




Your Different Ways to Pay





ATM Cards, Debit Cards, Loans and More: Picking the options that works best for YOU

For Community Members



Different Ways to Pay

Way to Pay	What is it?	Good Things	Bad Things
Cash 	<ul style="list-style-type: none"> ❖ U.S. Currency: Paper money and coins 	<ul style="list-style-type: none"> ❖ Convenient ❖ Can use it everywhere ❖ No extra charges or fees to use it 	<ul style="list-style-type: none"> ❖ If you lose it, it's gone ❖ If someone else steals it, they can easily use it ❖ It is easy to lose track of what you spend it on
Debit Card 	<ul style="list-style-type: none"> ❖ A 2"x3.5" plastic card with a MasterCard® or Visa® logo on it. ❖ Takes YOUR money out of the checking account it is linked to 	<ul style="list-style-type: none"> ❖ Can track spending through bank statements and on-line banking ❖ Widely accepted ❖ Usually no fee to use ❖ Can be used anywhere credit cards are accepted 	<ul style="list-style-type: none"> ❖ If someone steals the card or card number, they could have access to the money in your checking account ❖ You can lose track of how much you are spending ❖ If you try to spend more than you have in your checking account, you can overdraw your account and be charged extra fees
Credit Card 	<ul style="list-style-type: none"> ❖ A 2"x3.5" plastic card with a MasterCard®, Discover®, American Express®, Visa® or other logo on it. ❖ When you use it, you borrow money ❖ You have to pay back at least some of the money you borrow every month 	<ul style="list-style-type: none"> ❖ Get stuff right now, even if you do not have money for it ❖ Convenient ❖ Can track spending through statements or on-line ❖ Can earn cash back or other rewards ❖ No fees to use IF balance is paid in full every month ❖ Offer extra protection against defective stuff ❖ If you are responsible and pay your bills on time, it will improve your credit score 	<ul style="list-style-type: none"> ❖ Very, very easy to run up credit card debt ❖ Can spend more than you mean to ❖ Can be very expensive to pay back if bill is not paid back in full every month ❖ If you cannot pay your bills on time, it will hurt your credit score









<p>Pre-Paid Card</p> 	<ul style="list-style-type: none"> ❖ A 2"x3.5" plastic card, usually with a MasterCard or Visa logo on it ❖ You pay your own money up front to 'load' the card 	<ul style="list-style-type: none"> ❖ Can be used anywhere credit cards are accepted ❖ More convenient than carrying cash ❖ Offers some protection if card is lost or stolen ❖ No credit check ❖ No bank account necessary 	<ul style="list-style-type: none"> ❖ You have to pay a fee to buy the card. ❖ You have to pay a fee every time you use the card ❖ You have to pay a fee if you put more money on the card ❖ Some companies charge you a fee every month, whether you use the card, or not
<p>ATM Card</p> 	<ul style="list-style-type: none"> ❖ A 2" x 3.5" plastic card with a bank's logo on it ❖ It can be used at an Automated Teller Machine to get money from your own checking or savings account 	<ul style="list-style-type: none"> ❖ Most ATMs are open and available 24/7 ❖ Can use it to make deposits and check balances at ATMs 	<ul style="list-style-type: none"> ❖ A thief can have access to your money if card and PIN are kept together and stolen ❖ Cannot use it to pay for purchases in store.
<p>Store Gift Card</p> 	<ul style="list-style-type: none"> ❖ A 2"x3.5 plastic card with a specific store logo on it (e.g. Sears) ❖ You use your own money up front to buy the card 	<ul style="list-style-type: none"> ❖ Can only be used at the store that issued the card ❖ Convenient way to give gifts ❖ Some rewards programs can offer discounts on gas for gift cards purchased (e.g. Giant Eagle Fuel Perks) ❖ Usually no fee to buy it 	<ul style="list-style-type: none"> ❖ Cannot be used in any other store ❖ No protection if it is lost or stolen ❖ Some cards will lose value if not used for a long time ❖ Cannot put more money on the card.
<p>Money Order</p> 	<ul style="list-style-type: none"> ❖ A piece of paper that you pay for upfront ❖ You make it out to someone else, and they can cash it like a check 	<ul style="list-style-type: none"> ❖ Most reputable sellers will replace the money order if it is lost or stolen ❖ Safer way to send money through the mail than checks ❖ Can be used to pay bills if you do not have a checking account 	<ul style="list-style-type: none"> ❖ You pay a fee to buy the money order

Pay Day Loan Company	<ul style="list-style-type: none"> ❖ A company that will lend you money for a short period of time, usually until your next payday ❖ 	<ul style="list-style-type: none"> ❖ Can be a source of cash in an emergency ❖ Usually no credit check 	<ul style="list-style-type: none"> ❖ One of the most expensive ways there are to borrow money ❖ Very high fees
Check Cashing Store	<ul style="list-style-type: none"> ❖ A company that will give you cash for your check 	<ul style="list-style-type: none"> ❖ You do not need a checking account to get access to your money ❖ Some stores are open later hours than banks 	<ul style="list-style-type: none"> ❖ There is a fee for this service
Bill Pay Service	<ul style="list-style-type: none"> ❖ Organization that you give money to and then they pay your bills for you ❖ 	<ul style="list-style-type: none"> ❖ Can be used if you do not have a checking account 	<ul style="list-style-type: none"> ❖ There is a fee for each and every bill you pay each and every time
Bank Loans	<ul style="list-style-type: none"> ❖ You borrow a bank's money to pay for something 	<ul style="list-style-type: none"> ❖ Allows you to buy big things like houses and cars ❖ Allows you to start a business ❖ Allows you to do home improvements and other projects ❖ If you pay it back on time, it will raise your credit score 	<ul style="list-style-type: none"> ❖ Most loans have fees ❖ If you cannot pay on time, it will lower your credit score ❖ If you cannot pay back the loan at all, you might lose your house or car ❖ People with bad credit might not be approved

Debit Cards: Friends or Foes?

How can Debit Cards help you? What are the potential pitfalls of using Debit Cards?

How do overdraft fees happen?

Monday 8:00am		Monday 8:30am		Monday 12:15pm		Monday 4:20pm	Tuesday 9:00am
Actual money in account	What should be in your register	Actual money in account	What should be in your register	Actual money in account	What should be in your register	Register should show that you will overdraw account by \$50 if you make purchase	Actual money in account
							
\$400	\$400	\$400	\$300	\$400	\$250		
Go to ATM and check balance. \$400 available	Use Debit Card for Groceries worth <u>\$100</u>	Use debit card for gas worth <u>\$50</u>		Use debit card at electronics store for <u>\$300</u>			Bank takes money for your purchases out of your account. Your purchases total \$450, and you only had \$400 available. The bank charges you an overdraft fee

Keeping your money and cards safe



PROTECT THE PIN!

- ❖ Never, never share it. IF you share it, and that person uses your card and PIN fraudulently, the bank does NOT have to give you your money back – because you were not diligent with protecting your personal information.
- ❖ Never, never tell it to anyone on the phone. NO LEGITIMATE person/ company will ever ask for your PIN.
- ❖ Shield you PIN when entering it.
- ❖ Do not write your PIN down anywhere, and certainly never, never on your card.
- ❖ If you have more than one card, use different PINs for all of them.
- ❖ Contact the bank RIGHT AWAY if you lose your card, or suspect it may be compromised.

Keep cards safe

- ❖ Check your bank statement AT LEAST every month to make sure there are no charges on there you did not put on.
- ❖ Always look at the ATM carefully. Does anything look wrong with it? Is there anything new on there that wasn't there before? If you have the slightest doubt, do NOT use the machine, and tell the bank about your concerns.
- ❖ If you think there is any problem with your card or your account, go see someone at your bank, or call their 1-800 number right away. It is a big part of their job to keep your money safe, and they would want to know as soon as possible if someone is trying to scam you.

Just say 'no' if a friend or family member tries to borrow your ATM/ Debit Card/ Money, or asks you what your PIN is:

- ❖ I'm sorry; I do not lend my ATM/ Debit card to ANYONE. Did you know the bank will not give my money back if I tell others what my PIN is, and somehow my money gets stolen? I'd rather not take that chance.
- ❖ I know you are my friend, and you would never do anything to harm me, but I'm just not comfortable having ANYONE use my ATM card/ Debit Card/ know what my PIN is.
- ❖ I have heard about too many friendships/ family relationships get ruined over money. Let's not take a chance with ours, and keep our money matters totally separate.
- ❖ What would YOU say? Practice it!

Resources

For more information about FREE financial education, please contact

Jessica R Suhan, First Commonwealth Bank

Assistant Office Manager

DT DuBois Office 031

814-375-1919 -phone

www.fcbanking.com

www.yourmoney.gov

www.moneysbestfriend.com

[http://www.wikihow.com/Keep-Your-Debit-Card-Number-\(PIN\)-Safe](http://www.wikihow.com/Keep-Your-Debit-Card-Number-(PIN)-Safe)