

Financial Literacy 101 For Students



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INTRODUCTION

Why Financial Wellness Matters

College is an exciting new chapter, and as you embark on your education, one of the best things you can do is open your first bank account.

A bank account isn't just a place to store your money; it's the foundation for managing your finances, paying for everyday expenses, saving for future goals, and building financial independence.

Whether it's receiving your paycheck from a part-time job, getting your financial aid refund, or tracking your spending, having the right account can make life simpler, safer, and more organized.



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BANKS VS. CREDIT UNIONS:

BANK		CREDIT UNION
For-profit institution	Organization	Not-for-profit institution
Shareholder Owned	Ownership	Member Owned
Returned to shareholders	Earnings	Returned to members
Nationwide or regional	Presence	Local community-based
FDIC (\$250,000)	Insurance	NCUA (\$250,000)
Can typically offer new products before Credit Unions	Perks	Can typically offer higher rates of return on deposits and charge lower rates on loans



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OPENING AN ACCOUNT

Many jobs and financial aid programs require direct deposit, which means your paycheck or refunds go straight into your account quickly and safely. Plus, having a bank account helps you build a financial history that can be useful when you apply for loans or credit in the future!

To Open an Account You'll Need:

- Government-issued photo ID (driver's license, passport, or student ID with additional docs).
- Social Security number (or ITIN)
- Proof of address (utility bill, lease, or official mail).
- Initial deposit (typically \$5 or less)



Join in **3** Steps



Select your eligibility*

I live, work, worship or attend school in Vermont.

I am related to an existing member of Vermont Federal Credit Union.

Checking

Money Market

Savings

Term Share Certificates

Applying is fast and easy!

You will need the following information in order to complete the application:

- ✓ Identification - Government issued ID
 - Drivers License/State ID
 - Passport
- ✓ Your complete physical and mailing address
- ✓ Social Security Number
- ✓ Date of Birth

BUDGETING

WHAT IS A BUDGET?

Budgeting is all about helping you understand where your money is going and how to make it work best for you. By tracking income and expenses, setting spending limits, and prioritizing savings, you can make informed financial decisions, avoid unnecessary debt, and work toward both short-term goals and long-term financial stability.

Why is a Budget So Important?

- **Tracks income and expenses** to see where your money goes each month
- **Sets spending limits** for categories like groceries, entertainment, and housing
- **Prioritizes savings** by treating it like a regular expense, not an afterthought
- **Plans for irregular expenses** like annual bills, car maintenance, or holidays
- **Avoids impulse purchases** by creating a plan with short and long term goals



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BUDGETING

HOW TO MAKE A SPENDING PLAN

1. Make a list of your bills and other expenses.

- Bills include things like rent, utilities, and loan payments.
- Expenses include things like food, gas, clothes, entertainment, etc.

2. Make a list of how much money you make and/or have saved.

- This includes any money you receive whether that be through pay or another method.
- If you have a set amount in savings, you will need to decide how much of that you want to spend each month, if any.

3. Subtract the amount from step 1 from the amount in step 2.

- Ideally, this number should be more than zero.
- If the number is less than zero you are spending more money than you make and should look for things that you can change in your budget.



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BUDGETING

Budgeting is about eliminating waste and making every dollar work for you. By tracking your spending, cutting unnecessary expenses, and prioritizing what truly matters, you can take control of your finances, reduce stress, and reach your financial goals faster.

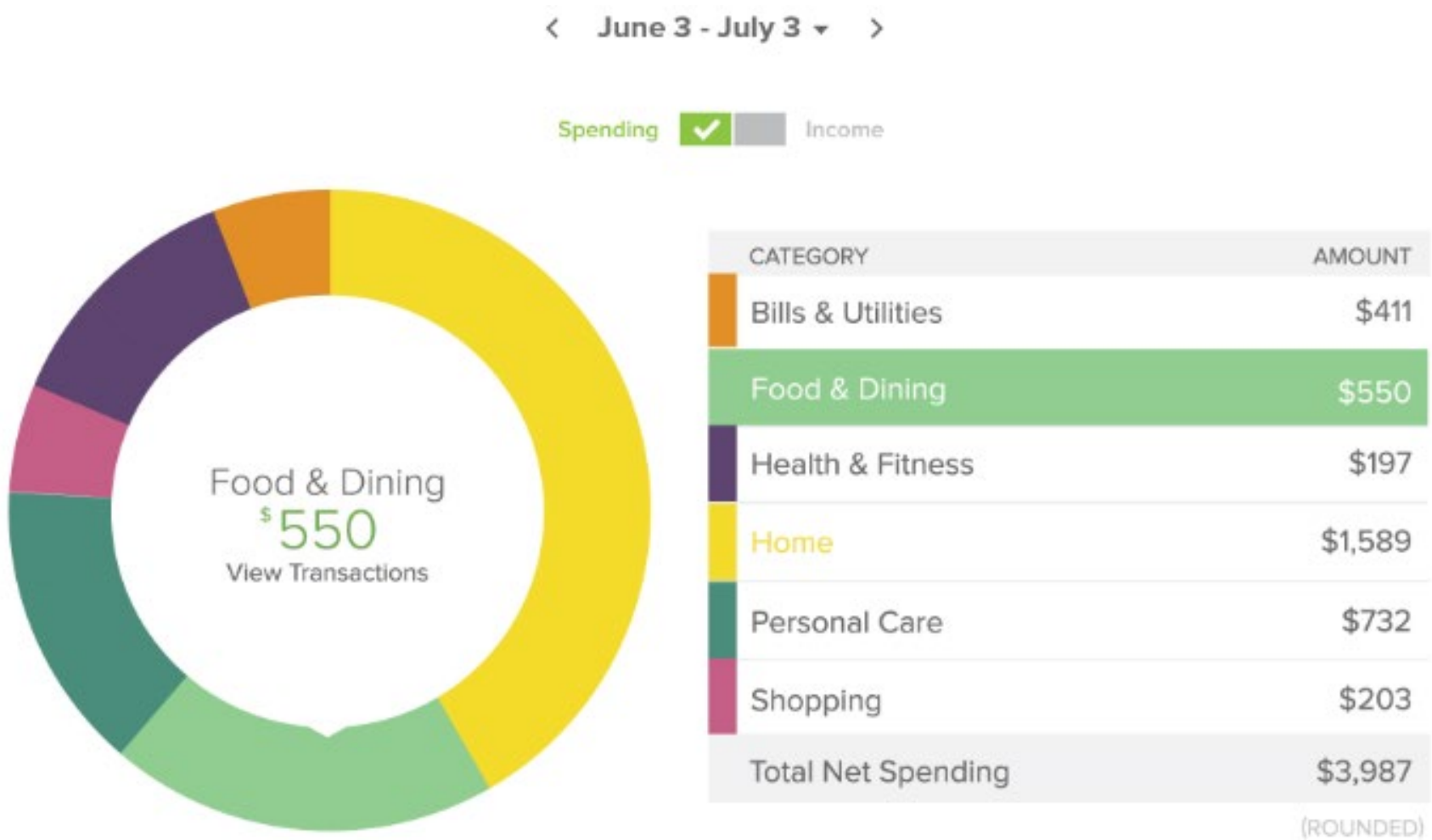
Review your recurring monthly bills for hidden savings:

- Compare options for products like insurance, loans, and cellular plans to get a payment and service that works best for you.
- Review your monthly subscriptions (streaming services, gaming, gym memberships, etc.) and, if possible, cancel any that you haven't used

Consider eliminating a spending category for a period of time

- Challenge yourself to not get takeout for a week.
- Challenge yourself to not make online purchases for a month.

Use online tools to reveal spending trends & create monthly targets.



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CHECKING ACCOUNTS

A checking account is the foundation of financial wellness because it's where daily money management happens. From paying bills to using a debit card for purchases, a checking account helps you keep track of income and expenses in one central place.

Look For a Checking Account That **Rewards** You

Account Features	Is It Included?
Rewards & Bonus Rates	✓
ATM Fee Rebates	✓
Online & Mobile Banking	✓
Minimum Balance Required	x
Maintenance Fees	x



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National Averages - Fees, Minimums, & Requirements

Overdraft Fees
\$35

Minimum Balances
\$100 - \$1,500

Non-Sufficient Funds Fee
\$27 - \$35

Maintenance Fees
\$14

ATM Fees
\$4 - \$5

Foreign Transaction Fee
\$4 - \$5



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CHECKING ACCOUNTS

A good checking account is more than just a safe place to keep your money—it's a financial tool designed to make everyday banking simple and stress-free. With convenient features like online access, bill pay, and money management tools, the right account can save you time, streamline your finances, and give you greater control over your overall financial wellness.

Benefits of a Good Checking Account

- Free debit card
- Rewards & Bonus Rates
- ATM Access & Rebates
- Online & Mobile Banking
- Budgeting and financial tools
- Direct deposit
- Credit Score Access
- Fraud monitoring
- Paperless eStatements
- Online Bill Pay



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SAVINGS

Savings are the portion of your income that you set aside rather than spend on immediate expenses or bills. Building savings gives you a financial safety net, helps you prepare for emergencies, and allows you to reach short- and long-term goals with confidence.

Reasons to Save

- Emergency Fund
- Future Goals
- Long Term Security
- Flexibility and Opportunity

Where to Save

- Savings Accounts
- Money Market Accounts
- CDs
- Retirement Accounts



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EMERGENCY FUNDS

An emergency fund is a dedicated savings account set aside for unexpected expenses, such as car repairs, medical bills, or job loss. Having an emergency fund provides a financial safety net, reduces stress during unexpected events, and helps you avoid relying on credit cards or loans when the unexpected happens.

- Most experts recommend saving between 3-6 months of total expenses in your emergency fund.
- If that amount seems too steep, try starting with a smaller amount and build up as you can save more.
- Once you have completed building your emergency fund, you can move on to other savings goals.



AUTOMATE SAVINGS

1. Pay yourself first.

- Automatically transfer funds to your savings account on pay day.

2. Save every time you spend.

- Use features like “debit card round up” to save a small percentage of your daily spending.

3. Out of sight, out of mind.

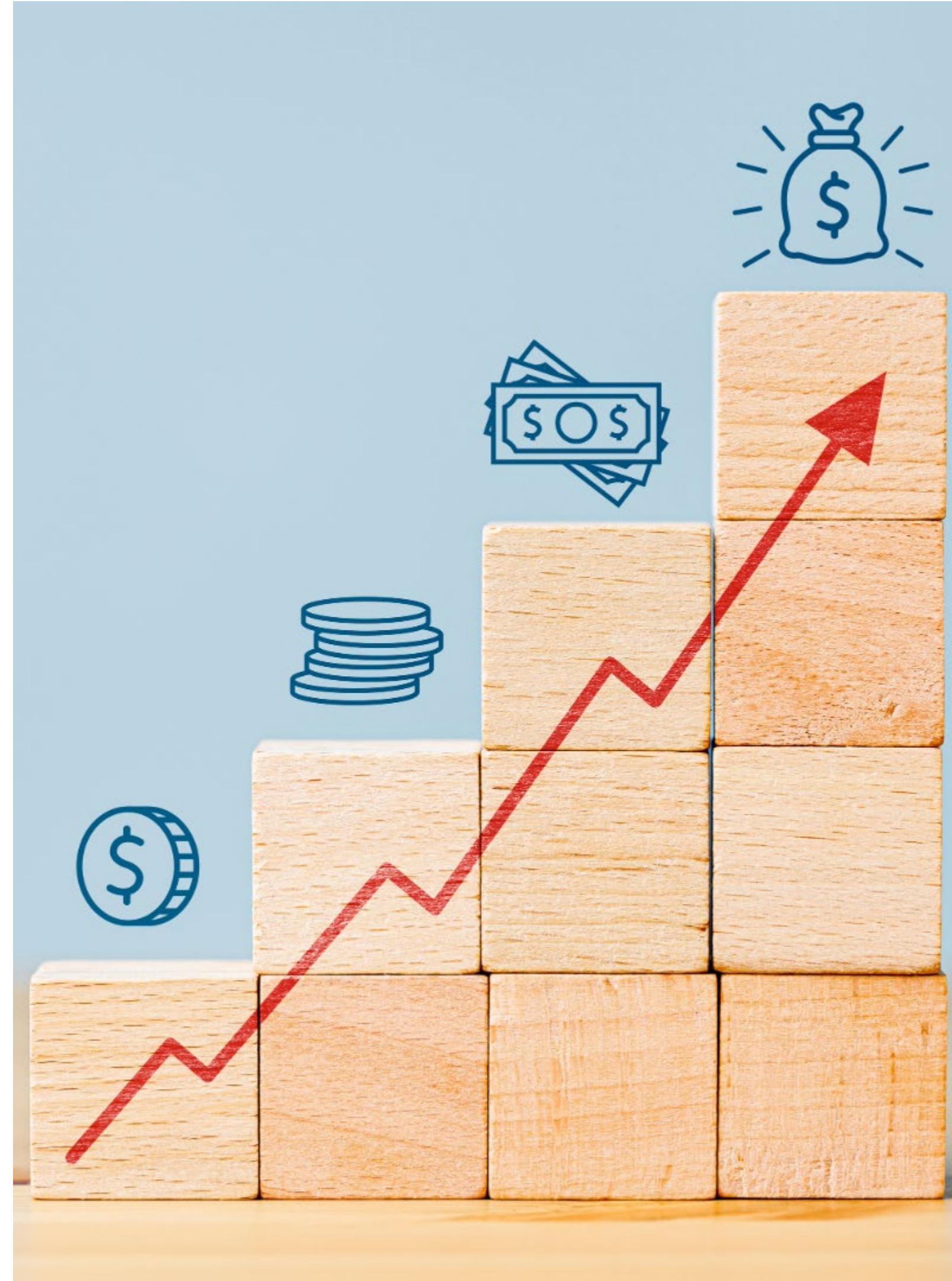
- Avoid the temptation to tap into your savings by using a separate savings account.



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INVESTING

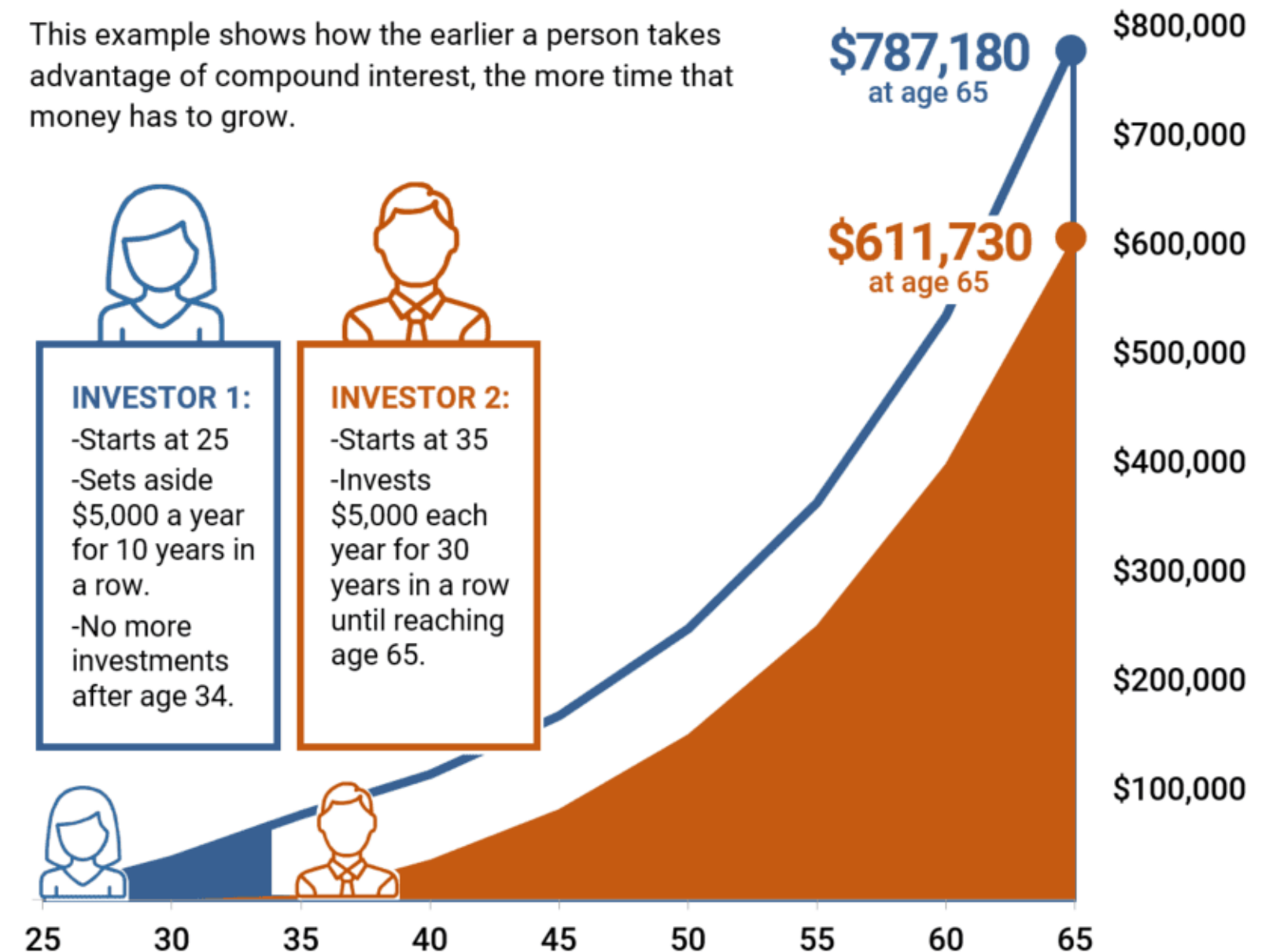
Investing is the process of putting your money to work to grow over time, typically through stocks, bonds, mutual funds, or retirement accounts. Unlike saving, investing carries some risk, but it also offers the potential for higher returns, helping you build wealth, plan for retirement, and achieve long-term financial goals.

- Review your employer's 401(k) program.
- Take advantage of any employer matching benefits. If you can, get the maximum employer match.
- Investing is all about the long term. Starting early with less can provide greater benefit than investing later with more due to compound interest.



COMPOUND INTEREST: WHO WILL EARN MORE?

This example shows how the earlier a person takes advantage of compound interest, the more time that money has to grow.



NOTES: Assumes an 8 percent interest rate, compounded annually. Balances shown are approximate.



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MANAGE DEBT

By understanding your balances, interest rates, and payment schedules, you can prioritize high-interest debt, make consistent payments, and develop strategies to pay down what you owe more efficiently, helping reduce stress and improve your overall financial health.

Benefits of Refinancing:

- Reduce monthly payment
- Reduce total interest
- Payoff debt sooner

When to Refinance:

- Lower interest rates available
- Lower fees available
- Your credit score has improved



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STUDENT LOANS

Whether you have a federal or private student loan, the first step in managing repayment is knowing when your loan enters its repayment phase. Understanding your repayment start date is crucial for planning your budget, avoiding missed payments, and exploring options like deferment, forbearance, or income-driven repayment plans.

- Most student loan providers will place your loan in a Standard Repayment Plan – you will have to make your first payment 6 months after graduating
- Are you planning to go to Graduate School? Contact your student loan servicer and the loan will be placed on automatic deferment

Having trouble making your student loan payments?

Contact your student loan servicer right away – there are many options available for federal or private student loans that can help lower your payment:

- Interest-only repayment plan
- Extended term plan
- Rate reduction plan
- Consolidation
- Deferment
- Forbearance
- Refinancing



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CREDIT SCORE

Your credit score is a numerical representation of your creditworthiness, based on your borrowing and repayment history. A strong credit score can help you qualify for better interest rates, lower insurance premiums, and more favorable loan terms. Monitoring and maintaining your credit score through timely payments, responsible borrowing, and managing debt wisely is an important part of overall financial wellness.

The Three Credit Bureaus

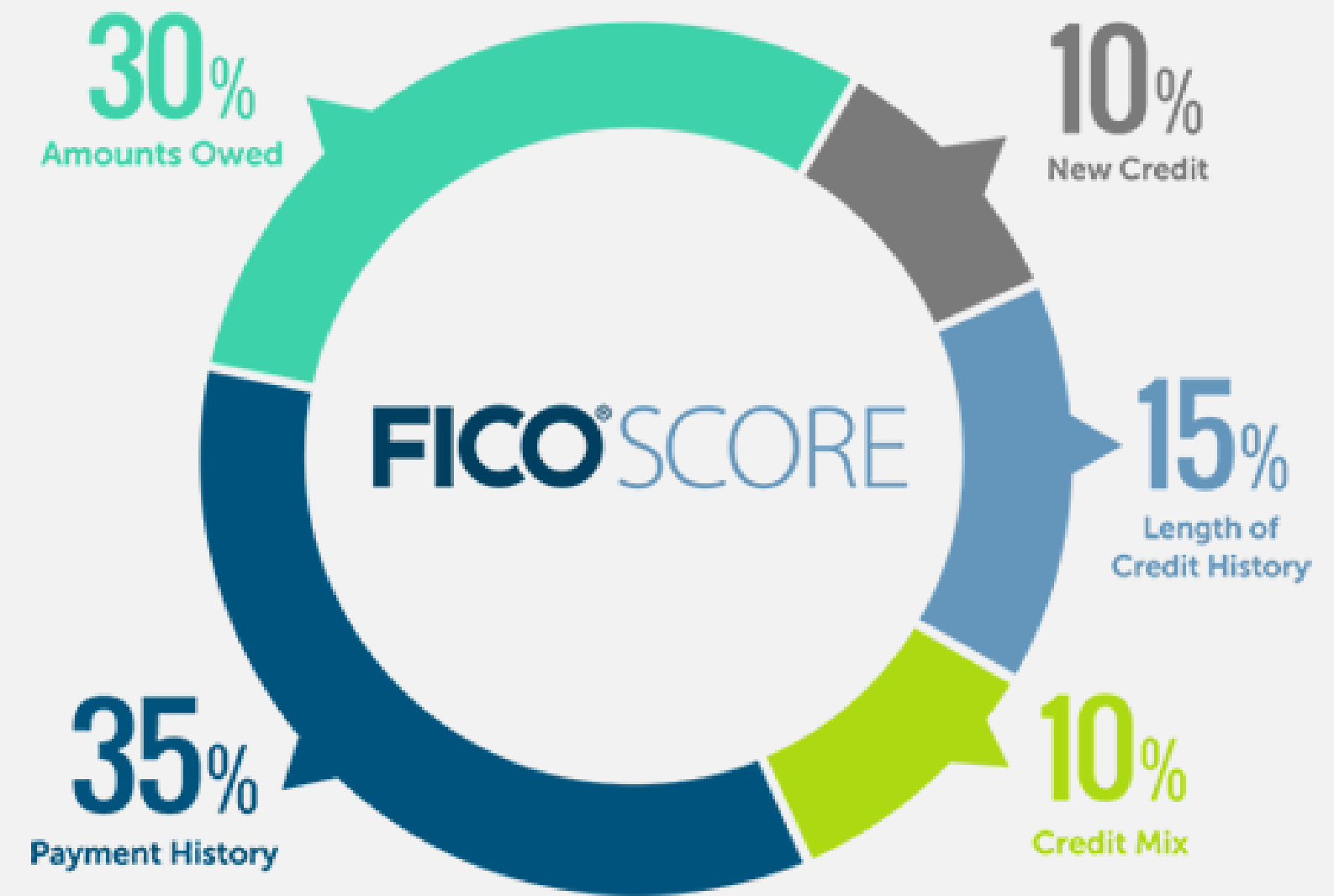
- **Equifax** – Tracks your credit history and provides credit reports and scores used by lenders to evaluate risk.
- **Experian** – Collects and maintains credit information, helping lenders make decisions about loans, credit cards, and other financial products.
- **TransUnion** – Provides credit data and credit scores, and monitors your credit for changes or potential fraud.



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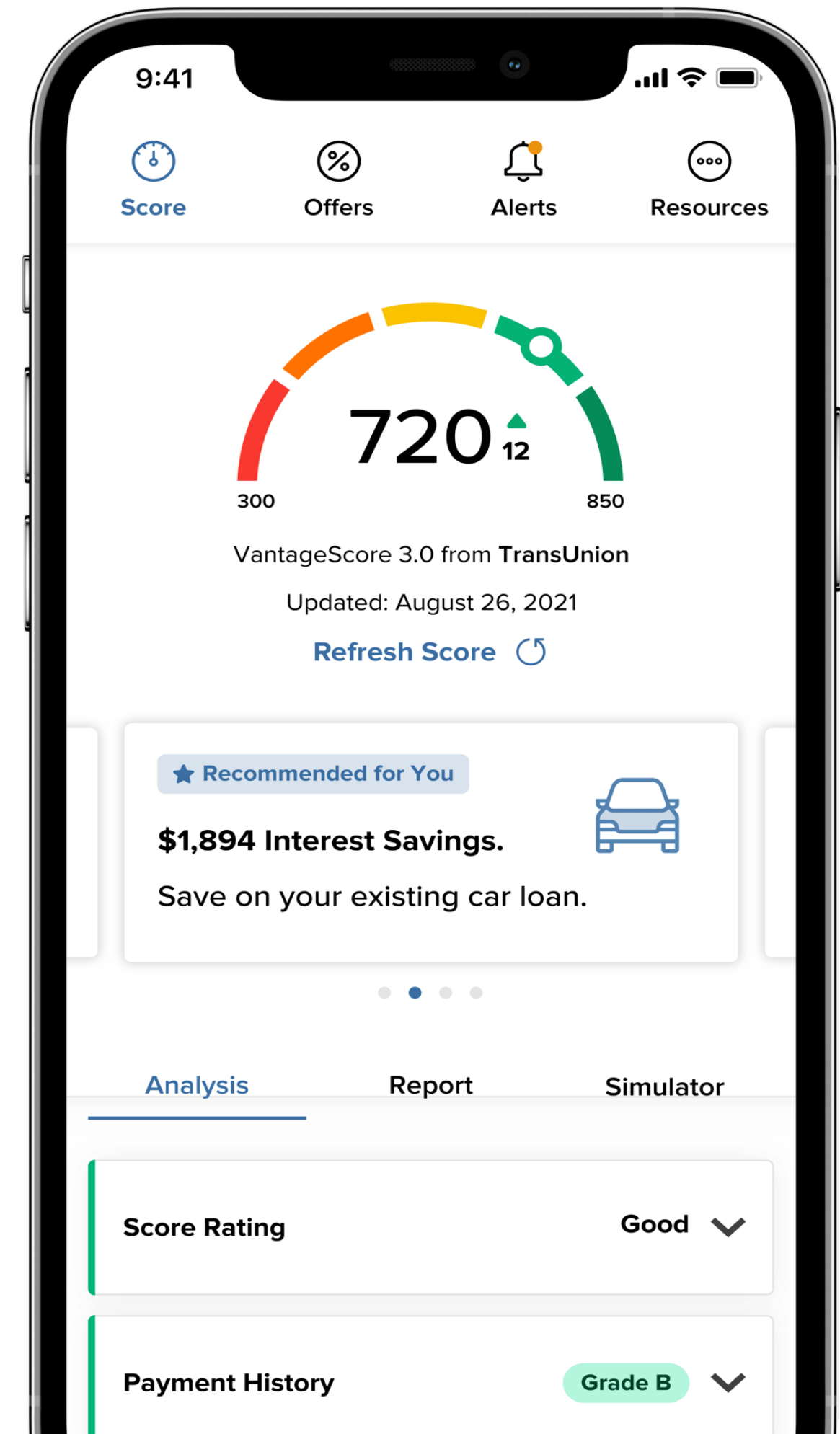


CREDIT SCORE

You can check your credit score for free through a variety of trusted sources, including your bank, credit card provider, or directly from the major credit bureaus—Equifax, Experian, and TransUnion. Regularly checking your score at no cost helps you monitor your financial health, spot errors early, and understand how your financial decisions affect your credit.

Having good credit can provide an advantage for:

- Housing applications
- Car insurance rates
- Cell phone contracts
- Employment applications
- Loans and credit cards



The Better Your Credit Score, The Less You Pay

Scenario A	Scenario B
Credit Score 550	Credit Score 750
Interest Rate 12.15%	Interest Rate 2.90%
Monthly Payment \$490.94	Monthly Payment \$394.24



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BANKING SECURITY

Protect your account by never sharing your PIN or online banking password with anyone. Be cautious of phishing scams, which are fake emails or messages pretending to be your bank that try to steal your information.

Tips to Keep Your Information Safe

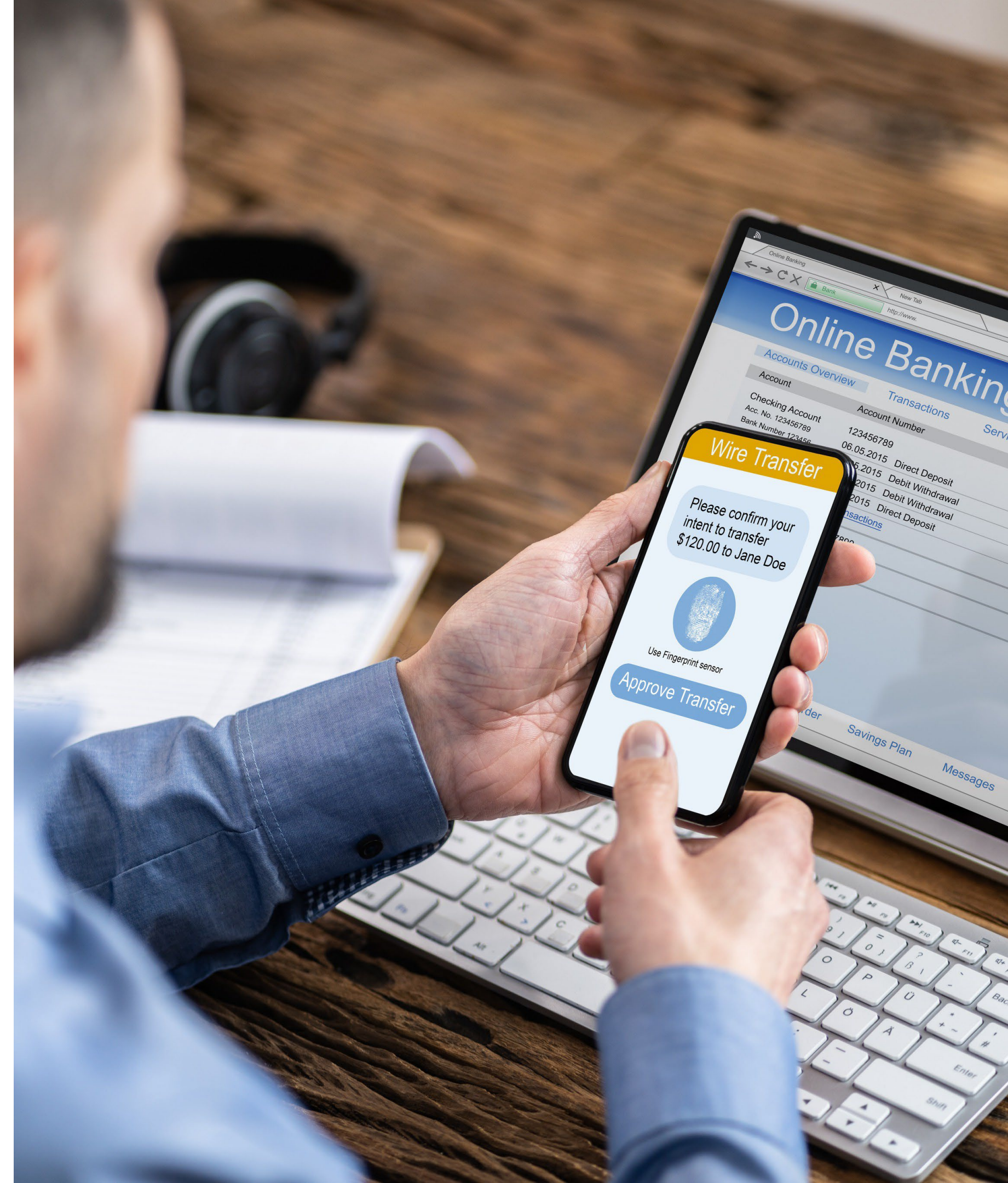
- Never share your PIN or online banking password
- Watch for phishing emails or fake texts from “your bank”
- Use strong passwords and enable 2-factor authentication
- Keep your debit card in a secure place
- Report a lost or stolen card immediately



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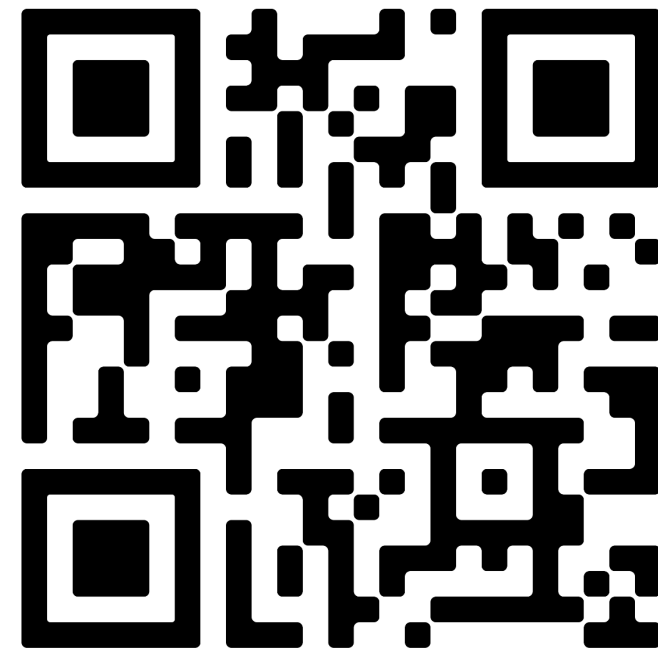
STUDENT OFFERS

Looking to open your first account? University of Vermont students are eligible for a new membership offer through Vermont Federal Credit Union. Take advantage of this special student perk designed to help you save, spend, and succeed financially.

Get Rewarded For Banking Like a Vermonter

Get **\$100 in Cat\$cratch Gift Cards** when you open your first reward checking account!

**SCAN TO
REDEEM!**



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FINAL TAKEAWAYS

Opening your first bank account is a big step toward financial independence and managing your money responsibly. Be sure to choose an account that fits your lifestyle and habits one with low fees and convenient access.

Money Management Tips

- Opening a bank account builds financial independence.
- Checking accounts for spending; savings for future goals.
- Compare fees, convenience, and perks
- Know and monitor your credit score
- Keep your data safe from malicious actors



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Find More Financial Resources At:

www.vermontfederal.org/uvm



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