



Heart of Florida  
**UNITED WAY**

# Financial Literacy



# 1 Who we are

## **Our Mission:**

**Heart of Florida United Way stands up for the education, health, and financial stability of every person in Central Florida**

# Who is ALICE?

- Asset Limited, Income Constrained, and Employed
- Live and work in every community nationwide; friends and neighbors
- Spans all races, ages, ethnicities, and abilities
- Workers whose wages struggle to keep up with rising cost of goods and services
- 34% of Central Florida is ALICE

# Financial Literacy

# Financial Literacy: The Five Levels of Financial Freedom

- Level 1: Survival
  - You are spending more than you earn, you may be in debt, living paycheck to paycheck with no savings
- Level 2: Stability
  - You can meet your monthly financial obligations and have started an emergency fund
- Level 3: Security
  - You have eliminated high-interest debt and have a large enough emergency fund to cover a significant period of unemployment
- Level 4: Independence
  - Passive income from investments is sufficient to cover basic living expenses, meaning you don't have to work if you don't want to.
- Level 5: Abundance
  - You have more wealth than you need

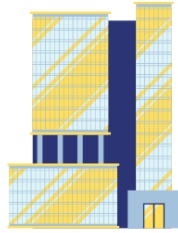
○ Financial Literacy  
**Banking**

# Ice Breaker

What are the benefits of using a bank?



# Banking Basics: Types of Banks



**Retail Bank:** Works with the general public, and usually has branch offices for customer convenience. Offers things like checkings and savings accounts.

**Commercial Bank:** Works with large and small businesses on their banking needs.



**Credit Union:** This is a nonprofit organization that serves a specific group of people or community.



**Investment Bank:** Manage the trade of stocks, bonds, and other securities.



# Banking Basics: Non-Traditional Accounts

- Online accounts
  - Typically offer higher interest rates on savings accounts
- Chime
  - Financial technology company, not a bank. Basic tools for those just starting their financial journey
- CashApp
  - Person to person money transfer platform allowing you to send and receive money. Not FDIC insured

# Banking Basics: FDIC Insured

- Federal Insurance Deposit Corporation
  - Insures deposits at banks
  - Supervises financial institutions
  - Protects consumers in case a bank fails
  - Deposits are insured up to \$250,000
- Ensure that your bank is FDIC-insured by using FDIC's BankFind Tool
- Bank products such as stocks, bonds, mutual funds, etc. are not covered by FDIC insurance

# Banking Basics: Bank Fees

- Overdraft Fees
  - Charged when you make a purchase that is more than the balance in your account
  - Usually around \$35
  - The result of the bank “covering” you when you spend more than you have.
  - Opting out of overdraft protection means you will not be charged overdraft fees, but your card will be declined.
- Maintenance Fee
  - May charge if your account is under a certain balance
- ATM Fee
  - Charged by banks for using an ATM not in their service



# Banking Basics: Bank vs Check Cashing Services

- Check cashing can cost up to 4.9% based on the amount of the check. For example, to cash a \$500 check it would cost you \$11.85 at Amscot
- Cashing a check at the bank where you have an account is free

# Banking Basics: Autopay vs Money Order

- If a money order is lost or stolen, you pay a \$12 processing fee (Amscot)
- With autopay, the bank will send the vendor money from your account for free. Usually, the vendor will be paid in a 24-hour period
- Guaranteed date of payment



# Banking Basics: Find A Bank through Bank On

- Bank On – a national program that helps people connect to secure, affordable checking accounts at major financial institutions
- Accounts have:
  - No overdraft fees
  - Low to no monthly maintenance fees
  - \$25 or less minimum opening deposit
  - No account activation or low balance fees
  - Free debit card
- Find the list of Bank On accounts in Florida on our website: [It All Makes Cents](#)

# Additional questions? Contact us!

## **Vanessa Brundidge**

Program Manager – Financial Stability Initiatives

[Vanessa.Brundidge@hfuw.org](mailto:Vanessa.Brundidge@hfuw.org)

## **Kailey O’Shaughnessy**

Program Coordination – Financial Stability Initiatives

[Kailey.Oshaughnessy@hfuw.org](mailto:Kailey.Oshaughnessy@hfuw.org)

