

Cashing Your Paycheck

MAKING PAYCHECK CASHING DECISIONS

Paychecks are a form of payment of salary or wages issued to employees. People who do not handle their paychecks wisely usually have financial problems. Read each of the following situations and the choices that follow. Put an "X" next to the best choice.



Donald receives a paycheck once a month. Because of this, he has to think about his money differently than a person who is paid more often.

- On payday, Donald should keep all the cash he thinks will be needed for the month. This way, he should not have to stop at the bank until the next payday.
- Donald should keep the cash he thinks will be needed for two weeks. He should plan to go to the bank one time between paychecks.

Eloy has a car payment that is due on the fifteenth of every month. Payday at his workplace is also on that day. Eloy has the money, but he often forgets to make his car payment.

- Eloy should place a "sticky" note on his dashboard to help him remember to make his car payment.
- Eloy should set his car payment up on an Automatic Withdrawal System (AWD).
- Eloy should move his car payments to the first of the month. Maybe he could remember them easier that way.

Sandra keeps plenty of "fun" cash when she deposits her paycheck in the bank. However, she never has enough money in her checking account to pay all her monthly bills.

- Sandra should pay all of her monthly bills before she keeps "fun" money.
- Sandra should make a budget to decide how much "fun" money she can afford. Then she should take only that amount.
- Sandra should get a higher paying job.

Debbie gets paid twice a month and wants to save money. She often has \$20 to \$30 extra each paycheck. Instead of saving such a small amount, she spends it on things she wants but doesn't need.

- Debbie should deposit \$60 in her savings account out of her first paycheck each month. This way, she will for sure save that much money each month.
- Debbie should deposit at least \$30 in her savings account each time she cashes a paycheck. Then she should budget the rest of the money for other expenses.