Welcome to FLB

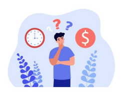
Financial Literacy buddy

This app was made in mind of black history month, as Black and indigenous historically don't have easy access to financial information.

[Click to start]

Click a topic of interest to you

How do you Invest

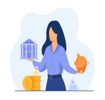


How does credit really work?

The truth about Mortgages.

Debt Management

Learn how to create a budget!



So you want to start investing

Learn the basic ideas of investing.

Rules 101 of Investing

Types of Investing

Where to Start

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Rules 101 of Investing

There are lots of rules, or strategies, for investing. You will be more financially literate if you are able to keep in mind even one of these principles.

Rule 1: **Saving is a prerequisite to investing**

Saving money and living within your means are requirements for investing and accumulating wealth.

Rule 2**: Be realistic about expected returns.**

Many financial investors believe that while 5% is sufficient to be regarded as a "decent" return, 7% is an exceptional return rate for the majority of investors. However, as everything relies on the specifics of the transaction, an investor may still earn more or less than the average %.

Rule 3**: Think long term.**

If you don't intend to hold investments for at least five to ten years don't put large sums of money in such investments.

Rule 4**: Do your homework before you invest.**

Acting quickly and then asking questions later doesn't work well in the world of investing. Never make a financial decision based on a sales pitch or an advertisement.

Types of Investments

There are numerous different kinds of investments accessible. When selecting which assets are best for you, it's crucial to take your financial objectives, risk tolerance, and time investment into account.

Stocks:

These are shares in a publicly traded company, which represent ownership in that company. On stock exchanges, stocks can be purchased and sold, and their value can change depending on the success of the firm and the general stock market.

Bonds:

In general, bonds are loans to a business or government. In return for regular interest payments and the return of the principal at maturity, an investor lends money to the issuer.

Real Estate:

Real estate investing involves the purchase, ownership, management, rental, and/or sale of real property for profit. This can include residential or commercial property, as well as REITs (Real Estate Investment Trusts).

Savings Accounts & CDs:

Banks offer certificates of deposit (CDs) and savings accounts as low-risk, low-return investment options. Although they have a low rate of return, the principal investment is safe and simple to access.

Where to start

Starting to invest can be a terrific way to gradually increase your money, but if you don't know where to start, it might seem overwhelming. Here are a few actions that can assist you in beginning.

Assess your financial situation:

Look at how your finances are doing. This might assist you in identifying your investment objectives and the amount you can afford to invest.

Set your investment goals:

Find out what you hope to accomplish through investment. Do you have a set financial objective in mind, such as retirement or a down payment for a house? Or do you just want to accumulate more money over time? Your investment choices may be influenced by having a clear grasp of your investment objectives.

Educate yourself:

It's crucial to educate yourself about the numerous sorts of investments, the stock market, and the economy because investing can be complicated. To help you catch up, read books, articles, and online resources. You might also think about enrolling in a course or consulting with a financial counselor.

Start small:

Don't feel obligated to make a large initial investment; instead, start modest. Start raise your investment as you gain confidence and competence.

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The strategy

There are many different investment strategies that investors use to achieve their financial goals. Here are a few examples:

Buy and hold:

The buy and hold strategy involves buying stocks or other securities with the intention of holding onto them for the long term, regardless of short-term market fluctuations. This approach is predicated on the notion that, in general, the stock market will increase over time and that, as a result, investors would profit from the long-term growth of their stock holdings.

Dollar-cost averaging:

With dollar-cost averaging, an investor consistently makes a set investment into a certain asset, regardless of the price on the market. This can help even out the investment's cost over time and lessen the effects of market volatility.

Portfolio diversification:

The goal of portfolio diversification is to lessen risk by distributing an investor's holdings across a variety of asset classes and individual securities. By diversifying their holdings, investors can reduce their exposure to the risks involved with certain investments or asset classes.

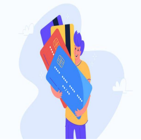
How does credit really work?

What Makes up your Credit Score

How to Build Credit

How to get Approved

Pick the Right Card for you



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What Makes up your Credit Score

Based on data from your credit reports, your credit score is a numerical indication of your creditworthiness. The three major credit reporting agencies, Equifax, Experian, and TransUnion, each employ a somewhat different formula to determine credit scores, but they often take the following factors into account:

Payment history:

Your credit score may suffer if you make payments late or miss them altogether.

Credit utilization is the percentage of available credit that is being used; a higher percentage indicates a higher risk.

Length of credit history:

A longer credit history can be seen as more positive.

Types of credit:

A variety of credit products, including loans and credit cards, can be viewed favorably.

Recent credit applications:

Too many recent credit applications may be seen negatively and suggest that you are taking on excessive amounts of new debt.

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How to Build Credit

It takes time and careful credit management to establish a solid credit history. The following advice will help you raise your credit score:

Pay your bills on time:

Your credit score can be significantly impacted by missed or late payments, so be sure to pay all of your expenses, including credit card and loan payments, on time.

Keep credit card balances low:

Try to keep your balances low compared to your credit limits because high credit card balances may be a sign that you are overextending yourself.

Use credit wisely:

Refrain from applying for too much new credit at once since this can affect your credit score. Additionally, you should avoid using your credit cards and loans to the fullest possible extent.

Consider a secured credit card:

Consider obtaining a secured credit card if you have little or no credit history. If you use a secured credit card properly, it can help you establish a good credit history because it involves a cash deposit that acts as collateral for the credit line.

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How to get Approved

It can be overwhelming to choose the best credit card for you given the abundance of alternatives, but doing so can help you better manage your money and establish your credit. When selecting a credit card, keep the following things in mind:

Rewards:

If you want to earn incentives like cash back, points, or miles, think about getting a credit card with a rewards program that fits your spending style.

Interest rates:

Take into account the card's annual percentage rate (APR), which is the interest rate you'll pay on any debt remaining if you don't pay it off completely each month. Make sure you comprehend the terms of any offers for a balance transfer or cash advance, as well as the interest rate.

Fees:

If low or no annual fees, balance transfer costs, and international transaction fees are important to you, look for those features in a credit card.

Issuer:

Make sure you are familiar with the policies, customer support, and dispute resolution procedure of the bank or corporation issuing the card.

Pick the Right Card for you

Your credit history, salary, and financial status are just a few of the variables that will determine whether or not you are approved for a credit card. The following advice can help you improve your chances of getting a credit card:

Check your credit score:

It's a good idea to check your credit score before applying for a credit card to get a sense of where you stand. Before requesting a credit card, you might wish to work on raising your credit score if it is poor.

Choose the right card:

Look for a credit card that fits your financial situation and credit history, and consider your income, credit utilization, and spending habits.

Consider a secured credit card:

If you have no credit history or a limited credit history, a secured credit card may be a good option. A secured credit card requires a cash deposit that serves as collateral for the credit line, and it can help you build a positive credit history if you use it responsibly.

Have a co-signer:

If you have a co-signer with a strong credit history, having them co-sign for the credit card can increase your chances of being approved.