



Stability: The Importance of a Credit Score

By Natalie Hall

I don't know about you, but more and more, I keep on seeing these commercials about raising one's credit score and the financial dangers of having a low one. I've seen dozens of these commercials, but never once had I known exactly what a credit score is or the importance of it. Until now.

The definition of credit score varies from country to country, but in the United States, it is basically a number that shows a person's credit worthiness. In other words, it demonstrates whether or not a person is likely to pay his or her bills.

There are three major credit bureaus that calculate this number in the US and Canada—Equifax, Experian and Trans Union— and they use different versions of the FICO scoring method (FICO comes up with the different ways to score people).

Generally, the credit score range is between 300-850, and a "good" credit score is considered over 700. However, because of the economy, a good credit score may vary.

So why is this number so important? A credit score determines how much interest and credit a person receives.

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Get the phone tapping details inside!



Controlling Your Credit (and your destiny)

Building and maintaining good credit is essential. Why? Because someday you're going to want to buy a car or a house. And believe it or not, employers look at credit before they offer you a job. Here are a few ways to grow and keep your good credit.

Always Make Your Payments - Your Payment History tells potential creditors (and employers) how reliable you are with their money or business. Miss one payment and it WILL lower your credit score.

Watch Your Credit Closely - Carrying a balance on a credit card or store charge card is okay when it's low - like \$300. It can actually help build your score. Just be sure to pay it off within 90 days to avoid the urge to add more to the total.

Don't Carry Too Much Credit - There is no perfect number of credit cards or loans to build credit. Simply be conservative and keep it to a minimum until you are out of school or are holding a higher paying job.

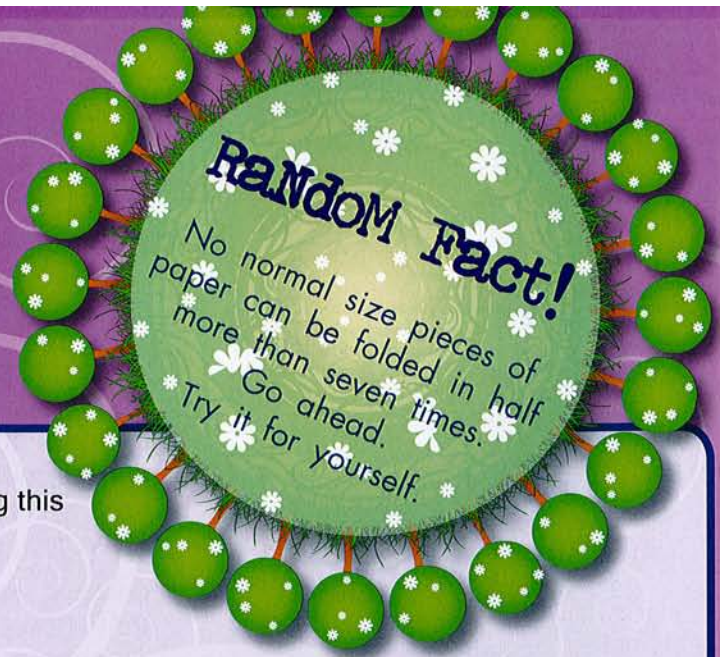
Longevity Is Important - The longer you keep a credit account the better. It shows that you are reliable and can be trusted with credit.

Call the Reporting Agencies - Every year you can request a free credit report from each of the three reporting agencies. To get your report, visit annualcreditreport.com. Once you have your reports, be sure to look for errors. If you find one, call the reporting agency at the numbers below.



Equifax 800.465.7166 • TransUnion 800.663.9980 • Experian 888.397.3742

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Translations have been provided for any parents reading this newsletter.

“143” - I Love You

“BFF” - Best Friends Forever

“TTYL” - Talk To You Later

“RUOK” - Are You Okay?

“IMNECTHO” In My Not-Even-Close-To-Humble Opinion

“IWYWH” - I Wish You Were Here

“WTG” - Way To Go

“LMSO” - Laughing My Socks Off

“JETTIPS” - Just Easier To Talk In Person Sometimes

“MTHFTTM” - My Thumbs Hurt From Texting Too Much

“WARHGOICHSPUTPACYBNATYEWIWT” - Wow. Abbreviations Really Have Gone Overboard. I Could Have Simply Picked Up The Phone And Called You By Now And Told You Exactly What I Wanted To Say.

Sound Wave
Stairway to Heaven by Led Zeppelin was never released as a single, yet remains one of the most famous rock songs of all time.

My Hardcore Approach to Pay for College

By Astrid Pasco



Experience is the best teacher. So, here is how I helped save money and pay for college during high school.

Study Hard: Take as many college-credit classes as you can handle in high school. Taking Advanced Placement (AP) or community college classes in high school may earn you college credits without the full-blown tuition and living expenses. I started college as a sophomore thanks to this little trick.

Always Have a Job: Before I was 16, I tutored, babysat, pet-sat, and housesat in my neighborhood. From 16 onward, I worked part-time at local businesses and still tutored on the side while attending high school and college. My earnings allowed me to pay for my college expenses each month.

Live at Home if You Can: After the excitement of dorm life wore off (quickly), I moved home and took the bus to school with my discounted student transit card. I saved thousands of dollars on room and board.

Borrow Textbooks from the Library: My college's library loaned the textbooks for current classes for two-hour periods. I made copies of the homework problems from these. For longer reading and studying, I borrowed previous editions of the textbooks with longer loan periods from the library.

Take More Classes (Summer too): My college charged massive fees on an annual basis, so fewer years in college meant fewer fees.



Financial

**& The earlier you start planning
C for retirement, the sooner you
t can enjoy it!**

The Importance of a Credit Score

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For example, if someone with a 790 score buys a house, he or she will pay less for it over time in total interest payments. That is because that person will get a better interest rate than someone with a 700 score.

Also, more and more companies are running credit checks before they hire people, so if someone has a bad credit score, it just may cost them a job.

Now that I know just how important a credit score is (and how often it's checked), I understand why those commercials advertise so often. In reality, a good credit score is immensely important, and in many cases, determines a person's lifestyle. Who knew a three-digit number could carry so much weight?



Dealing with Finances as a Teenager

By James Kelly



When you are a teenager, you know exactly what you want. If you buy what you want when you want it, you'll end up broke.

The fact is, most teenagers are not worried about the future, but they should be. I want to share my story: how all my money disappeared fast.

After working as a dishwasher and babysitter, I finally landed my dream job at a coffee shop. It paid well too. I was amazed at my first paycheck. It was over three hundred dollars! I quickly spent it, and promised myself that I would save the next paycheck, or at least some of it. That didn't last.

Paycheck after paycheck, I spent and spent. I totally forgot that the holidays were coming up. Even worse, I forgot I was going on a trip and needed at least six hundred dollars for that.

I'm now saving every cent I get from my paychecks and tips towards the money I need for the holidays and the trip. Hopefully I will earn enough before it is too late.





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www.nchargenetwork.com

What have you learned from your credit union?

Have you been a member of your credit union since you were little? If so, what have you learned over the past decade or more? Did you learn how to save money? Did you get a free T-shirt? Do you still have that shirt? Do you think what you learned will help you when you move out on your own? We want to hear from you.

Click over to the NCharge website and tell us what you have learned from your credit union. It could be worth \$100 cash if we use it in our newsletter. Or if we use it online, we'll send you \$50. We read every submission, so get to writing, use spell check and be sure to tell us who you are and what credit union you call home.

