



Use Your Debit Card Wisely

The debit card serves as an extremely useful tool for young individuals acquiring their training wheels in money management. The debit card does not allow for overspending and promotes accountability. It is a far wiser option than handing over credit cards to teens or college students for their expenses. And hey, you just might still get that free gift for signing up!

Money Management Safety

The two rules of smart debit card use are 1) to avoid overdrafting and 2) steering clear of excessive ATM fees and surcharges, which have the potential to gobble up one's cash flow more quickly than they may realize. Imagine:

3 ATM withdrawals weekly from a machine not associated with your financial institution at an average \$2 ATM service fee each time + approximately \$2 charge from your own financial institution for processing the transaction. That is \$12 weekly that could be allocated toward the grabbing coffee on-the-go budget or \$48 monthly that could fill the car's gas tank twice or even pay a monthly cellular phone payment, all lost to fees!

Try not to overdraft:

1. Record all withdraws and purchases made and update your account balance in your checkbook register or if preferred, using your PDA or Microsoft Money or other applications. If you are in a rush, save your receipts and update your balance at the end of each day.
2. When you receive your monthly bank statement, spend some time reconciling it against your own register. Notice spending trends and areas where the balance falls low. Take your research into consideration and make any necessary adjustments in spending and timing of payments and purchases.
3. Most financial institutions offer overdraft protection which allows you to borrow money into the negative up to a certain limit. The majority of individuals who have this option tend to become all too comfortable utilizing it far too often. This has the potential to foster more lacksadaisical money managers and encourage poor spending habits. For this reason, I personally do not recommend implementing this feature for young people especially. If an individual is having difficulty covering their expenses with their income they should consider seeking the help of a certified credit counselor or other financial professional for a budgeting and debt management/debt prevention session.

Avoid excessive fees and surcharges:

1. Keep a list of ATM locations at which your particular bank does not charge a service fee. Try to use these ATMs exclusively for cash withdraws.
2. Take advantage of requesting cash back when making debit card purchases at no service fee.
3. There may be a fee for paying certain bills by phone. Avoid this by setting up for automatic bill pay online.

4. When using your debit card to make a purchase, selecting “credit” instead of “atm/debit” will ensure a 2-3 day authorization process to make sure funds are available to cover the amount of the purchase. This accomplishes both overdraft prevention and evasion of fees.

Card Security and Fraud Prevention

1. Face it, fraud happens. Take all precautions to avoid it.
2. Choose a PIN (Personal Identification Number) number that is in no way associated with you. Birthdays, last four digits of your social security number, consecutive numbers may be easy to recall, but they are not safe and should not be used.
3. Do not write your PIN number on your card.
4. Do not give anyone your PIN number. This sounds like a no-brainer however as a college student I witnessed countless instances of friends making withdraws for friends across the driver’s seat at a drive-up ATM. TRUST NO ONE.
5. Do not loan your card to anyone. Ever.
6. For maximum security, consider changing your PIN number periodically.
7. Report lost or stolen cards immediately.
8. Do not give your PIN over the phone.

ATM Safety

1. Do not go to ATM facilities in dark or remote places.
2. If there are suspicious lurkers near the ATM location or if you flat out feel uncomfortable, do not take any chances. Find another location.
3. Take a buddy. But do not give your buddy your PIN number =>
4. Have your card ready.
5. Cup your hand over the keypad when entering your PIN to block the view of others.
6. Keep doors locked and passenger windows closed when using a drive-up ATM.
7. Stow cash immediately following the transaction.
8. Take your receipt.

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