

CASH

Creating Assets, Savings and Hope

A Partnership Serving Albany, Rensselaer, Saratoga, Schenectady and Schoharie Counties

MONEY MENU

How to get the most out of your tax refund

Take time to go over your finances

Ask questions

Xexamine your budget. Does it truly reflect your spending?

Revue your withholding forms yearly

Establish good credit

Financial fitness to prepare for emergencies

Understand where you spend your money

Nip unneeded expenses

Direct deposit your refund and your paycheck



United Way
of the Greater Capital Region



The CASH coalition is part of United Way of the Greater Capital Region's commitment to bring people and resources together to achieve measurable and sustainable improvements in the quality of life for our community.

Top Five Things to Do With Your Refund

1. Open a savings or checking account
2. Open a certificate of deposit (also known as a CD) or buy savings bonds
3. Open an Individual Development Account for the down payment on a house (also known as an IDA)
4. Start an emergency fund of at least \$1,000
5. Open a Roth Individual Retirement Account



Here's an Idea:

When you're tempted to make a purchase, pause. Take 30 seconds to ask yourself if you truly need the thing you're about to buy.

If it's a big purchase, force yourself to wait 30 days. Track every penny you spend so that you become aware of your weaknesses.

The Balanced Money Formula

30% Wants	20% Savings
50% Needs	

from *All Your Worth* by Elizabeth Warren and Amelia Tyagi

How to Achieve Financial Balance in Your Life

1. Spend less than 50% on your needs (shelter, food, insurance, and other essentials)
2. Spend up to 30% on your wants
3. Save at least 20% of your net income (take home pay)



Use a bank account that fits your needs

To know what type of bank account you need ask yourself the following questions:

- Where is the bank located?
Is there a branch or ATM near where you live?
- Do you want to go to the bank to deposit or withdraw money, or would you rather use an ATM?
- How much money will you be able to keep in the account every month? (The bank may require a minimum balance.)
- How many checks will you need to write each month? (The bank may have a limit.)
- Do you prefer to pay bills online or write paper checks?

Now, using your answers, look at what the banks and credit unions are offering in your area to see what type of account fits your needs best.

Also, consider your money habits. If having an ATM card in your wallet means you're withdrawing \$20 every time you see an ATM—money that you really can't afford to spend—you might be better off without an ATM card, using paper checks instead. The process of writing a check helps some people think about their purchases more than if they pay with cash.



Using Credit Responsibly

- 1.) **Pay your bills.** On time. Every month.
- 2.) **Pay down your debt.** Generally speaking, you should have a balance no larger than 1/3 of your credit LIMIT. For example, try to keep a card with a \$9,000 limit with a balance no larger than \$3,000.
- 3.) **Check your credit report and score.** You need to know where you've been before you can figure out where you are going. A credit report documents your 'financial footsteps' from the last 7-10 years.
- 4.) **Take it slow.** Just because you've been "approved" for another credit card or loan, doesn't mean you should open it. Also, if you are hoping to repair credit, recognize that it takes time to get into a better situation. Be patient. Pay down debt on time each month and you'll see your score and credit report improve in about 10 months.

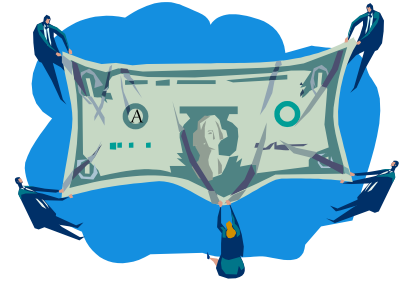
Avoid Identity Theft

- **Keep the following information private:**
 - Social security number
 - Bank account numbers
 - Credit card account numbers
 - PINs and passwords
- **Only keep cards you need in your wallet.**
- **Keep your Social Security card in safe place.**
- **Leave your driver's license and Social Security numbers off checks.**
- **Take your credit card receipts.**
- **Tear up pre-approved credit card offers.**
- **Don't give private information over the phone unless you placed the call.**
- **Pick up new checks from the bank.**
- **Don't put private information on your computer.**
- **Check your credit card statements and phone bills carefully.**



Budgeting—Or Let's Make A Spending Plan

A budget is a plan, an outline of your future income and expenses that you can use as a guideline for spending and saving.



Basic Budgeting Worksheet
Courtesy of BetterBudgeting.com

Total Monthly Gross Income (from all sources) \$ _____
- Taxes, Health Ins. & Other Payroll Deductions \$ _____
- Savings, 401K, etc. \$ _____
= Total Monthly 'Spendable' Income \$ _____
(also known as your take home pay)

Monthly Spending or Expenses

Rent or Mortgage \$ _____
Utilities \$ _____
Transportation (Car loan, gas, insurance, bus) \$ _____
Creditors \$ _____
Charitable Contributions \$ _____
Groceries, Lunches, Meals Out \$ _____
Childcare \$ _____
School Tuition/Supplies \$ _____
Entertainment \$ _____
Other \$ _____

Total Expenses \$ _____

Monthly Surplus or Shortage \$ _____
(Total Spendable Income *minus* Total Expenses)

A positive number indicates that you're spending less than you earn – congratulations! A negative number indicates that your expenses are greater than your income and gives you an idea of where you need to trim expenses and by how much.

Budgeting involves three simple steps:

Adding Up Your Income, Estimating Expenses, Figuring Out The Difference

Do you Dream of Owning Your Own Home?

Individual Development Accounts can help



What is an Individual Development Account?

- A special savings account for people with low incomes.
- Your money will be matched. That means that you can receive another dollar or more for every dollar you save in an IDA.
- IDA savings and match money can be used to buy a house, pay for education, or start a small business.
- Learn about budgeting, saving, banking and more when you open an IDA.
- Required to attend financial education classes.

Why is my money matched?

- To encourage and help you to save enough to buy an asset, such as a house or business.
- Because an asset provides financial security for the future.

How do IDAs work?

- Offered through programs that involve partnerships between local non - profit organizations and financial institutions. The local non - profit is also called the IDA program sponsor.
- The IDA program sponsor recruits participants for the IDA program, provides financial education classes, and may also provide one - on - one counseling and training to participants.
- After signing up for an IDA program, each participant will open up an account with the partnering bank or credit union. The bank or credit union handles all transactions to and from the IDA, just as they do with other types of savings accounts.
- Each month, IDA participants receive a report telling them how much money (individual savings + match + interest) is accumulating in their IDA.
- An IDA program can be as short as one year or as long as five years from beginning to end.
- IDA participants are allowed to withdraw money as soon as they have reached their savings goal, but they must first get approval from the IDA program sponsor. Some IDA participants choose one big savings goal, such as a home, but others save for a number of related goals, such as text books and college tuition.

Medicaid Buy-In Program

What is the Medicaid Buy-In Program for Working People with Disabilities?



The Medicaid Buy-In Program is a New York State program that allows those with disabilities who have paid work to obtain or maintain Medicaid eligibility even if they earn more income or have more resources than would ordinarily be allowable for regular Medicaid.

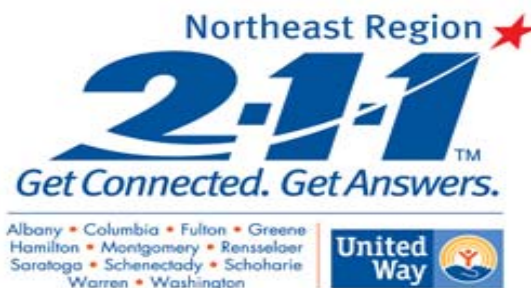
Who is eligible?

To qualify for the Medicaid Buy-In program for Working People with Disabilities you must:

- Be a resident of New York State;
- Be at least 16 years of age (coverage up to 65 years of age);
- Have a disability as defined by the Social Security Administration;
- Be engaged in paid work (includes part-time and full-time work);
- Have a gross income that may be as high as \$55,188 for an individual and \$73,884 for a couple; and
- Have non-exempt resources that do not exceed the Medicaid resource level of \$13,800 for an individual and \$20,100 for a couple.

Helpful phone numbers

- For general information about health and human services, or to find a CA\$H / VITA Free Tax Preparation site near you call United Way 2-1-1 (Dial 2-1-1 Monday-Friday, 9 a.m. to 5 p.m.)
- Internal Revenue Service (IRS) — 1-800-829-1040
- New York State Taxation — 1-800-225-5829



General Resources

www.CASHgreatercapitalregion.org — tax sites/financial education resources

www.REITour.org — financial resources for everyone

www.MyBenefits.ny.gov — income supports for you & your family

www.credithelpny.org — credit counseling information

www.mymoney.gov — federal website on financial education

www.yourmoneynewyork.com — New York State financial education site — and unclaimed funds

www.annualcreditreport.com — free annual credit report

www.treasurydirect.gov — savings bonds and treasury bills

www.360financialliteracy.org — financial information for every stage of life

money.cnn.com/magazines/moneymag/money101/ - A step by step guide to gaining control of your financial life

www.getrichslowly.org — a blog with great ideas of how to slowly grow your wealth

www.irs.gov — the Internal Revenue Service website

www.tax.state.ny.us — the New York State taxation and finance departments website

www.ssa.gov—Social Security Administration website

www.hesc.org—Higher Education Services Corporation—we help people pay for college

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New York **Makes Work Pay**

To learn more go to <http://www.nymakesworkpay.org>