

## Money-Management Myths By Pamela Superville

**Myth 1:** It's okay to use check-cashing places.

Checking accounts at banks are usually free or carry a small surcharge for allowing your balance to go below the threshold. Compare that to the 5% or more that a check cashing place will charge you every time you use them... and you can see who is the winner!

**Myth 2:** It's okay to give inaccurate information on the W-4 in order to get a huge refund at the end of the year.

The W-4 is a legally binding document between you and your employer and should be treated as such. It is never okay to be dishonest with your employer!

**Myth 3:** Budgeting and/or opening a savings account are not necessary if wages are low.

Remember to "pay yourself first!" Even if you are saving \$5 or \$10 a paycheck – the cost of lunch out – at the end of the year you could have \$100+ interest that could be used to help pay off unexpected bills or treat your family to something special.

**Myth 4:** Only "big earners" have banking and investment accounts.

Again... not true! Anyone can open a banking or money market account. Remember to pay yourself first by contributing to your company's retirement plan, if they offer it. If not, open your own!

**Myth 5:** There are no remedies for individuals who have outstanding bank loans and now need to reestablish their credit and/or open a new bank account.

The Consumer Credit Counseling Service of Delaware Valley is a nonprofit organization that can help you repair your credit. (<http://www.cccsdv.org/>)

**Myth 6:** The only insurance needed is: car insurance.

Ask your new employer if they offer supplemental insurance such as life insurance that can make sure your family is taken care of in the event of your death. Another good insurance to have is renter's insurance so that if something happens to your home, you can recoup the costs of replacing big ticket items like televisions, computers and jewelry.

**Myth 7:** "PayDay Loans" are worth it!

No! Like check cashing places, they are charging you interest or a percentage of your paycheck that a bank could provide you for free!