

Total Cents Podcast Lesson 12

Warn Them About Money Safety

Topic Overview

We work so hard to build our financial futures and relationships, yet it is easier than you think for all of that to be thrown into disarray in today's cyber world. Building good habits that protect your identity and net worth can start at a young age, and this lesson will explain the best way to teach your child how to do that.



Your Intro Discussion With Them

It seems like a lot of the financial conversations we've had lately are centered around safety and protection. Certainly when we're talking about things like insurance, investment portfolio diversification and legal documents that's true. But there's one conversation that parents never have with their kids- on MONEY SAFETY, that might be the most important of all. Why? Because we first work so hard to make the money... then we work hard to save the money... that it would be a shame if we were careless and lost the money by not making smart choices to protect it.

Step 1

Go BIG Picture

What does the word safety mean (in general... not about money)? (being protected from or unlikely to cause danger)

If we were to narrow that definition down to be MONEY SAFETY, what do you think that means? Specifically.

Touch on these 7 topics:

1. Using Paper Statement
2. Protecting your Social Security number
3. Using hard currency
4. Social media
5. Talking about money in social settings
6. Reading the fine print
7. Lending money to friends

1. Using Paper

- What can our family do to protect against fraud from paper statements?
 - » Replace paper bills with electronic versions
 - » Shred, shred, shred!
 - » Sign up for auto-deposits
 - » Be militant about getting to your mailbox. And if you're going away, stop the mail for the time you'll be gone.
 - » Don't keep all your passwords on a piece of paper in your wallet—or anywhere on paper, for that matter.

2. Protect your Social Security Number

- Many common forms of identity

theft start with obtaining your Social Security number. With your common forms of identity theft start with obtaining your Social Security number. With your Social Security number, new credit cards can be applied for, tax refunds can be redirected

- How can we avoid this from happening?
 - » Memorize your Social Security number instead of needing to carry around the Social Security card itself.
- While you're at it, keep that card in a very safe place (see my thoughts about paper above).
- Be very guarded about sharing that number. When in doubt, ask "why do you need that?" While a bank or investment company might in fact need it, the fast-food delivery people don't.

3. Using Hard Currency

- ATM Risk
- Be aware of your surroundings
- Locking your doors at drive thru ATMs
- Not counting your money in front of the ATM
- And of course, if someone attempts to rob you, just give them the money.
 - » A far more common risk at the ATMs, however, revolves around identity theft. At an ATM, it is crucial not to let anyone see your PIN (and certainly don't share it with a friend) and to watch out for card skimmers (devices that criminals attach to ATMs, gas pumps, and any other payment terminals to steal your card's

information).

- Carrying Physical Money

4. Social Media

- Set strong passwords 10-12 characters long.
- Don't post sensitive information including account information or photo IDs
- Don't post about the great 2-week vacation you are on—
- Finally, monitor your security settings for each social media platform you use including:
 - » Use different passwords for each platform.
 - » Change your passwords every few months.
 - » Two-step authentication wouldn't hurt either.

5. Talking About Money Publicly

- Ally Bank Survey- showed 70% of Americans think that it's rude to talk about money.

6. Reading the Fine Print

- Don't just click "I agree" as you'd never get to the rest of your day if you actually read through all these things.

7. Making Loans to Friends—really think through the potential repercussions.

Conversation Wrap Up

This was a good conversation. When it comes to money safety it's usually a matter of slowing down to think and not being careless. As long as you have the risk front of mind your common sense will help you make the right decisions.