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# Managing Finances in the United States-

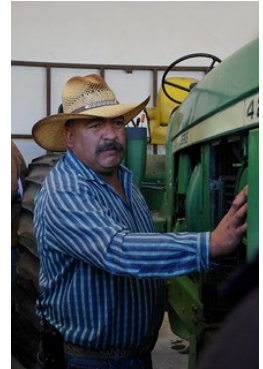
## Keeping Your Money Safe by Using Financial Services

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The Northeast Farm and Ranch  
Stress Assistance Network

As a farmworker in the United States, you will be earning an income. Turning your **paycheck** into cash is an easy way to make purchases. You may not feel safe carrying money around or you may be concerned about the safety of your money wherever it is located. In the United States, **banks and credit unions offer financial services such as savings and checking accounts** to help you keep your money safe, provide an opportunity to earn **interest** on your money, and offer ways for you to manage and access your money.



### What Do I Need to Do to Work with a Bank or Credit Union?

To work with a bank or credit union, you will need to be a customer and open an account. The bank or credit union will need to verify your name, date of birth, address, and I.D. number to open an account. An ID number can be a social security number (SSN) or an Individual Taxpayer Identification Number (ITIN). Suppose you don't have a U.S. government-issued SSN or ITIN. In that case, some banks and credit unions will accept a passport number and country of issuance, an alien identification card number, or other government-issued I.D. number. Talk to your employer about identification; they must complete forms to provide you with a paycheck. Also, visit different banks and credit unions to find out what types of accounts they offer, and what types of I.D. numbers they accept.

### Should I Have a Savings or Checking Account or Both?

Banks and credit unions offer two types of accounts: a **Savings Account** and a **Checking Account**.

A savings account is a place where you **deposit** your money so that it will be safe and grow. When you save your money in one of these accounts, the bank pays you money, called **interest**. A savings account is used to set aside money and is not used for spending. You can access the money anytime you need it. Some savings accounts have rules about how often you can take money out or require a minimum deposit to have the account. A checking account is where you **deposit** your money and can be a helpful tool for managing your money. As an employee, you can usually have your paycheck automatically deposited in your account through **direct deposit**. You can use the money in your checking account by swiping your **debit card**, making an **online or mobile bill payment**, writing a **paper check**, or withdrawing cash.

Some farmworkers have both types of accounts, one for saving money and the other for using their money. Regardless of the type of account, your bank or credit union provides a record of your **transactions**. Monitoring this information helps you manage your money. The U.S. federal government insures money that is put into a bank or credit union.

### How Do I Decide Which Type of Account to Have?

To make a good decision about which type of account, first think about how it will be used – for saving money, paying for your purchases and bills, or sending money to family overseas. You may want to have both a savings and checking account if you have all these needs.

Next, it is important to find out the rules and the costs associated with the accounts. Some banks/credit unions offer free accounts, while others charge fees. It is important to know if **Monthly Fees or Service Charges** will occur if you don't meet the **Minimum Balance** requirement or if there are fees for accessing **ATMs** or for using **Online/Mobile Banking**. If there are these fees, you want to know when they will be charged and how much.

Most employers will be able to **direct deposit** your paycheck into a checking or savings account. But if they cannot, you may need to travel to the bank/credit union to deposit your check or use the bank's app to **mobile deposit** your check. Ask the bank/credit union which options you have for making a deposit and if they have an app on your phone.

Some banks/credit unions allow you to use **debit cards** outside of the U.S. You will want to see if there are fees for using the debit card outside of the U.S.

To decide which type of account(s), think about how you need to access and use your money and if you have savings goals. Remember that you can always close the accounts when you leave the U.S. Make the most of your money by choosing an account that best suits your needs.

### **Case Story**

Dani came to work in the United States and now has a job as a farmworker. Dani does not know what to do with the cash they have from their paycheck. He/she sends some of their money back home to the family but still has cash to keep with them to pay for expenses. Dani heard about other workers having money stolen from them and is worried that something might happen to the cash he/she has.

A friend, Juan, shares that Dani can open a bank account even if he/she doesn't have a social security number. Juan has been in the U.S for a while and suggests that Dani think about how they want to use their money, what services they would like to use, and what type of account is wanted. Juan helps Dani decide that they want to access their money whenever he/she needs it. They would also like to save some money for emergencies and for traveling home to visit family and to transfer money home easily. Dani wants to keep as much of the money as he/she can; they don't want to pay a lot in fees. Juan helps Dani make a list of important things they want from their bank account and helps them compare information from two banks in town.

<b>Important Information about the Bank Account</b>	<b>Bank 1 – County Bank</b>	<b>Bank 2 – State Bank</b>
Will accept Foreign Identification, passport, ITIN Number, W-2 Form and Employer Identification Number or other documentation.	Will accept: a passport number, an alien identification card number, a government-issued I.D. issued by a foreign country AND a name, date of birth, proof of your physical address, such as a lease or utility bill	Will accept: a passport number, an alien identification card number, a government-issued I.D. issued by a foreign country AND a name, date of birth, proof of your physical address, such as a lease or utility bill, a copy of a W2 form from the employer

Savings Account that Earns Interest	Savings account earns .01% and \$250 minimum balance or charges a fee of \$10.00/month	Savings account earns .011% and requires \$200 minimum balance or charges a \$5.00/month fee
No Monthly Fee Checking Account	Yes, has free checking	Yes, has free checking
Debit Card to Access Checking Account	Yes, free debit card and checks	Yes, free debit card. First 50 checks are free.
Low-cost Foreign Money Transfer – to transfer money to outside U.S.	\$36/per transaction	\$25/per transaction
Mobile Deposit Available	Yes, with app for smartphone	Yes, with app for smartphone
No ATM Fees	No fee – local at bank and when shopping. Fee at non-partner ATM of \$2/transaction	No fee – local at bank and when shopping. Fee at non-partner ATM of \$2/transaction
Free Transfer Between Checking and Savings Accounts	Free	Free

Dani decides to open a savings and checking account with State Bank because their money would earn more interest and there are fewer fees. He/she used their passport and government I.D. to open the accounts. He/she uses the debit card from having a checking account to pay for groceries and buy things online. Dani is glad to have opened a saving account. Their money is safe, and they can access it when needed. Dani’s employer helped them to set up a direct deposit to put some money in both accounts each month. This has really helped to save money for later use. Also having these accounts saved money on transfer fees when sending money to their home country.



### **Finding the Right Financial Services, Bank or Credit Union**

It is your turn to find the right bank or credit union to provide you with a bank account and the tools you need to manage your money safely. Use this chart to compare two different banks or credit unions. Use the criteria below and add others that you think are important. Once you find out the information about each one, choose the bank or credit union to help you reach your financial goals. Call, visit or do an internet search for the bank/credit union to get the information you need.

Use the chart on the next page to organize the information you have found out. Based on this information, which bank or credit union will you choose? \_\_\_\_\_

Once you have chosen, gather your documents and open the accounts to help you reach your financial goals. Use the form below to comparison shop financial institutions.

## Comparison Shop Financial Institutions

Important Information about the Bank Account	Bank 1 –	Bank 2 –
Will accept Foreign Identification, passport, ITIN Number, W-2Form and Employer Tax Identification number or other documentation.	Which will be accepted? <ul style="list-style-type: none"> <li>• Passport number,</li> <li>• Alien identification card #</li> <li>• Government-issued ID issued by a foreign country</li> <li>• W2/ Employer Tax ID #</li> <li>• ITIN number</li> </ul>	Which will be accepted? <ul style="list-style-type: none"> <li>• Passport number,</li> <li>• Alien identification card #</li> <li>• Government-issued ID issued by a foreign country</li> <li>• W2/ Employer Tax ID #</li> <li>• ITIN number</li> </ul>
Savings Account that Earns Interest What is the interest rate?		
No Monthly Fee Checking Account		
Debit Card to Access Checking Account		
Low-cost Foreign Money Transfer – to transfer money to outside U.S.		
Mobile Deposit Available		
No ATM Fees		
Free Transfer Between Checking and Savings Accounts		
Other		
Other		

Additional documents in this Managing Money in the US series in English and Spanish can be found at this website: [farmaid.org/cultivemos](http://farmaid.org/cultivemos)

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## Important Words to Know

**Paycheck** is a check for salary or wages made out to an employee. A check is used to transfer money from the employer to the employee.

**Financial Services** - professional services involving the investment, lending, and management of money and assets.

**Bank** - financial institution licensed to receive deposits and make loans.

**Credit Union** - a nonprofit-making money cooperative whose members can borrow from pooled deposits at low interest rates.

**Individual Taxpayer Identification Number (ITIN)** - is a tax processing number issued by the Internal Revenue Service. to individuals who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain, a Social Security number (SSN) from the Social Security Administration (SSA). ITINs help individuals comply with the U.S. tax laws, and provide a means to efficiently process and account for tax returns and payments

**Deposit** - a sum of money placed or kept in a bank account.

**Interest** - money paid regularly at a particular rate for the use of money lent. For a savings account, interest is earned on money held in the account.

**Savings Account** – a deposit account held at a financial institution that earns interest.

**Checking Account** - is a deposit account held at a financial institution that allows the money to be available to the account owner for frequent and immediate access by the account owner.

**Direct Deposit** - the electronic transfer of a payment directly from the account of the payer (employer) to the recipient's (employee's) account.

**Debit Card** - a card issued by a bank allowing the holder to make a transfer money electronically to another bank account when making a purchase. Debit cards can also be used to acquire cash at ATM machines (Automated Teller Machine).

**ATM (Automated Teller Machine)** - a machine that dispenses cash or performs other banking services when an account holder inserts a bank card.

**Online/Mobile Bill Payment** - secure electronic service that allows customers to pay bills without having to write paper checks and mail them.

**Paper Check** - is used as a source of information to conduct a financial transaction.

**Transaction** – a financial agreement carried out between a buyer and a seller to exchange a product or service for payment.

**Minimum Balance** - a minimum amount of money that needs to stay in the account in order to maintain the account or not pay fees.

**Monthly Fees or Service Charges** - a fee collected to pay for services related to the primary product or service being purchased; in this case it would be use of an account.

**Mobile Deposit** - is a way to deposit a check without physically going to the bank. Using a mobile device with a camera—such as a smartphone or a tablet—it's easy to take a picture of the check, which is then uploaded through the bank's mobile app.