

Total Cents Podcast Lesson 12

Warn Them About Money Safety

Topic Overview

We work hard to build our financial futures, yet it is easier than you think for all of that to be thrown into disarray in today's digital world. Building good habits that protect your identity and net worth should start at a young age. 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 seem to have with their kids—MONEY SAFETY. Why? Because we first work so hard to make the money... then we work hard to save the money... 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

In general, what does the word safety stand for?

- 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?

Touch on these 7 topics:

1. Using Paper Statements
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 traveling for a long period of time, stop the mail from coming to your residence till then.
 - » 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 Social Security number, new credit cards can be applied for, and tax refunds can be redirected.
- **How can we avoid this from happening?**
 - » Memorize your Social Security number.
- 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
- 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. 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).

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.
- Monitor your security settings for each social media platform you use including:
 - » Use different passwords for each platform.
 - » Change your passwords every few months.
 - » Consider utilizing two-step authentication.

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 are aware of the risks, your common sense will help you make the right decisions.

