

LATINO FINANCIAL LITERACY PROGRAM NEWSLETTER

Extension Center for Family Development

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About the Team

Extension's Latino Financial Literacy Team helps diverse individuals understand financial systems in the U.S.A. so they can do things like set up a new checking account, buy a home or rent an apartment, or send a child to college. Our experienced bilingual staff provides assistance to Minnesota's Latino residents through classes and one-to-one meetings. Learn more and contact us by visiting <http://z.umn.edu/lfit>.

Doing Prom and Quinceañera on a Budget

By Gabriela Burk, Community Program Specialist



“Senior prom is a big deal because it’s your last big dance together before everybody goes to college,” said one teenager. Proms and quinceañera celebrations can result in big bills, too.

After adding up the costs of a dress, tuxedo rental, hairstylist, tickets, flowers, photographs, dinner, an after party, and more — the cost of proms and quinceañera celebrations can be incredibly expensive. According to Visa Inc.’s most recent annual phone survey (see link below), American families planned to spend an average \$919 on prom in 2015. And while that’s down from an average of \$978 in 2014, it’s still a lot of money.

So how can you keep spending on your teens’ proms and quinceañera reasonable? Start by writing down all expenses, and then figure out ways to reduce them so you can afford everything. The article, “How to Save Money on Prom” on the Kiplinger.com website (see link below) offers helpful tips for reducing prom expenses for both boys and girls. For now, here’s a closer look at cutting prom and quinceañera costs for girls:

The dress. Your best bet for saving money on a dress is to borrow one from a friend or family member. Or try finding a “pre-owned” dress at consignment shops or online marketplaces.

The glam. Think creatively about hair, makeup, accessories, and shoes. Ask friends or relatives to do your hair; likewise, borrow jewelry from friends or relatives. Find tips in magazines or online, and do your own makeup. As for shoes, look in your closet first. Chances are you have at least one pair of shoes that will go with a prom dress. And if you don’t, see if friends or relatives can lend you a pair.

In summary: Do your research, check out all possible options, and stick to your budget!

For more information visit:

- *2015 Prom Spending Survey* — Visa — http://www.practicalmoneyskills.com/resources/pdfs/Prom_Survey_2015.pdf
- *How to Save Money on Prom* — The Kiplinger Washington Editors — <http://www.kiplinger.com/article/spending/T050-C011-S001-how-to-save-money-on-prom.html>

Building Credit Without a Social Security Number

By Sarah Butler, Extension Educator — Financial Empowerment

Building credit without a Social Security number can be quite difficult, but it isn't impossible. Credit card issuers can't legally require you to provide a Social Security number if you don't have one, according to the Social Security Administration.

However, many credit card issuers do ask for an individual taxpayer identification number (ITIN), which is a nine-digit identifier that acts similarly to a Social Security number. Visit the "General ITIN Information" page of the IRS website for information on how to apply for an ITIN: <http://www.irs.gov/Individuals/General-ITIN-Information>.

The tricky thing is that not all credit card companies allow the use of an ITIN to apply for a credit card. This means you will need to do some research to learn which companies allow you to use your ITIN.

But wait — even if you find credit card issuers that accept ITIN numbers, many will deny your application if you don't have a credit history. So, go ahead and apply for a regular credit card with your ITIN even if you lack a credit history. But if you are denied, you should next apply for a secured credit card to establish that history.



Qualifying for a secured credit card is easier than for a regular card because you are required to put down a deposit as collateral. This reduces risk for the card issuing company because it can collect money from your initial deposit if you don't pay your balance on time in the future. The credit limit on secured cards usually equals the amount of your deposit.

In order to keep your secured card (and credit!) in good standing, always pay your balance off on time and in full. Once you have established a good payment record on your secured credit card, you may qualify to apply for a regular, unsecured credit card.

Be Prepared for a Disaster

By Francisca Mendoza, Community Program Assistant



Being prepared for a possible disaster will help you feel less stressed, better able to handle difficult

situations, and get the help you need faster. Experts recommend gathering important household information and keeping it in a file case in a place where all family members can quickly grab it and go.

Make sure that your file case is small enough to easily fit in a backpack or other small travel bag. You also might want to choose a red-colored case so it's easy to find in a hurry. Here is some of the information you should include in your red "Grab and Go" file.

Lists of Vital Information

- Contact information (family members, financial advisors, attorneys, accountants, bankers, employers, doctors, etc.)
- Insurance policy information (homeowners, renters, vehicle, health, etc.)
- Bank, credit union, and credit card account information and phone numbers

Photocopies of Important Papers (partial list)

- Birth and marriage certificates and/or divorce decrees
- Social Security and Medicare cards of household members
- Driver's license and other wallet cards
- Passports and/or other identity documents
- List of prescriptions — name of medication, dosage, pharmacy, etc.

To assemble your own file visit *Red File — Your Grab & Go Case for Emergency Situations* at <http://z.umn.edu/13jr>.

Tax Day Is Almost Here

By Taylor Putz, Claim It! Campaign Manager — Prepare + Prosper; and Mary Jo Katras, Program Leader



The final day to file taxes this year is April 18, so if you haven't filed yet — it's time to get moving! Here are five important

things to know about filing your income taxes.

1. **Save money by filing for free.** Minnesota has more than 290 free tax preparation sites for qualifying individuals or households. Taxes are prepared by IRS-certified volunteers. Visit our “Free Tax Preparation” web page at <http://z.umn.edu/13js>.
2. **If you use a paid tax preparer, ask questions.** Ask about service fees before choosing a preparer. Make sure the preparer is accessible after April 18 if you need to follow up.
3. **Bring necessary documents.** Remember to bring all required documents, including a Social Security card or Individual Tax Identification Number (ITIN), photo identification, and income statements to your meeting with a preparer. For more information, see the “What Should I Bring with Me to Have My Taxes Prepared” link on the bottom of <http://z.umn.edu/13js>.
4. **Check your eligibility for the Earned Income Tax Credit.** If you had earned income in 2015 and made less than \$53,267, you could be eligible for an Earned Income Tax Credit (EITC) of up to \$6,242. For more information visit the “Do I qualify for EITC?” page on the IRS website at <http://www.irs.gov/Credits-&Deductions/Individuals/Earned-Income-Tax-Credit/Do-I-Qualify-for-Earned-Income-Tax-Credit-EITC>.
5. **Use your refund to get ahead.** Instead of immediately spending your refund, consider saving at least part of it for a rainy day. Or use it to help you pay down debt. Make a plan for your own tax refund using the “Tax Refund Decision” web page at <http://z.umn.edu/13yv>.

Did You Know?

During 2015 the Latino Financial Literacy Team conducted 105 direct-delivery classes engaging 2,026 participants, and 440 one-to-one sessions with individuals. Topics included basic money management, parenting, tenant education, financing higher education, health insurance, and more. You can view a full copy of the 2015 Annual Report at <http://z.umn.edu/13km>.

Advice to Teens Moving Away from Home to an Apartment

By Jose Lamas, Community Program Associate

Are you moving out of your parents' house this fall to go to college, technical school, or to start a new job? Where are you planning to live? In a dorm or a nearby apartment? If you plan to rent an apartment, you need to take steps to find safe, affordable housing — and suitable roommates. Follow these tips as you consider living arrangements, base your decisions on what serves your main goal — to do well in school.

Choose roommates with care. Choose roommates who will respect the rental property. Depending on the terms of your lease, you could be liable for any damage a roommate does. Likewise, if a roommate has trouble paying the rent, or leaves before the lease ends, this could cause problems for you. In addition, choose roommates who will respect your time and privacy. Roommates who want to party all the time or who are noisy won't let you concentrate on your studies.

Inspect the unit before signing a lease agreement. Your goal is to find things that might be deducted from your security deposit when you leave. You need to document items that are damaged, dirty, show excessive wear, or are missing. Ask your landlord to sign your list.

Understand the terms of your lease before signing. Read your lease carefully. You need to know what you are getting into. For example, you'll want to know what you'll be paying for besides rent, such as utilities. Or what happens if you don't pay the rent on time. Show the lease to your parents, and/or a housing specialist or attorney before signing. Make sure you get a copy of the lease after signing it.

For more information, take the free *Renter 101 Online Course* available at <http://z.umn.edu/13jt>.

What Did Participants Learn?

By **Gabriela Burk, Community Program Specialist**

Extension's *Education: Our Best Legacy* classes are designed to improve parent-school and parent-child relationships in order to increase parental support for children's success in school. Extension's *Open Doors with Higher Education* program helps high school youth and their parents learn the value of education beyond high school and how to prepare for and finance higher education. Following are comments from participants in recent *Education: Our Best Legacy* and *Open Doors* sessions:

"The *Education: Our Best Legacy* program has helped me have better communication with my kids and to become more organized."

"In the *Open Doors* class, I learned how much cheaper it is to go to community college rather than a University."

"I was happy to attend the field trip taken to the community college. It was my first time being in a college setting."

"I now know that anyone can apply for scholarships that could help them pay for college."

To find out more about the *Partnering for School Success* program, visit website to learn more: <http://z.umn.edu/13sb>. To request any program, please contact any of the team members listed on page one of the newsletter.



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