

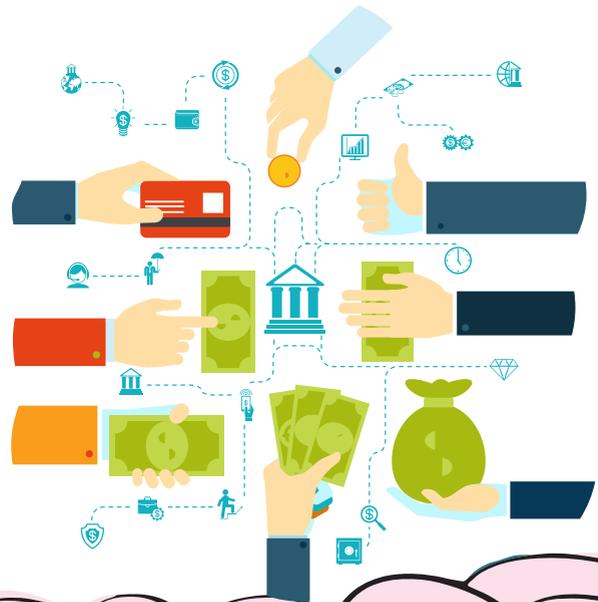


# Best Techniques of Dealing with Money

Dealing with money and banks involves so many decisions and habits. Consequently, providing some guidance tips or techniques would be of great value and would result in magnified benefits on the individuals' level and on the scale of the whole society and the economy as well.

In this sense, as a point of start, the most important tips covered are:

- Tips for understanding bank fees and keeping it down.
- Tips for choosing whether to pay with cash, debit or credit?
- Tips for spending money
- Tips for saving money.



## Tips for understanding fees and keeping it down:

As well agreed, having a bank account is of great benefit and became a necessity in today's world, however, having a bank account should be associated with a good knowledge of how the bank fees can be managed, by practicing good banking habits, which requires knowing the different types of banks' fees.

### Some of these fees are:

- **Account Maintenance Fee:** Number of banks charge monthly or annual maintenance fees to keep your accounts open and to perform transactions. In some cases, the fee is waived if you keep a certain minimum balance in your account. So, check your bank's policy to see if you're being charged a maintenance fee and to find out ways to avoid it. Also, find out if you qualify for a checking account with low or no monthly maintenance fees or if there is a minimum balance requirement. Last, ask if you can combine the balances in your checking and savings accounts to meet it.

- **ATM Fees:** Most banks charge a fee for using ATMs outside of their network. Depending on your bank, you may have to pay a fee for every transaction to the bank that owns the ATM plus a fee to your own bank. So, if you use ATM's frequently, search the location of your bank's ATMs or choose a bank with either a wide network of ATMs or one that waives ATM fees. Also, use your own bank's ATM to save on ATM fees. If you can't avoid a fee, consider taking out more money at one time, rather than making numerous smaller withdrawals.
- **ATM/Debit Card Replacement Fees:** Some banks charge for replacing lost ATM and debit cards. So, try to keep your card secure.
- **Debit Card Fees:** Some banks charge a fee for purchases made with your debit card. So, be sure to be fully aware of the information you receive when you get a debit card from the bank.
- **Early-Withdrawal Fees:** If you withdraw money from your certificate of deposit (CD) at the bank, before its maturity date, you would be charged a fee. So, be sure of the percentage of these fees from the interest you gain on the certificate of deposit.



- **Insufficient or Non-Sufficient Funds (NSF):** NSF indicates that there are “non-sufficient funds” in an account in order to honor a check drawn on that account. Banks normally charge a fee to the account holder for an NSF check (Bounce check or bad check). So make sure not to bounce a check.
- **Overdraft Fee:** Overdrafting refers to the practice of granting short-term credit to an account holder when his or her balance reaches zero. This is used to prevent checks from bouncing or debit cards from being declined when there are insufficient funds in the account. This privilege is sometimes called “overdraft protection” .If you’ve opted in to “overdraft protection” and you bounce a check, the bank will pay the check or debit, but may charge you a fee. So be sure to ask for and read your bank’s overdraft policy carefully.

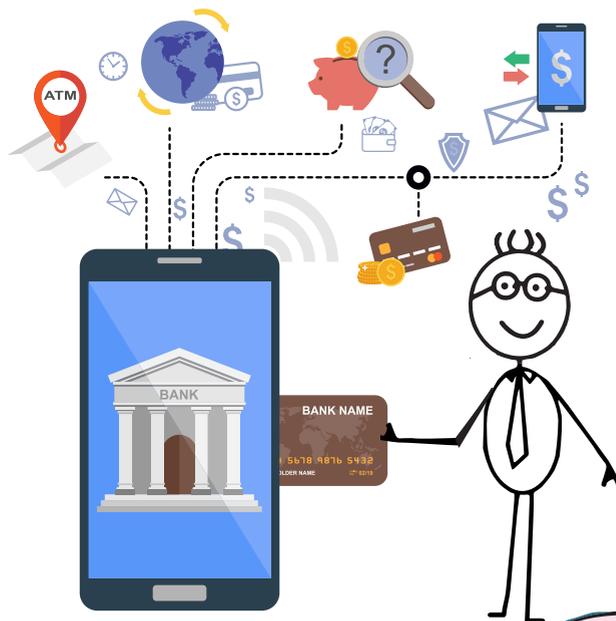
**Thankfully, it’s not hard to avoid overdraft fees if you protect yourself with a few safeguards as:**

- Try to get your employer into using direct deposit to put your paycheck into your checking account. This process helps you get the money faster, and saves the time and effort of going to the bank to ensure you have sufficient funds in your account.
- Keep some money in your checking account to act as a cushion in case of unexpected expenses.



- Take advantage of both Online and Mobile Banking to access your balance information anytime, almost anywhere. Remember to factor in recent transactions that haven't appeared yet when determining your balance.
- Set up alerts on your accounts to help you track your balance and spending. Your bank may enable you to set up alerts to be sent to your email or mobile phone if your balance goes below a specific limit.

All in all, these tips can help you avoid unnecessary bank fees and keep better track of the money in your checking and savings accounts.



## Tips for choosing whether to pay with Cash, Debit or Credit?

Knowing which payment method to use can be difficult, so taking such a decision pays you to consider your spending habits and the best method that enables you to keep track of your spending and budget easily.

Here are some tips that can help you determine the option that best serves your needs:

- **Paying by Cash:** Keeping cash on hand can be a great way to avoid overspending, as you can choose the amount that you may have in your wallet, spend only up to this limit and stop spending when you're out of cash. However, carrying cash is associated by a great risk that it could be lost or stolen. So, if this point is of a great concern you may consider a safer option of using a debit or credit card.
- **Paying by Debit:** Debit cards provides an easy and accessible way to keep track of your expenses. Additionally, since the bill paid by debit is



deducted directly from your checking account, rather than being paid later as in the credit card case, it helps you to avoid spending more money than what you have available. So, before you use your debit card, make sure you know your checking account balance, as if you try to spend more than you have, your purchase may be declined or the bank might charge you an extra fee, also known as an overdraft fee. Another important point is that you must make sure of the security that your bank offer for your debit card (Some banks also offer debit cards that include photo ID to help ensure no one but you can use your card), so that you won't be on the hook for fraudulent purchases if your debit card got stolen or lost.

- **Paying by credit card:** responsible use of a credit card can be a safe and easy way to build up your credit rating. However, this responsibility pays you to be fully aware of the options that you may have paying by your credit card. For example, if you are able, you can avoid interest on purchases altogether by paying your bill in full each month. Also, you should build your knowledge with such programs as:
  - The optional rewards programs that allow you to earn points, which are redeemable for things like travel and merchandise.
  - There are also cash-back credit card programs that allow you to earn a certain percentage of money back for each purchase you make with the card.



Same as in the debit card case, you must make sure that your credit card comes with fraud liability protection, meaning the card provider won't hold you responsible for fraudulent charges on your card as long as you report them promptly.

**To conclude, there is nothing right or wrong in choosing to use any of the means of exchange mentioned above, it all depends on you.**

You are the one who makes the decision whether cash, debit or credit (or a combination) best suits your lifestyle and habits. You should carefully consider the benefits of each payment method before making a purchase. Deciding your payment methods ahead of time avoids the situation where you may be stumped at the checkout line when the cashier asks “cash,” “debit” or “credit.”



## Tips for Spending Money

Overspending can lead to the accumulation of debt and zero savings. Though managing spending your money can be difficult, but with the right approach, it is possible to rational spending money and save it instead.

**So here are some tips to rational spending:**

- **Think about any hobbies, activities, or items you spend money on every month;** list the activities or items you enjoy spending your money on every month and factor this list in as variable expenses every month. Unlike fixed expenses (essentials like rent, utilities, and other payments) which remain the same each month, variable expenses are nonessential and are easier to cut back on.
- **Keep tracking your spending;** review your spending for the past quarter (three-month period), in order to control your spending.

- **Keep your receipt;** it is a good way to track how much you spend on certain things every day. So if you end up overspending for the month, this way helps you to pinpoint exactly when and where you spent your money. Also, one way that helps you better track your money is using less cash and instead more of the credit or debit card.
- **Use a Budget Planner to assess your spending;** a budget planner is a program that calculates how much your expenses are for a year and how much your income will be for a year. It will then tell you how much you can afford to spend in a given year based on your expenses. You can also use budget apps to help track your spending on a day to day basis. Download a budget app to your phone and record your purchases right after you make them.



## Tips for Saving Money

The hardest thing about saving money is to get started. You need to have realistic saving plan to save money and use the savings efficiently to pursue your financial goals.

**Here are some guidance steps to help you develop your saving plan:**

- **Record your expenses;** the first step in saving money is to know how much you're spending for a given period of time (eg.one month)
- **Make a budget of your spending;** since you have a record of what you spend in a month, you can build a budget to plan your spending, limit over-spending and include expenses that happen regularly (eg. like car maintenance, check-ups..e.t.c).
- **Plan on saving money;** after recording your expenses and earnings, and developing a budget for your spending, start on creating a savings' category within your budget and try to make it at least 10-15 percent of your net income. If your expenses won't let you save that much, it might be time to cut back

- **Set savings Goals;** setting savings goals makes it much easier to get started. Begin by deciding some short-term goals (which can usually take 1-3 years), those may include:
  - Saving money for a vacation.
  - Saving to buy a new car.

On the other side, long-term savings goals are often taking several years and may include:

- Saving for retirement.
  - Putting money away for your child's college education.
  - Saving for a down payment on a house.
- **Decide on your priorities;** setting priorities means making choices. You should order your goals according to their priority to your needs, and then decide how long you can wait to save up for each goal and how much you want to put away each month to help you reach it.
  - **Consider different savings and investment strategies for different goals;**
    - If you're saving for short-term goals, consider some plans that may involve regular savings account, which is easily accessible, or a high-yield savings account, which often has a higher interest rate or a Certificate deposit (CD), which locks in your money at a



specific interest rate for a specific period of time, or other types of saving accounts.

- For long-term goals, you may consider securities, like stocks and mutual funds. However, you should take into your account that such investments are subject to investment risks including the possible loss of principal invested.
- **Make saving money easier with automatic transfers;** automatic transfers helps you to save easier as it encourages you to think of saving as a regular expense. It is a great way to keep on target with your savings goals, as by moving money out of your checking account, you'll be less likely to spend money you wanted to use for savings. There are many options for setting up transfers. You choose how often you want to transfer money and which accounts you want to use for the transfers.
- **Watch your savings grow;** checking your account progress each month gives you more incentive for sticking to your savings plan and identify the obstacles that prevent you from hitting your savings goals.

**These simple tips helps you to maximize your benefit from your income, get the most from your banking relationship, helps in reducing banks' fees and inspires you to save more and hit your goals faster.**





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