

Get to know your finances

Knowing is more than half the battle!

The first step in gaining control of your financial life is knowing your financial situation. Here's what you need to know to get started down the right financial path:

- **Calculate your net worth** – your net worth is a strong indicator of financial strength. Figure out your net worth by subtracting your liabilities from your assets.

What You Own (Assets)

- What You Owe (Liabilities)

NET WORTH

- **Assets** – anything you own of value. This could be your home, your car, your business, even your education.
- **Liabilities** – Things for which you are responsible, such as debts or financial obligation, e.g. car loans, home loans, credit card debts.
- **Calculate your monthly budget** – A budget serves as a guide for you to use in reaching your goals. To create a budget, list all of your monthly income as well as each of your monthly expenses. This will help you determine how much you need to save or how much you need to cut back. As a first step, review entries in your checkbook and bank statement.
- **Know your credit** – A lot of folks think a credit score only matters when applying for a credit card or a loan, but in reality, credit scores affect everything from insurance rates to job opportunities. The first step in improving your credit score is finding out what it is!

Understand your credit history

Your credit score is a number between 300 and 850 that measures your credit risk. The higher your score, the lower your risk and interest rate, therefore the more you save on big ticket items. The lower your credit score, the higher your risk and interest rate, the more you pay on loans.

Your credit history is determined by:

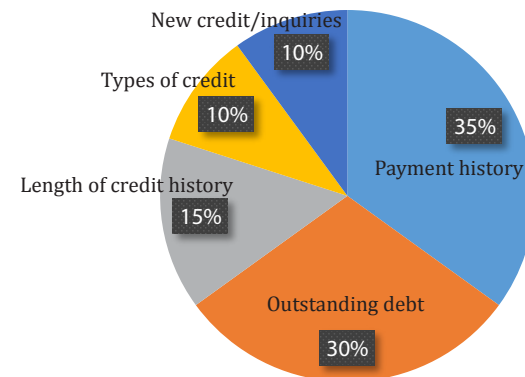
35% - **Payment history**

30% - **Outstanding debt**: what you owe now

15% - **Length of credit history**: how long you have had credit

10% - **Types of credit**: revolving (credit cards), installment and mortgage (loans)

10% - **New credit/inquiries**: recent new credit



How to improve your credit score:

- Pay all bills on time
- Shop for the best creditors – all creditors are not equal
- Don't borrow more money than you can comfortably afford to pay back.
- Pay down outstanding debts
- Review your credit report once a year **AnnualCreditReport.com - FREE!**
- Correct errors and omissions on your credit report by visiting three credit bureau websites (see reverse)

What's inside:

- **Get to know your finances**
- **Understand your credit history**
- **Your financial future: a step-by-step guide**
- **Safety tips to avoid identity theft**

For more help with planning your financial future, visit your local Southern Bancorp Bank today. Find the nearest location here:

www.banksouthern.com/locations

Information and views provided through this brochure and website are general in nature for your consideration and are not legal, tax, or investment advice. Southern Bancorp, its affiliates, sponsors, and partners make no warranties as to accuracy or completeness of information, do not endorse any non-Southern companies, products, or services described here, and takes no liability for your use of this information. Information and suggestions regarding business risk management and safeguards do not necessarily represent Southern's business practices or experience. Please contact your own legal, tax, or financial advisors regarding your specific needs before taking any action based upon this information.

Keys to Financial Success is sponsored and developed by Southern Bancorp to serve our communities. The products and services mentioned are those typically offered by financial institutions and do not represent the specific terms and conditions of Southern's products and services.

Sources: Foundation for the Mid South, Financial First Aid Kit Foundation for the Mid South, Financial First Aid Kit – Financial tips for accumulating wealth. www.fndmidsouth.org/wealth-and-asset-building-resources

The State of Minnesota. Four Cornerstones of Financial Literacy. www.helpmnsave.org

With special thanks to our sponsor:



Keys to Financial Success



**A step-by-step guide
to improving your
financial future.**

Brought to you by
Southern Bancorp
Building communities. Changing lives.

A Step-by-Step Guide

Now that you know your financial picture, you can start setting your sights on a financial goal. Do you want to go to college? Buy a home? Start a business? These are all great goals, but you'll need a plan to get there!

Step One: Write down your financial goals. What do you want to achieve? Where do you want to be in 1, 5, 10 years?

I want to...

Step Two: Create your action plan. How much do you plan on saving every month? Every payday? What's your strategy for paying down debts? For example, if you have multiple debts, you might choose to start by paying off the one with the highest interest rate first so you'll save more money. Or, you could pay off the one with the lowest balance first to feel more progress. What would work best for you?

I plan to...

Step Three: Put your plan into action. Until you develop the habit, it will take some time to get comfortable following your budget and strategy, but it will soon become second nature, and you'll begin to see progress in no time! If it helps, let a friend or family member in on your strategy. They can provide the moral support to help you reach your goal.

The first thing I will do is...

Step Four: Review your plan periodically. Your plan should reflect your situation. Sometimes you'll need to make adjustments based on changes in your goal or changes in your life. For example, paying off one debt might mean you can put more money onto another debt. Or a job change might mean you have less to put toward your goal. What's important is that you don't simply give up on your plan. Adjust and move forward!

I will review my plan every...

Protect yourself from identity theft

Identity theft occurs when someone obtains your personally identifiable information (e.g., your social security number or birthdate) and pretends to be you in order to access credit in your name. While this has become a common crime, there are steps you can take to protect yourself that will minimize your chances of being a victim and help you recover faster when it does happen.

Tips for avoiding identity theft:

- Avoid sharing personal details such as passwords or addresses on social media.
- Be careful with printed materials containing personal information.
- Avoid using free public wi-fi for paying bills or accessing password protected sites.
- Create strong passwords and use a different password for each site.
- Open and read all bills, bank statements, and credit card statements.
- Shred documents with personal information that will end up in the trash.
- Visit www.AnnualCreditReport.com annually to order and review credit reports.
- Establish and maintain a relationship with a reputable financial institution.
- If you are an Arkansas ID theft victim, visit www.GotYourBackArkansas.org to apply for an Identity Theft Passport Victim ID Card.
- If you are a Mississippi identity theft victim, visit <http://tiny.cc/IdTheftBook> to learn how the attorney general can help.

Signs you may be a victim:

- Your regular bills do not arrive.
- You receive calls or mail about financial accounts of which you have no knowledge.

Keep Learning!

There are many resources available to help you strengthen your financial future. In addition to speaking with Southern's financial counselors, you can also visit banksouthern.com/MyMoneyMyGoals to start down the path to achieving your goal!

More Resources:

Arkansas Attorney General:
www.GotYourBackArkansas.org

Mississippi Attorney General:
www.ago.state.ms.us/consumer-protection/common-consumer-myths

Consumer Finance Protection Bureau:
www.consumerfinance.gov

Free credit report:
www.AnnualCreditReport.com

Financial education and management:
www.banksouthern.com/MyMoneyMyGoals
www.pueblo.gsa.gov
www.mymoney.gov
eHomeAmerica.org/southernpartners

Business training
www.sba.gov/training

Tax preparation
www.banksouthern.com/VITA

Credit and housing counselors
www.hud.gov
www.southernpartners.org/contact

Three major credit bureaus:

Equifax www.equifax.com 1-800-685-1111 Fraud Hotline: 1-888-766-0008	Experian www.experian.com 1-888-397-3742 Fraud Hotline: 1-888-397-3742	TransUnion www.transunion.com 1-800-916-8800 Fraud Hotline: 1-800-680-7289
---	--	--