



more than just money® **BSCU**

HOW TO BE A FINANCIALLY STABLE ADULT

Curricula Guide

LESSON 1

How to be a self-sufficient and financially stable adult

Going to college is more important than ever. By setting goals for higher education when you're young, and creating a good career path that you enjoy and pays well can prepare you for the lifestyle you desire. For many, graduating from college is a step in the right direction toward a bright future.

Pre-Lesson Discussion/Journal Write

What kind of lifestyle do you want for your future? Do you want to own a home? Have a car? Take vacations? Do you enjoy skiing or golf? What are the hobbies you enjoy now? Do you want to be able to afford them later? What are your future goals? What things do you want to be able to have for yourself and your future family?

Class Discussion

Did your parents go to college? Your grandparents? Will you be the first in your family to go? Is education and higher-education discussed regularly in your home? Have you been to different college campuses? Why or why not?

Discussion Questions/Journal Write

What are you passionate about? What do you enjoy doing? What are your favorite subjects in school? What are you curious and excited to learn more about? What careers interest you? What are your goals for the future? What kind of lifestyle do you want to have? How are the goals and lifestyle you want to have impacted by the future income you make for you and your future family?

Extension Activities

Talk to a teacher, neighbor or family member and ask them how attending college has impacted their life. What new skills did they learn there that better prepared them for their future? Be prepared to share their story with your class.

Take a few minutes to review your skills, interests and natural talents. Write down all the ideas that come to mind. You can also use websites like collegeboard.org to help you look at your personal interests and combine them with possible college majors: www.bigfuture.collegeboard.org/explore-careers

Now, explore a list of five careers that stand out to you. Do your skills and talents match the jobs you chose? Now, choose one career to research and find the answers to the following questions. Be prepared to share your findings in-class.

1. What are the educational requirements?
2. What is the estimated first year salary for that position? Median salary? The median salary is the "middle" value. That is to say, if you listed all the salaries from lowest to highest, the median would be right in the middle.
3. What are the working conditions like?
4. What is the future outlook for this occupation?

A college master's degree is worth an average of \$1.3 million more in lifetime earnings than a high school diploma, according to a recent report from the U.S. Census Bureau.

BECU Curricula Guide

LESSON 2

Choosing a college and finding ways to pay for it

Choosing which colleges to apply to and what major/s to select can be both stressful and overwhelming. A good first step is finding what schools offer the programs you want to pursue. A fantastic tool to guide you through this process is collegescorecard.ed.gov. This federal database compares schools' average annual cost vs. graduation rate vs. salary after attending.

It gives you a snapshot of the value of the schools you're considering. Check out the list of [Affordable Four-Year Schools with Good Outcomes and Community Colleges \(by state\) with High Salaries](#).

Activity

Go to the college scorecard website. Take 15 minutes and go through the website and familiarize yourself with the tabs. The more research you do will help you find what options you have in the degree you want to focus on.

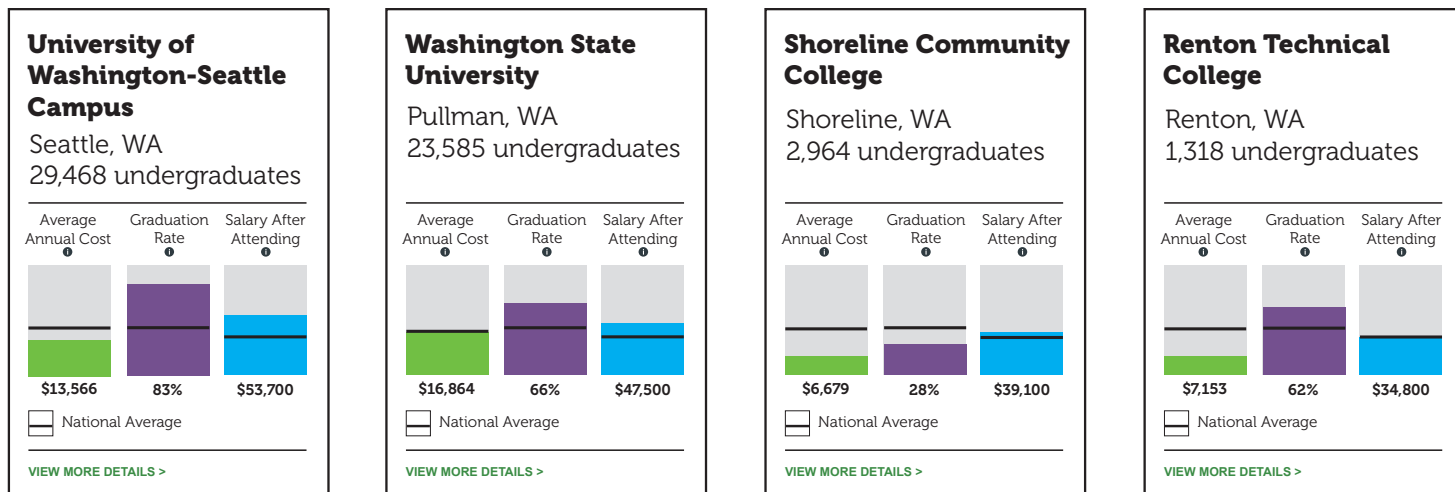
Here are some great questions to answer when reviewing this site:

Which schools have the program/s that interest you? Where are they located? How many students attend? What are the annual costs? What is the average salary after graduating? What information did you find most interesting? What questions do you still need answers to?

These college scoreboard charts contain information for UW, WSU, Shoreline CC and Renton Technical College.

Discussion

What surprised you the most, when comparing and contrasting these four schools? Out of these four options, which school stands out to you more? Why?



Majors that Pay you Back

Choosing a major makes an even bigger impact on future earnings than deciding which school to attend. PayScale ranks the highest paying college majors for associate, bachelor's and graduate degrees.

www.payscale.com/college-salary-report/majors-that-pay-you-back

- Were you surprised by what majors had the highest earning potential?
- How does salary play into what you want to do for a career?

BECU Curricula Guide

Return on Investment (ROI)

The *Return on Investment* (ROI) is the amount of money you receive (or lose) in relation to the amount you invested. It's time to be a wise investor, crunch those numbers and see which school provides the best opportunities at the lowest cost.

For more information in getting the best ROI in college (and after), click this link to research the colleges and degrees that interest you and calculate your 20-year net ROI earnings, comparing the median income of both college graduate and high-school graduates. www.payscale.com/college-roi

ROI Activity

The report "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings" reveals that over an adult's working life, high school graduates can expect, on average, to earn **\$1.2 million**, while those with a bachelor's degree will earn, **\$2.1 million**; and people with a master's degree will earn **\$2.5 million**. People with doctoral degrees earn an average of **\$3.4 million** during their working life, while those with professional degrees, like medicine, law, and engineering average the highest at **\$4.4 million**. (www.thoughtco.com/lifetime-earnings-soar-with-education-3321730)

Have students write the basic ROI formula in their notebooks or you can write it on the board. Then, have students (either independently or in pairs) plug in the following numbers and try to solve the equation. Tell them to focus only on the difference between high-school and bachelor's degree earnings, for this exercise. You can have students compare and contrast the ROI between a Master's degree and high school diploma, if time permits.

For this equation, input the average amount spent for a 4-year degree at UW-Seattle campus as \$104,000. This amount will be the money invested or the "I", in this formula. (www.payscale.com/college-roi/state/Washington)

$$\text{ROI} = \frac{\text{R} - \text{I}}{\text{I}} \times 100$$

R = Money received after making the investment
I = Original money invested

$$\text{ROI} = \frac{[(\$2.1\text{M} - \$1.2\text{M}) - \$104,000]}{\$104,000} \times 100$$

R = Money received after making the investment
I = Original money invested

To calculate ROI using this formula, you take \$2.1M (college grad earnings) – \$1.2M (HS grad earnings) and subtract \$104,000 (UW investment) divided by \$104,000 (UW total cost for 4 years) then multiply X 100 to get the ROI percentage. The answer is: 565% ROI

"The driver of that widening is not so much that today's college graduates are doing better than yesterday's college graduates are doing; it's that today's high school-only graduates are doing worse than yesterday's high school-only graduates," he says. "The real story is the collapse in economic opportunity for people who do not continue their education beyond high school." — Paul Taylor, executive vice president of special projects at the Pew Research Center

Get the Best Value for Your Money

The College ROI rankings for Washington help students and their families determine which colleges in the state offer the best return on investment for their tuition dollars.

The overall annual cost for a college education ranges from about \$7,000 for community college to \$35,000 for a private school, according to US News & World Report. Don't let those numbers scare you.

Many colleges offer financial scholarships and government assistance is available in some cases. According to UW, 60 percent of their undergraduates receive a share of \$400 million in financial aid every year. You may be eligible for financial assistance, but you'll have to do the work to see if you qualify.

BECU Curricula Guide

Net Price Calculator

Extension Activity: In order to use the *net price calculator*, you will need to gather some information from your parents about their income and your most recent tax returns. You will not be applying for aid using this calculator, it's just a way for you and your parents to see what the Expected Family Contribution (EFC) will be and open the lines of communication about this subject and what you can each contribute.

As a team, you can research local scholarships in your area and learn more about financial aid packages, tuition payment plans, tax breaks, government-based grants and loans and student work-study programs.

Activity: Use your top college choice or practice with the UW net calculator to complete this activity:

www.washington.edu/financialaid/getting-started/net-price-calculator/

Discussion Questions

- Have you heard of the net price calculator before?
- What surprised you the most doing this simulation together?
- What other questions do you need answered before applying for financial aid?

When you're ready to apply to college, every student should fill out the Federal Application for Student Aid (FAFSA) form online with your parents. This data includes family's income, assets and other resources to determine if you're eligible for financial aid. This government fund provides more than \$150 million in grants, work-study funds and loans each year on a first-come, first-served basis. Apply early to see if you qualify. The application opens every year on October 1.

Use these options (in this order) to pay for college

1. **Grants and scholarships.** These don't have to be paid back. Apply for public grants and scholarships through the FAFSA and private scholarships based on your GPA, gender, ethnicity or interests. Once you're accepted, apply for scholarships through your school.
2. **Work-study programs.** You may be awarded a certain amount of money dependent on you finding a work-study job at your school and working a certain amount of hours. Sometimes your work-study will come with the job – but sometimes you'll have to find your own job that qualifies. Ask your school about their work-study process and if your hours are guaranteed.
3. **Student loans.** These have to be paid back. There are federal, state and private loans. Most federal loans are direct to you, and some are subsidized. Some are indirect, which means they may be offered to your parents, instead of you, to help you pay for college.
 - a. Take subsidized loans before unsubsidized, because you don't have to pay interest on subsidized loans while you're in school.
 - b. Take federal student loans before considering private loans – their terms are generally better. Repayment may be based on your income once you graduate, and they may qualify for loan forgiveness.

Review your financial aid award letter. Depending on your family's income, you may be offered a mix of all of the above. Decide what aid you want to accept – and remember, all loans will have to be paid back with interest. (Source: www.educationplanner.org)

BECU Curricula Guide

LESSON 3

Activity: Can you hack it in the real world? (worksheet)

Creating a budget is the most important step in controlling and managing your money. It allows you to track both your income (the money that you make) and your expenses (the money you spend). By doing this, you can see how much money you expect to have for the month and plan for how much to save and spend.

The key to a good budget is spending less than you earn!

In this activity, you will compare three individuals and pick and choose their monthly living expenses to see whether they are staying on track using a monthly expenses worksheet. You will get a sense of what a budget is and how it would feel to track your own income and spending.

Post-Discussion Questions

Where could these people have cut back on their spending? This means areas where they could get by with spending less money. What adjustments could be made?

Where can you cut back? Rent a Redbox DVD for \$1.50/day (or get movies free from your local library) instead of going to the movies with a \$12 price tag. Instead of buying a new bike for \$400, consider purchasing a used bike in good condition at a garage sale or through second-hand sites like Offer Up or Craigslist for \$100. Bring lunch to school or work each day and don't go out to eat. Make your favorite smoothies or coffee at home and skip those daily stops that can turn into bad financial habits and eat into your savings.

Discussion Questions

1. Why is a budget important?
2. Why is saving important?
3. What are some simple tips to remember to stick to your budget?
4. What should you keep in mind when you're shopping?
5. What is the difference between wants and needs?

LESSON 4

How to live within your means

Living *above your means* is simply spending more money than you're saving and it's a slippery slope to going into debt. It takes goal-setting, patience and vision to reverse that pattern of excessive spending.

Having your own money is exciting, but can also bring challenges. How will you decide when to spend your money, and when to deposit and save it in the bank?

When you understand how to manage your finances, you've got an invaluable tool in taking control of your life. Using these skills will provide peace of mind, financial freedom and a financially secure future.

Discussion Questions/Journal Write

Does your family live above their means? Below? How does your family spend and save money? Do your parents talk with you about saving and spending habits? Do they adhere to a strict budget (plan out how much money they make and how they're spending on a monthly basis)? Do they discuss needs vs. wants?

We live in a society that focuses on *instant gratification*? Most people buy impulsively; when they may not have the money to spend. They want things now, not later.

Discussion

Do you know someone that buys things in the instant gratification category? What do their spending habits look like? Are they truly happier with more stuff? Why or why not?

BECU Curricula Guide

Activity

Needs vs. Wants

Many times you have to spend money on things that you need right away, like lunch, a new coat or gas. Other times, you might want to buy something you want like a new pair of tennis shoes, a video game or going out to the movies with your friends. It's important to be in tune with your finances and figure out if these expenditures are a true need, or merely a want.

What do you want? What do you really need? Evaluate your current financial status and make two lists – one side for needs and the other for wants.

As you write the list, ask yourself these questions: Compare two items, one that you need and something that you want right now, at this moment in time. Make a list and answer the questions below.

- Why do I want it?
- What would change if I buy it?
- Is this a need or want?

Have you done this before? Do you think you'll use this exercise in the future? Be prepared to share your thoughts with your class.

Discussion/Journal

What is something you regret buying? What was it? Why did you buy it?

Delayed gratification is when you can put off buying that new pair of sunglasses or new iPhone until you've saved enough to purchase it, without going into debt.

It's so important to learn these concepts, in order to become a smart consumer now and in the future.

Credit cards

Many young adults fall into the credit card and payday loan trap. Credit cards are convenient, but they come with great responsibility. You need to understand the real cost of purchases made on credit. It's basically a loan and if you don't pay the entire balance off each month, you'll pay interest on that loan (and it's usually a very high percentage of the balance). That's the downside to using credit cards, but if you manage your spending wisely, make payments on-time and clearly understand the terms, you can use credit cards occasionally and be just fine.

Activity

You recently bought a new \$500 bike on your credit card so you can get to work. At the end of the month, your statement arrives and it's time to pay your bill. Do you pay the minimum amount of \$15? Do you try to pay more, let's say \$40? Why is paying more a valuable move for your pocketbook?

Let's take a look at three scenarios using different credit cards with varying annual percentage rate (APR). It's always important to check on what your credit card APR amount is before signing up with that company. You always want to look for the lowest rate available. That will mean lesser finance charges for you on the purchases you make with that card.

How do you make money? Do you have an allowance or a part-time job? What do you spend your money on? What do your parents spend their money on? Have you ever saved up for something special? Is saving money natural for you, or is it more difficult to do?

Comparing prices and waiting for things to go on sale, will save you money.

BECU Curricula Guide

Can you do a chart with these figures? Credit card A, B & C

TOTAL PURCHASE AMOUNT for a new bike is \$500.

CREDIT CARD APR The annual interest rate on your credit card

Card A: 10% Card B: 15% Card C: 25%

MONTHLY PAYMENT & NUMBER OF MONTHS TO PAY OFF BALANCE OF THE BIKE: The minimum monthly payment is \$15

If you make only the minimum payment of \$15/month, it will take you:

- 40 months to pay it off at a 10% APR and you will have paid \$88.22 in interest
- 44 months to pay it off at a 15% APR and you will have paid \$150.87 in interest
- 58 months to pay it off at a 25% APR and you will have paid \$362.47 in interest

Let's say you decide to pay \$40/month on the balance.

- 14 months to pay it off at a 10% APR and you will have paid \$30.23 in interest
- 14 months to pay it off at a 15% APR and you will have paid \$47.12 in interest
- 15 months to pay it off at a 25% APR and you will have paid \$85.31 in interest

TOTAL FINANCE CHARGES: The total amount of money you will pay in interest alone
What would the three sets of finance charges be at each APR rate?

What would the total finance charges and total cost for the \$500 bike when using:

Card A: \$15/month payment _____ \$40/month payment _____
Card B: \$15/month payment _____ \$40/month payment _____
Card C: \$15/month payment _____ \$40/month payment _____

Discussion/Journal Write

- What surprised you about these final numbers of the total cost of the bike?
- What did you learn about making minimum payments vs. paying more each month vs. saving enough to pay with cash? Which one is the better deal, financially?
- Does a second-hand bike, in excellent condition, seem like a better deal for \$100? Why or why not?
- Did you learn how interest on credit card loans can snowball?

Payday Loans

Payday loans are generally structured as small loans, the average amount borrowed is \$375. It can lead to a cycle of debt that's difficult to break. Most times, the annual percentage rate (APR) is upwards of 400 percent or more! They are taking advantage of people in stressful financial situations, who aren't looking at the details of the deal. So, if the average person borrows \$375 at 400 percent APR and it takes them five months to pay the loan off, they end up paying over \$520 in interest, fees and finance charges and the total amount spent is \$895. This is a losing situation for consumers and makes no financial sense.

The Payday Loan Cycle of Debt

For the average payday borrower, a payday loan leads to a five-month cycle of debt

Source: The Pew Charitable Trusts, Payday Lending in America, 2012

\$520

FEES

Total cost \$895,
for a \$375 loan

\$375

LOAN

Avoid The Cycle of Debt

If you cannot repay a payday loan in two weeks your lender may offer, or you may choose to, roll over the loan for a fee.

If you repeatedly "roll over" the loan, you may end up trapped in a cycle of debt, paying hundreds of dollars in additional fees and interest on top of the original loan amount.

In fact, according to a Pew Charitable Trusts study in 2012, the average borrower pays more than \$500 in finance charges and spends five months in debt.

BECU Curricula Guide

In order to avoid this money trap, build an emergency savings account. This is money that you save gradually, bit by bit, month by month, to help tide you over in the case of an emergency or to cover an unexpected cost.

Real World Application

While saving money every week can seem difficult – or near impossible, depending on what you’re earning—it really is worth it if you can do it. It will give you a safety net, however small, in the case of a car breakdown, an emergency room visit, or a sudden loss of your job.

Video Summary

National Credit Union Association—Each year, nearly 12 million people in the United States take out a payday loan, often spending billions in principal, interest and fees. The latest video in NCUA’s Consumer Report series, explains how payday loans work, highlights important features consumers should be aware of and alternatives consumers should consider before taking out a payday loan.

www.youtube.com/watch?v=ZVWvd-2wCtM (video is 6:29)

Class Discussion

What surprised you the most about payday loans? Do you know anyone that’s used these services before? Who are the lending companies preying on? Why do you think it’s such an easy financial trap for millions in our country? What do you need to do to stay away from payday loans?

LESSON 5

Preparing to Move Out on Your Own

Moving out is exciting and a big step towards growing up and gaining independence. But, you want to do it the right way and that takes careful planning and saving. Renting a room, a house or an apartment can be both expensive and overwhelming.

Create a budget and figure out your total monthly income and how much your average monthly housing and bills will be. Make sure to include the following: electricity, water, garbage, sewer, water, cable, internet, cell phone, food, rent and transportation. As you prepare to move, try to save an additional \$500-\$800 for an emergency fund-this will protect you when surprise expenses come your way. Once you have your finances in place, you can begin your new adventure the right way.

City	Living Wage	Minimum Wage —all 9.47 except Seattle
Bellingham	10.28	9.47
Bremerton–Silverdale	10.24	"
Kennewick–Richland	9.97	"
Longview	9.28	"
Mount Vernon–Anacortes	10.59	"
Olympia–Tumwater	11.29	"
Seattle	12.19	15.00
Tacoma–Bellevue	12.19	9.47
Spokane–Spokane Valley	9.33	"
Walla Walla	9.37	"
Wenatchee	9.23	"
Yakima	9.47	"

Source: MIT Living Wage Calculator

House sharing or getting a roommate is one of the easiest ways to save money and cut your expenses when you move out. You can split rent and other household bills and expenses.

BECU Curricula Guide

Minimum wage Seattle city limits \$15/hour (currently in effect for business with 500+ employees; being phased in with smaller businesses over the next few years)

What is a living wage? The living wage is the hourly rate that an individual must earn to support their family. Livingwage.mit.edu graphs living wages in Washington State per county and shows the ranges for living wage, poverty wage and minimum wage.

In this activity, use the following credible rental websites (www.craigslist.com, www.forrent.com, www.rentals.com or www.rent.com) to research basic rental information. You can also visit local apartment or condo rental offices, in-person, to help you answer the following questions. Inform them that this is a school project and that you're doing research on budgeting and preparing to live on your own.

How to rent

- How much is rent for your apartment/home? What's the lowest rent? Highest? What's the difference between the units?
- How much does it cost to apply? What's your criteria for a successful application?
- What are the total costs of moving in and out?
- How often are security deposits refunded? What condition do I need to return the apartment in?
- What date is the rent payment due? What forms of payment do you take? How are late fees determined?
- What does rent include? Are utilities included? Which ones? Are other amenities included-gym, pool, rooftop garden, etc.?
- How much do utilities typically run? How are they calculated?
- Is parking is offered? Is it an additional fee? Are there bike storage/racks?
- What repairs does the management take responsibility for and how easy are they to get scheduled? What is the approximate turnaround time on jobs?
- How far in advance do I need to give notice before moving out? Can I sublet my apartment? What's the penalty for breaking my lease?

Quick Tip

Trust your instincts! Is the apartment manager and/or management company responsive when you're going through the renting process? Are the building, grounds and common areas well-kept and clean?

Quick Tip

Moving is expensive—and it isn't just rent. Be prepared to pay first month's rent, last month's rent and a hefty security deposit. There may also be application fees, move-in fees, administrative fees, nonrefundable cleaning fees, pet deposits and more.

Quick Tip

Know your rights. Renting laws are different in every state and even sometimes vary city-to-city. A quick search online should give you a city or state resource. Look for websites ending in .gov or .org, these are credible, meaning you can trust the information on those sites. Don't forget to always read your lease before signing, even the fine print. Be educated every step of the way when starting the rental process.

BECU Curricula Guide

LESSON 6

Preparing to Buy a Car

Buying a car is another step toward independence. It allows you the freedom to travel to work and school on your own and go where you want to go. This is an exciting step, but one that takes planning, research and money.

Create a budget to see what you can afford (and buy within your means), then start researching to make sure you're buying a safe and reliable vehicle within your price point.

Choosing a midsize car is the best way to go, according to The Insurance Institute of Highway Safety and the Insurance Information Institute. Depending on your budget, you can opt for either a new or used model—just make sure the car is in good condition with updated safety features like airbags and electronic stability control. Also, you'll want to check out crash test and safety ratings before making your final purchase.

What can I afford? What cars are in this category? What will my payments be? How much will I spend on insurance and gas each month? It's important to answer these questions first, before starting to look at cars.

What are the current auto loan rates at BECU, as of March 1, 2017? What is considered a new car loan vs. an old car loan? Which rates are better? Why do you think that is?

Activity

Using online calculators is a great tool that gives information about approximate monthly payments and what car or loan is the best for you. Go to the BECU website: www.becu.org/loans-and-mortgages/auto and scroll down to the How Much Vehicle Can I Afford tab and put in the financial information below, in the spaces.

"Lucy is going to school and works part-time. She has saved \$2,000 and can afford a \$150 loan payment each month."

She can afford a monthly payment of _____

What is the total amount of the loan? _____

Write down three cars that fall into this price point that are considered safe, reliable and fuel efficient?

Choose one make and model that is in Lucy's budget: _____

Kelley Blue Book is a credible source that provided fair market range for new and used cars. It's a great tool for those buying and selling a car. This site provides the current value for a vehicle and looks at wear and tear, gas mileage, etc. It also offers expert and consumer reviews and ratings on all car types.

Go to <https://www.kbb.com/>

What are the vehicle ratings and safety reviews on this make and model?

What other important information did you find regarding this car?

After reading the reviews, would you consider purchasing this car yourself? Why or why not?

Call two local insurance companies to get an insurance quote and compare prices.

Company #1: _____ Company #2: _____

How much would the total cost be to insure this car for 1 year? Are there discounted rates for students?

Company #1:

Company #2:

Go to www.dmv.org and scroll to Washington.

BECU Curricula Guide

How much is it to register your car in Washington?

What other costs, fees and taxes are associated with purchasing a car?

How long do you have to complete payment on these items, once you buy a car?

What did you learn from this car buying activity? Have you ever done this type of research before?

Do you feel better prepared when you begin the car buying process?

What are your buying options when purchasing a car?

Buying a car with cash

- You save up and pay the full price of the car when you buy it
- Dealer or private sale (Auto Trader, Craigslist and Offer Up)
- New or old
- Costs:
 - Price of car
 - Registration
 - Title transfer
 - Car insurance

Pros	Cons
You own it	You'll have to pay more upfront
You won't pay any interest	Cars never gain value—they only lose it
You can sell it when you're done.	
You don't have to apply for and qualify for a loan	
No monthly car payments	
You'll have more leverage to negotiate a better price when buying.	
Flexibility: while you're saving, if you don't want to put aside money one month, you can skip it. Can't skip a monthly payment on a loan or lease.	
There's no chance you'll end up having trouble paying down the road.	

While it can be hard to save up for a car, going this route has its advantages. If you can find a used car with low to average mileage that you can buy with cash, you may want to go for it. It's worth it to spend about \$150 for a complete vehicle inspection from a mechanic to make sure it's functioning properly. You can have them run the VIN number, to make sure it hasn't been involved in an accident or hasn't been labeled a lemon.

What is the Lemon Law?

The Washington State Motor Vehicle "Lemon Law" was enacted to help new vehicle owners who have continuous problems with warranty repairs. The law allows the owner to request an arbitration hearing through the Lemon Law Administration of Attorney General's Office. An owner can request arbitration under Lemon Law at any time within 30 months of the vehicle's original retail delivery date. There will be no charge for the arbitration process. After an arbitration hearing, an arbitrator will decide whether a consumer's claim meets the requirements under the law. (atg.wa.gov/general-lemon-law)

How Do I Get a VIN Check?

To run a VIN lookup, first you'll need the car's **vehicle identification number (VIN)**. You then have several different options:

- Obtain a basic free VHR through government-run public services.
- Purchase a more detailed VHR through a private service. (dmv.org)

Getting an auto loan

- You agree to pay a credit union or bank in installments for the car. You'll need to save for a down payment—a lump sum right at the beginning to get you started on paying for the car. The bank or credit union will cover the rest, and you'll pay the bank or credit union back in monthly installments, which will come with interest built in. Auto loans are fairly low interest and easy to qualify for – but you will pay interest over the life of the loan, which means you'll pay more in the end.
- Dealer or direct from an individual
- New or old
- Cost
 - Down payment + monthly payments = price of car + interest
 - Registration
 - Title transfer
 - Car insurance

Pros	Cons
You own it in the end	You'll pay interest during the life of the loan
Less money upfront	Still have to apply for and qualify for a loan
Auto loans are pretty easy to get	Better be prepared to pay on time every month
Build your credit history	Cars never gain value – they only lose it.
You can sell it when you're done	

If you need a car for your job or for school but can't afford to buy one outright, look for an auto loan with good terms—low interest rates and no penalties for paying off the loan early. Keep in mind you will have to pay all that money back eventually—so no matter how low your monthly payments are, don't let yourself get talked into more car than you need!

Leasing a car

- You sign a contract for a long-term rental agreement on a car, usually for three years. You may be able to get a nicer car than you could otherwise afford, but leasing has its drawbacks. Buying could be the better choice in the long run, depending on your financial situation and how you use your car.
- Dealer and banks
- New only
- Cost
 - Down payment + monthly lease payment
 - Security deposit
 - Car insurance

BECU Curricula Guide

Pros	Cons
Monthly lease payment may be lower than a monthly loan payment	Have to pay anywhere from a few hundred to several thousand dollars upfront as a down payment to get the low monthly payment
May be able to get a nicer car	Have to pay a big security deposit
	You're responsible for mechanical repairs not covered by warranty (and those are sometimes more on nicer cars!)
	If you're in an accident, you still have to pay out your lease
	Can only drive a certain number of miles or you'll have to pay a per mile fee at the end of the contract
	You don't own it – and can't sell it to help buy your next car. This may get you locked in to a cycle where you keep leasing.
	Credit requirements for leasing are typically higher than they are for auto loans

If you're working as an Uber driver or other car sharing service, you may be required to have certain standards for your car. This may be a good option for you, if you can earn enough to cover your car lease and repairs, and still have money to put in your savings account.

Taking public transportation

An ORCA card works like cash. You can load it up with money or buy a monthly unlimited pass. ORCA cards in the Puget Sound region work on the train, bus or light rail (and in some cases, water taxis and ferries). A monthly pass with unlimited rides (with the student discount) is about \$50. Taking public transportation can be inconvenient depending on where you need to go—but it's cheaper and environmentally friendly.

If you live and work and go to school near public transportation, this might be the right choice for you. Check the schedules and make sure you'll be able to get where you need to go. Sometimes, buying a bike and taking the bus gives you the right combination of options.

Private car services like Uber and Lyft provide people with an alternative transportation choice, especially if they solely use public transportation. They provide quick pick-ups and are more reasonably priced than regular taxi services. It's a win-win when you need to be somewhere quickly.

According to www.cdc.gov, the risk of motor vehicle crashes is higher among 16-19-year-olds than among any other age group. In 2014, 2,270 teens in the United States ages 16–19 were killed and 221,313 were treated in emergency departments for injuries suffered in motor vehicle crashes. Six teenagers, ages 16–19, die every day from motor vehicle injuries.

Be careful when you're driving. Limit the number of passengers in your car. Put away your cell phones and pay attention to the road.

Eight Teen-Driving Danger Zones

Make sure you are aware of the leading causes of teen crashes: Driver inexperience, driving with teen passengers, nighttime driving, not using seat belts, distracted driving, drowsy driving, reckless driving, impaired driving