DIGITAL WALLETS

Digital wallets are apps that electronically store your payment information — like debit cards, credit cards or bank accounts — and let you pay or send money using your phone instead of cash or cards. Some digital wallets can hold money balances, while others simply connect to your bank account to complete purchases. Many families use digital wallets to give teens limited access to money, with features that let parents monitor spending and set limits. Digital wallets are not banks, but they often partner with banks to safely hold funds and process transactions.

The most commonly used digital wallets are:

- Apple Cash
- Venmo Teen Account
- Cash App Families

Pros of using digital wallets:

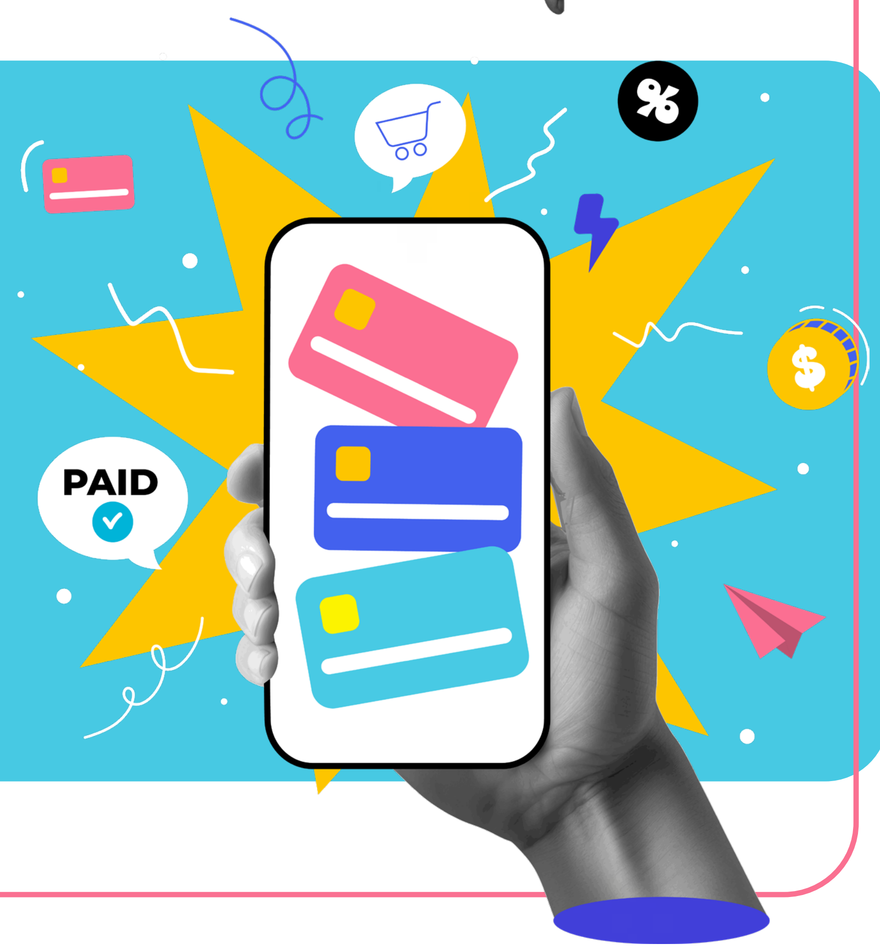
- Real-time money tracking
- Built-in parental controls
- Convenient and fast payments
- Safer than carrying cash
- No monthly fee

Cons of using digital wallets:

- Risk of overspending
- Security and scam risks
- Loss of access without phone
- Privacy concerns
- ATM feels may apply

IMPORTANT:

Digital wallets do not replace a checking account. They are helpful tools for everyday spending, but students still need to understand banks, credit unions and checking accounts for long term money management.



CRASH COURSE IN CREDIT

Have you ever borrowed money from a friend? If so, you've used credit. Credit allows you to use funds today that you must repay later. But unlike borrowing from your pals, credit card companies and other lenders make you pay interest for the privilege of using their money.

Credit comes in handy when you're ready to buy a vehicle, house or other big-ticket items. It can also impact your ability to get a job or rent an apartment, so it's important to make wise financial decisions that will help you in the future.

Building a Good Credit History

Lenders need to know that you're a safe financial risk before they extend credit to you. To be approved for credit, applicants under 21 must have an adult co-signer or an established, steady source of income. Talk to your parent(s) or guardian(s) about the best way to build your credit. Here are some options you may want to consider together.

- Ask someone with an established credit history to co-sign your credit account. Co-signing is a big commitment, because this individual is obligated to repay the debt if you don't.
- Apply for a credit card issued by a local store. Often, local businesses are more willing to grant credit to someone with no credit history.
- Apply for a secured credit card. This type of card requires you to deposit money first as collateral for your line of credit. Some secured credit cards charge application and processing fees, and many have higher interest rates than traditional, non-secured cards.

Once you demonstrate that you're a responsible credit manager, banks, credit unions and major credit card issuers may be more willing to extend credit to you.

Managing Your Credit

Don't use credit to live a lifestyle you can't afford. The fastest way to get into credit trouble is to spend with the attitude, "I'll pay it off later."

It's best to pay off your credit card balance at the end of each month before interest can accrue. To make this easier, keep your credit limit low. For major purchases, it's not always possible to pay your balance in full, so make sure you have a repayment plan before you charge it.

Making only the minimum required monthly payment isn't an ideal repayment plan. If you paid only the minimum due on a $1,000 balance at 18% interest, it would take you **more than nine years** to pay off the debt! If you can't pay the balance in full, always pay more than the minimum payment.