, federal loans offer various benefits such as payment postponement, flexible repayment plans, and forgiveness options like Public Service Loan Forgiveness. Payments usually start after graduation or when the borrower leaves school or drops below half-time status.

Free Application for Financial Student Aid (FAFSA): This is a free application through which students can get some of the different types of federal loans.



There are four types of federal loans:

Federal Direct Subsidized Loans: these are for undergraduates with demonstrated financial need. The Department of Education pays the interest during certain periods.

Federal Direct Unsubsidized Loans: these are available to undergraduates and graduates regardless of financial need. Interest accrues while in school.

Direct Parent Loan for Undergraduate Students (PLUS) Loans: these are for graduate students or parents of dependent undergraduates and may postpone payments until after graduation.

Direct Consolidation Loans - these allow borrowers to combine multiple federal student loans into one for easier repayment.

Private loans

These are also known as private-label or alternative loans, and are not regulated as closely as federal student loans. Most private lenders do not offer loan forgiveness programs, but some student loans from state agencies can be forgiven in certain circumstances. For more information, you should contact your lender or servicer.

Scholarships

Scholarships can be categorized as either "merit-based," which are granted based on academic or extracurricular achievements, or "need-based," which are awarded to students facing financial hardship and who may not be able to afford tuition otherwise. While you are applying for a school, look up what scholarships/grants you qualify for and apply for them.



Step 4 Manage student loans during and after college

There are many ways to manage your student loans while in college. Here are just a few to get you started:

- Create and hold yourself to a budget.
  Make a budget that you can realistically hold yourself to that allows you to save, fulfill your needs, and make your monthly payments on your student loans.

- Work while in school.
  Working while in school can be difficult, but it can be a very good way to earn income to help pay for your student loans and put extra money into them outside of basic monthly payments. There are multiple possibilities for working while in school. Some are work-study, student assistant positions, tutoring, internships, and general jobs.

- Limit your loan borrowing.
  Only borrow as much as you need and nothing more. Borrowing in excess can lead to higher payments and potentially hurt your credit score.

- Frequently check your loans.
  Make sure to check your loans frequently to ensure you do not miss a payment by accident and that you know exactly how much you owe. This will allow you to change your budget accordingly and keep your goals in mind.

- Look into refinancing or consolidating your loans.
  If you have multiple loans, you may be able to consolidate your loans into one loan with a singular monthly payment, or if you have a very high-interest rate you may be able to refinance for a lower rate. When thinking about these options, be sure you understand any costs involved, possible interest rate changes, and if you can pay the loan off early.

Tips for College Survival: Navigating Challenges and Saving Money

Living on a college campus presents various challenges, from housing and food insecurity to managing finances effectively. Here's how to handle these issues and save money:

Housing Insecurity

- Assess Your Needs: Prioritize factors like affordability, safety, and proximity to campus when choosing housing.
- Budget Wisely: Create a realistic budget covering rent & utilities and adjust it as needed.
- Seek Financial Aid: Explore scholarships, grants, and student loans to help cover housing expenses.
- Find Affordable Options: Consider student housing or shared living arrangements to reduce costs.
- Consider Roommates: Sharing housing expenses with roommates can create a supportive and cost-effective living environment.
- Seek Support: Utilize campus resources and community organizations for assistance with housing challenges.

Food Insecurity

- Assess Your Needs: Determine dietary requirements and plan meals accordingly.
- Meal Plan: Create a weekly meal plan to reduce unnecessary purchases and stretch your food budget.
- Utilize Programs and Services: Explore options like SNAP, food pantries, and soup kitchens for additional support.
- Shop Smart: Look for deals, discounts, and coupons to save money on groceries.

Getting Textbooks and Technology for Less

- Textbooks: Rent, buy used, or opt for electronic versions to save money. Look for bundle deals and compare prices from different sellers.
- Technology: Take advantage of student discounts, buy renewed or refurbished devices, and watch for sales and coupons throughout the year.

Navigating Finances as an International Student

- Understand Your Expenses: Identify all expenses and develop a budget for each semester or academic year.
- Explore Financial Aid: Research scholarships, grants, and part-time employment opportunities.
- Learn About the American Credit System: Familiarize yourself with credit and work on establishing a credit history.

By implementing these strategies, you can navigate college challenges more effectively and reduce financial stress.

APPENDICES

Tracking Income Template

INCOME		
DATE	SOURCE	AMOUNT
TOTAL INCOME		

INCOME		
DATE	SOURCE	AMOUNT
TOTAL INCOME		

Tracking Expenses Template

MONTHLY SPENDING

FOOD	
GROCERIES	
EATING OUT	
COFFEE	
FAST FOOD	
WORK LUNCHES	
DRINKS	
HOME DELIVERIES	
TOTAL	

HOUSING	
RENT/MORTGAGE	
WATER	
ELECTRIC	
GAS	
PHONE	
TELEVISION	
INTERNET	
INSURANCE	
REPAIR & MAINTENANCE	
TOTAL	

CLOTHES	
CASUAL	
WORK	
LOUNGEWEAR	
BAGS	
SHOES	
ACCESSORIES	
INTIMATES	
TOTAL	

ENTERTAINMENT	
SUBCRIPTIONS	
VACATION	
HOBBIES	
GOING OUT	
TOTAL	

HEALTH	
INSURANCE	
MEDICAL BILLS	
VISION	
DENTAL	
MEDICATIONS	
MENTAL HEALTH	
TOTAL	

PERSONAL	
BEAUTY	
WELLNESS	
GIFTS	
NAILS	
HAIR	
TOTAL	

TRANSPORTATION	
CAR INSURANCE	
CAR PAYMENTS	
GAS	
RIDE SHARE	
MAINTENANCE	
PARKING	
TOTAL	

CHILDREN	
CHILDCARE	
TUITION	
SCHOOL MEALS	
TOYS	
SCHOOL SUPPLIES	
CLOTHING	
SPORTS	
ACTIVITIES	
BABYSITTER	
ALLOWANCE	
CAMP	
TOTAL	

Monthly Budget Template

MONTHLY BUDGET	
	AMOUNT
TOTAL INCOME	
EXPENSES	
FOOD	
HOUSING	
CLOTHES	
ENTERTAINMENT	
HEALTH	
PERSONAL	
TRANSPORTATION	
CHILDREN	
TOTAL SAVINGS	

Savings Plan Template

Savings Plan

Date :	Month :	Year :

My Goal	My Motivation

Starting Balance :

Required Amount :

Per/Day :	Per/Month :

Due Date :

My Notes

Credit Exercise Answer Key

Behavior	Impact on Credit	Explanation
Stephany has been using her credit card for the last three years and always makes her payments on time. She sometimes pays her amount in full, but always pays at least the minimum.	+	Stephany is off to a great start. She has shown she can manage her credit responsibly and has a solid credit score.
Stephany applies for a new credit card with a higher limit.	-	Applying for a new card when she only has one would be negative.
Stephany applies for a management position at her fast food job. As part of the process, they order a credit report on Stephany. Stephany gets the management position!	**No Impact**	Since Stephany can clearly manager her finances the company is certain she would be a great fit.
Stephany finds a new apartment, and her landlord orders a credit report.	**No Impact**	Stephany's landlord is sure she will make her payments on time.
Stephany gets new furniture for her apartment, pushing her credit card over its limit.	-	Stephany's credit goes down when she goes over her limit.
Stephany applies for three new credit cards at nearby department stores.	-	Applying for so many cards drops her score. She is more at risk.
Stephany maxes out two of her three new credit cards.	-	Stephany's score goes down even more as she over extends herself.
Stephany struggles to make her credit card payments as well as her rent. She's later on two of her credit card payments.	-	Stephany's late payments negatively impact her credit score.
Stephany's car breaks down, and she decides to buy a new one. The car dealer turns down her request for a loan due to poor credit.	+	Stephany gets a wake up call when she isn't able to borrow money to buy a car. She takes the bus now.
Stephany seeks help from a reputable local nonprofit credit counseling agency.	+	She works to create a spending plan to make payments she can afford.
Stephany sticks to her spending plan and meets all her minimum payments; sometimes she pays more than the minimum amount.	+	Her score goes up as she makes all her payments on time and manages her money better.
Stephany cancels two of her recent credit cards and only uses her remaining credit cards when she needs them.	+	Stephany's credit score improves once she cancels the excess credit she has.

Filing Status Exercise Answer Key

Filing Status: Fill in the Blank	
_____ is the default filing status.	Single
_____ requires you to take the same deduction as your spouse.	Married Filing Separately
_____ cannot be remarried before the close of the tax year of their spouse's death.	Qualifying Widow(er)
_____ generally, results in the lowest total tax.	Married Filing Jointly
_____ is unmarried and paid more than half the costs of your household for the year.	Head of Household
_____ and _____ limit your liability to your own tax obligation.	Married Filing Jointly Married Filing Separately
_____ requires that you have a child, stepchild, or adopted child you can claim as a dependent.	Qualifying Widow(er)
When you're _____, one spouse can claim the full itemized deduction, or they can both split the deduction.	Married Filing Separately
_____ qualifies taxpayers for multiple tax credits.	Married Filing Jointly
_____ and _____ require that you paid more than half the cost of maintaining your household for the year.	Head of Household Qualifying Widow(er)

Dependent Rule Quiz Answer Key

Dependents rule: Quiz	
Carter's cousin lived with him all year. Meets	B: Carter's cousin meets the member of household test since he lived with Carter all year and not the relationship test because a cousin does not meet the test requirements.
Brittany daughter lived at college for nine months during the year. Meets	C: Her daughter meets both the relationship and member of household test because attending school is considered a temporary absence and a daughter meets the relationship test.
Stephany's best friend lived with her all year. Meets	B: She meets the member of household test, but not the relationship test since she her best friend.
Jamal's cousin visited every weekend during the year. Meets	D: Jamal's cousin does not meet either test since being cousins does not fulfil the relationship requirement and he didn't live there for over half the year.
Does Nathan meet the relationship test?	A: Because he is his parent's child.
Does Nathan meet the joint return test?	A: Because he cannot file as Married Filing Jointly
Does Stephany meet the relationship test?	A: Because she is her parent's child.
Does Stephany meet the test to be a "qualifying child"?	B: Because she filed jointly with her husband.
Can Stephany's parents claim a dependency exemption for her?	B: Because she filed jointly with her husband.

2023 Tax Rates

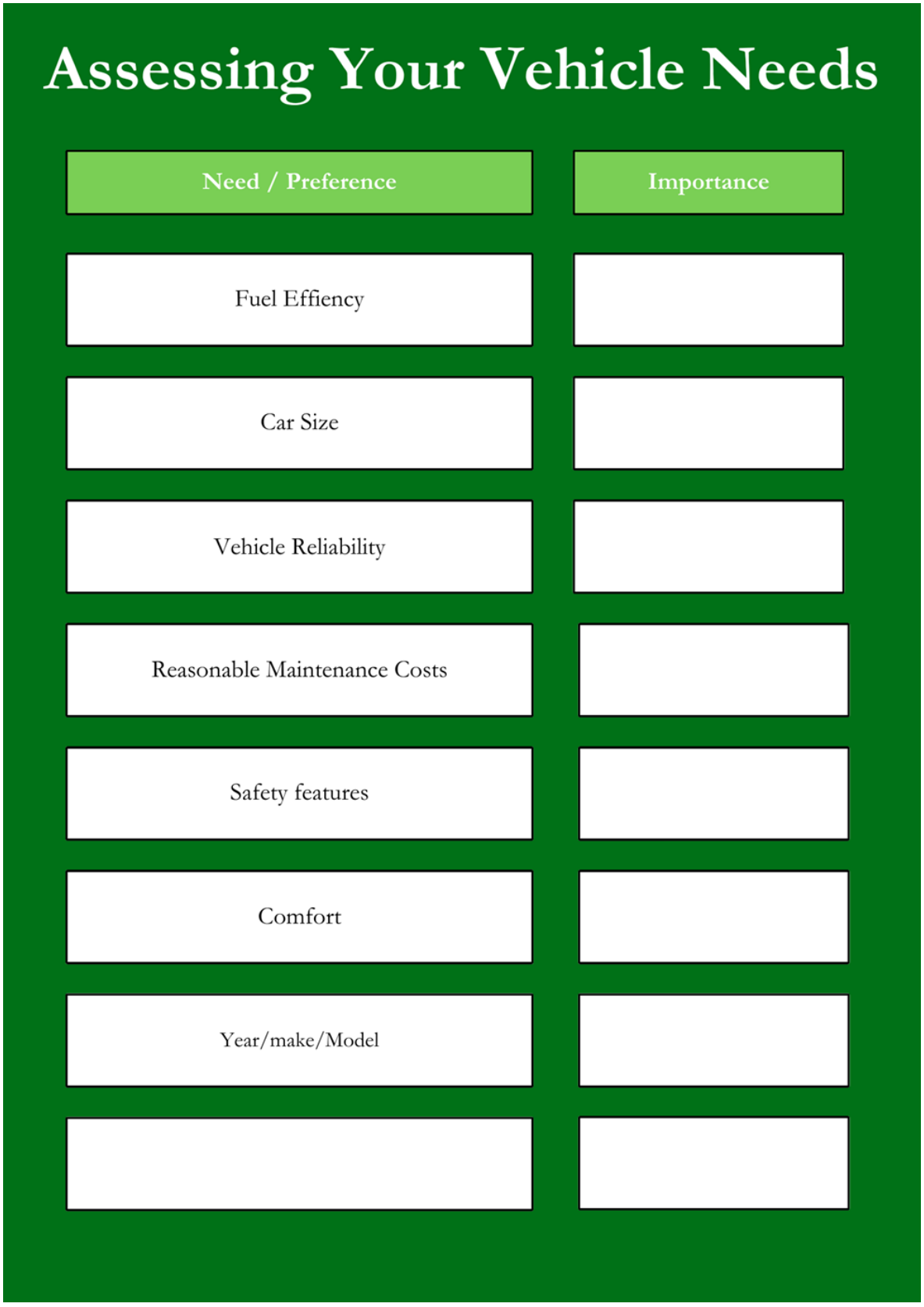
Single (Based on Taxable Income)	
Income Range	**Tax Rate**
$0 - $11,000	10% of the amount over $0
$11,001 - $44,725	$1,100 + 12% of the amount over $11,000
$44,726 - $95,375	$5,147 + 22% of the amount over $44,725
$95,376 - $182,100	$16,290 + 24% of the amount over $95,375
$182,101 - $231,250	$37,104 + 32% of the amount over $182,100
$231,251 - $578,125	$52,832 + 35% of the amount over $231,250
$578,126+	$174,238 + 37% of the amount over $578,125

Head of Household (Based on Taxable Income)	
Income Range	**Tax Rate**
$0 - $15,700	10% of the amount over $0
$15,701 - $59,850	$1,570 + 12% of the amount over $15,700
$59,851 - $95,350	$6,868 + 22% of the amount over $59,850
$95,351 - $182,100	$14,678 + 24% of the amount over $95,350
$182,101 - $231,250	$35,498 + 32% of the amount over $182,100
$231,251 - $578,100	$51,226 + 35% of the amount over $231,250
$578,101+	$172,623.50 + 37% of the amount over $578,100

Married Filing Jointly or Qualifying Widow(er) (Based on Taxable Income)	
Income Range	**Tax Rate**
$0 - $22,000	10% of the amount over $0
$22,001 - $89,450	$2,200 + 12% of the amount over $22,000
$89,451 - $190,750	$10,294 + 22% of the amount over $89,450
$190,751 - $364,200	$32,580 + 24% of the amount over $190,750
$364,201 - $462,500	$74,208 + 32% of the amount over $364,200
$462,501 - $693,750	$105,664 + 35% of the amount over $462,500
$693,751+	$186,601.50 + 37% of the amount over $693,750

Married Filing Separately (Based on Taxable Income)	
Income Range	**Tax Rate**
$0 - $11,000	10% of the amount over $0
$11,001 - $44,725	$1,100 + 12% of the amount over $11,000
$44,726 - $95,375	$5,147 + 22% of the amount over $44,725
$95,376 - $182,100	$16,290 + 24% of the amount over $95,375
$182,101 - $231,250	$37,104 + 32% of the amount over $182,100
$231,251 - $346,875	$52,832 + 35% of the amount over $231,250
$346,876+	$93,300.75 + 37% of the amount over $346,875

Assessing Your Vehicle Needs



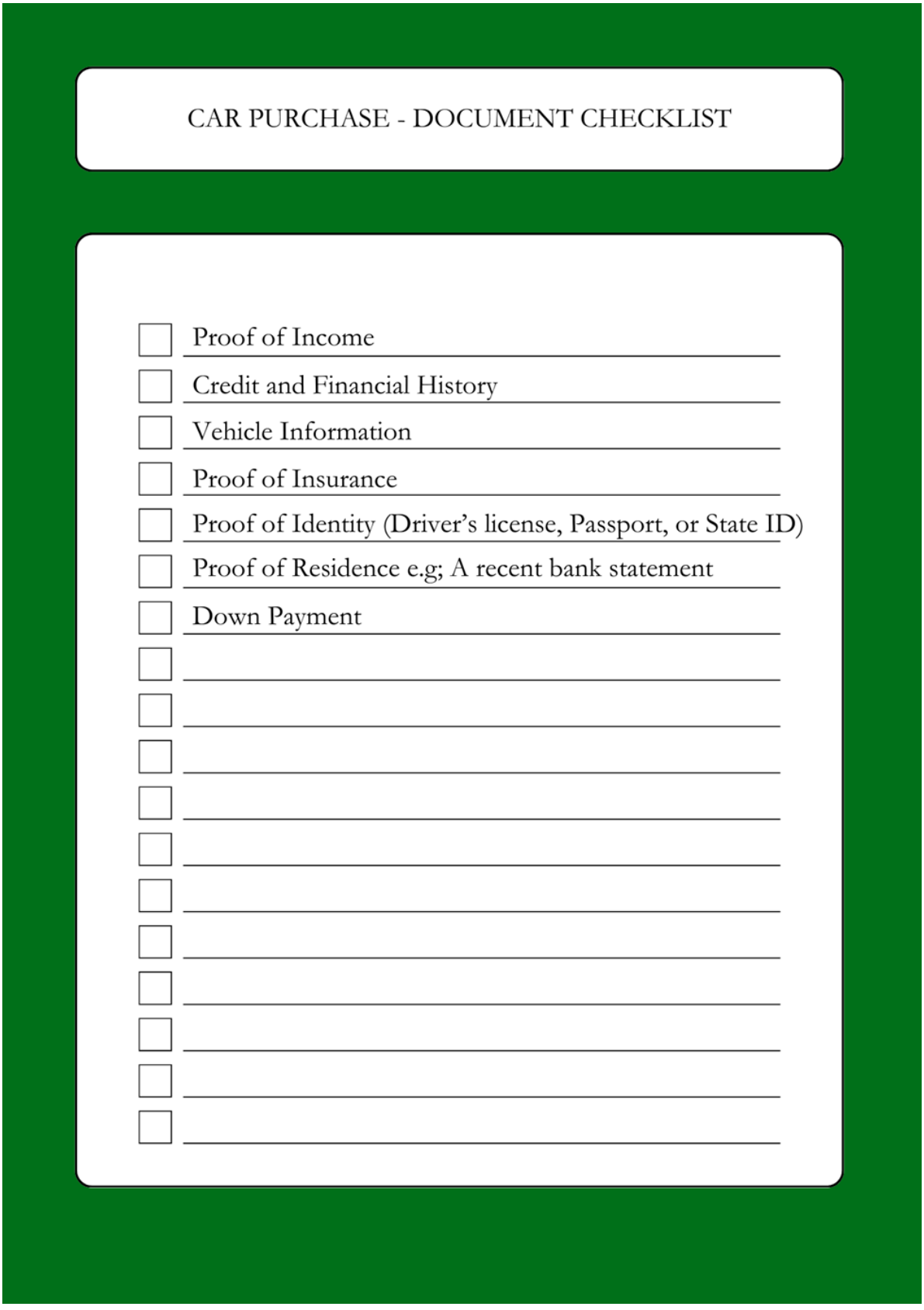
Car Comparison Spreadsheet



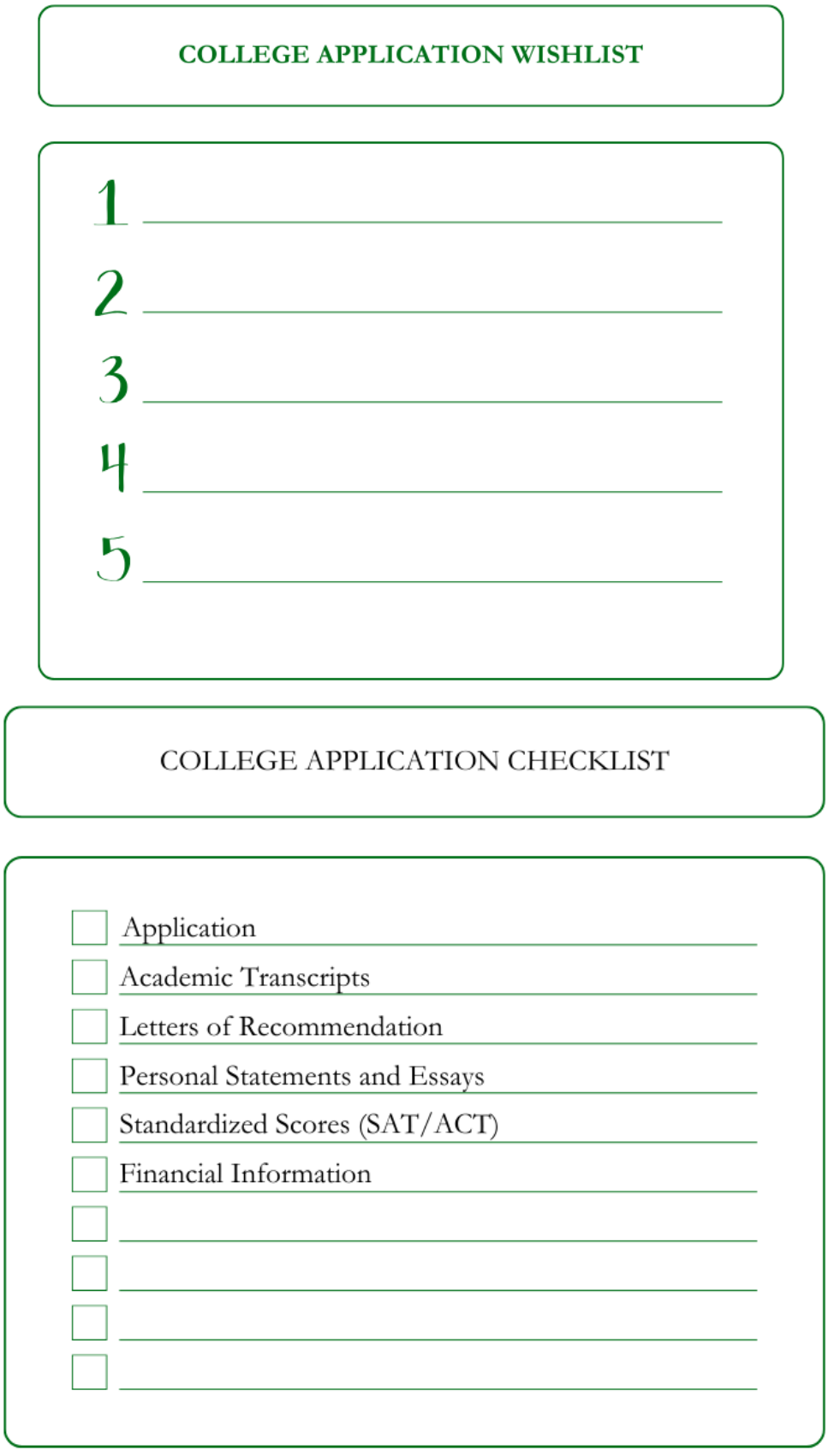
Car Comparison Spreadsheet

		Car #1	Car #2	Car #3
Performance	Horsepower			
	Torque			
	Max towing			
	Fuel economy			
Safety	NHTSA score			
	IIHS score			
Used Cars Only	Mileage			
	Number of previous owners			
	Vehicle history notes			
	Exterior condition			
	Interior condition			
Additional Features	Infotainment			
	Safety tech			
	Headlights			
	Sunroof			
	Power seats			
	Climate control			
	Other features			

Car Purchase – Document Checklist



College – Wishlist & Application Checklist







Embark on a journey towards financial empowerment and personal fulfillment with *Be Well, Be Free, and Be You* – the ultimate financial planning workbook. This comprehensive guide covers every aspect of financial wellness, from budgeting and savings strategies to credit management, tax preparation, and investing in yourself.

Learn essential budgeting techniques and steps for creating a personalized budget that aligns with your needs and wants. Discover the difference between needs and wants, and gain valuable tips for maximizing your income and minimizing expenses.

Navigate the world of credit with confidence as you explore how to establish and improve your credit score, manage credit cards, and understand various types of loans.

Demystify taxes with helpful guidance on gathering information, selecting the right tax form, claiming deductions, and calculating your tax liability or refund.

Protect yourself from fraud and financial pitfalls while investing in your future, whether it's purchasing a vehicle or buying your first home.

Plus, access a range of practical templates and answer keys to streamline your financial planning process. With *Be Well, Be Free, and Be You*, take control of your finances and embrace a life of financial freedom and authenticity.



UWG Center for Economic Education and Financial Literacy

https://www.westga.edu/ceefl