# Financial Literacy 101: Earn and Save



New Mexico State Treasurer's Office The Honorable Tim Eichenberg State Treasurer Samuel K. Collins, Jr. Deputy State Treasurer

#### Why You Still Need Paper Checks

Several ways checks can be more convenient, save you money, or protect your finances:

- \$ Some Businesses Charge Extra Fees for Credit Card Payments. Utility companies and government agencies may charge a fee if you use a credit or debit card to make a payment.
- \$ You Can Pay During Utility Outages. If the power or phone systems are down in your area, checks and cash are likely to be the only way you'll be able to make a purchase to buy food and other necessary supplies.
- \$ Some Businesses Prefer Paper Checks or Money Orders. Some businesses don't accept credit or debit card payments.
- \$ Some Retail Shops Enforce a Minimum Credit Card Purchase. Credit card processors and banks charge businesses a fee when customers pay with a credit card.
- \$ Checks are Traceable. If traceability is important to you once your check clears, you'll have access to a copy of the canceled check through your bank.
- \$ **Gift Giving.** Gift recipients can deposit your check into their bank accounts and spend the cash however they like—unlike gift cards, which may be restricted to a merchant.
- \$ Checks Are Less Costly Than Money Orders. Banks may charge \$5 for a money order. Even postal money orders cost more than \$1 dollar each.

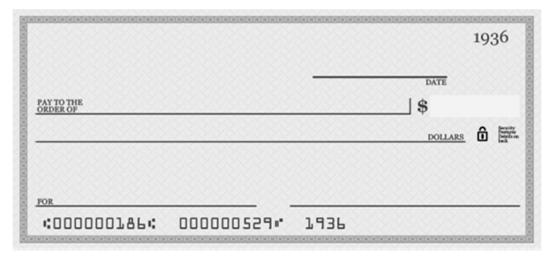
#### Protecting Yourself When Using Paper Checks

When using paper checks, guard against financial and identity theft. Here are some tips:

- \$ Guard Your Checks. Keep your paper checks in a safe place at home.
- \$ Record Your Check Use. Record every check you write in your checkbook register.
- \$ Only Use Checks When Necessary. An employee or thief may get hold of your check and use it to steal your identity or money.
- \$ Securely Mail Your Checks. Place the check in a security envelope and never leave checks in an unlocked mailbox or an "outgoing mail" basket. Us a postal mailbox or take it directly to the Post Office.
- \$ Be Cautious About What You Print or Write on Your Checks. Your check should contain your name, address, and nothing more. Only write your phone number or driver's license number on your check if a merchant requests the information. More information makes it easier for identity thieves.
- \$ Protect Checking Account Information. Be careful about giving out checking account information. If you aren't well-acquainted with a business—particularly if it operates primarily online—be wary about making payments through electronic checking account debit.
- \$ Check Your Account Transactions Daily. Your bank balance isn't enough; check your transactions daily. If you don't recognize a transaction, contact your bank.
- **Don't Write a Check if You Don't Have the Funds.** You may have bounced check fees, and writing a bad check is illegal in many states.

### Activity: Fill Out a Check

Fill out a check payable to Family Shoe Store for \$36.87.



## **Activity: Balance Your Checkbook**

Check Register									
DATE	CODE/ CHECK NO.	TRANSACTION DESCRIPTION	CATEGORY/ MEMO	(–) FEE	(–) PAYMENT DEBIT	(+) DEPOSIT CREDIT	BALANCE		
1/1/2015		Starting Balance					\$500.00		
1/1/2015	1934	XYZ Electric Company	Utilities		\$78.74		\$421.26		
1/2/2015	DD	ABC Employer	Wages & Tips			\$1,355.63	\$1,776.89		
1/3/2015	1935	123 Grocery	Groceries		\$175.22		\$1,601.67		
1/4/2015	Debit	Sunshine Movies	Movie Tickets		\$29.95		\$1,571.72		
1/4/2015	1936	Family Shoe Store			\$36.87				
1/5/2015	ATM	Cash Withdrawal	Cash	\$1.50	\$100.00				
1/6/2015	1937	Eclipse Hair Salon			\$28.75				

Bank Statement										
DATE	DESCRIPTION	FEE	WITHDRAWALS	DEPOSITS	BALANCE					
1/1/2015	Previous Balance				\$500.00					
1/1/2015	Check 1934: XYZ Electric Company		\$78.74		\$421.26					
1/2/2015	Payroll Deposit			\$1,355.63	\$1,776.89					
1/3/2015	Pre-Auth. Payment—Insurance		\$110.49		\$1,666.40					
1/3/2015	Check 1935: 123 Grocery		\$175.22		\$1,491.18					
1/4/2015	Debit: Sunshine Movies		\$29.95		\$1,461.23					
1/4/2015	Check 1936: Family Shoe Store		\$36.87		\$1,424.36					
1/5/2015	Cash Withdrawal	\$1.50	\$100.00		\$1,322.86					
1/6/2015	Check 1937: Eclipse Hair Salon		\$28.75		\$1,294.11					
1/7/2015	Interest Income			\$0.02	\$1,294.13					