



Credit and Money Management

Using Your Benefits &
Avoiding Scams



About Operation **HOPE**

Since its inception in 1992, the mission of Operation HOPE, Inc. (HOPE) is silver rights empowerment, making free enterprise work for everyone. It promotes financial dignity through the delivery of financial inclusion and education tools to underserved communities. Through its core divisions, the organization has provided youth and adult financial literacy, economic preparedness, digital empowerment, promoted home ownership, and assisted with foreclosure prevention to more than 2 million individuals, families, and small business owners. HOPE's next phase is focused on Project 5117, a multi-year initiative that will track and increase business role models for youth, boost credit scores for adults, and empower underserved communities.



“There is a difference between being broke and being poor. Being broke is an economic condition, but being poor is a disabling frame of mind, and a depressed condition of the spirit, and we must vow never, to be poor.”

– John Hope Bryant



Welcome to Operation HOPE's Using Your Benefits & Avoiding Scams

This workbook is your guide to making your benefits work for you and protecting yourself along the way. You'll learn how to avoid scams, use insurance and support programs wisely, and build a stronger financial future with confidence.





Using Your Benefits & Avoiding Scams

Tips for Getting Started

This workbook is your personal guide to setting strong financial goals—and making real progress.

You don't need to complete it all at once. In fact, you'll get more from it if you take your time, reflect honestly, and revisit it as you grow.

How to Make the Most of This Workbook

- Set aside focused time each week to work through a few pages.
- Write directly in the workbook, or use a notebook if you need more space.
- Be honest with yourself. This is a judgment-free zone.
- Come back to pages that challenge or inspire you.

You Can Revisit It

- This workbook isn't just a one-time activity.
- Use it as a check-in tool—every month, every quarter, or any time your financial goals shift.
- Reflect on how far you've come and what's next.

What to Expect

Throughout this workbook, you'll:

- Use your benefits wisely: Understand and make the most of insurance, healthcare, and other support programs.
- Stay scam-smart: Learn to spot red flags, protect your info, and respond to identity theft.
- Protect your finances: Build confidence with basics like insurance, estate planning, and security.
- Reflect and plan: Use prompts to check in, set goals, and take action on your financial future.

This is your space to explore, plan, and act. Let's begin.

Reflection Activity

What is your biggest concern or challenge when it comes to protecting your personal information or wealth? It could be related to online security, financial planning, or safeguarding assets. How do you currently address this concern, and what steps do you think could enhance your level of protection?



Key Insurance Terms to Know:

Insurance is essential for financial protection against unforeseen events like accidents or property damage, alleviating significant financial burdens. It facilitates risk management by spreading losses across a larger pool of policyholders, ensuring a more equitable distribution of financial impact. Insurance promotes peace of mind, allowing individuals and businesses to focus on their activities without constant worry. It also fulfills legal requirements, such as auto insurance. In summary, insurance is a critical tool for financial planning, risk mitigation, and safeguarding against life's uncertainties, playing a pivotal role in promoting stability and security.

- Premium - The amount you pay for your insurance coverage, usually monthly or annually.
- Deductible - The amount you pay out-of-pocket before insurance kicks in. Often \$500 - \$2000.
- Copay - A flat fee you pay for certain services, like doctor visits. For example, \$20 per office visit.
- Coinsurance - Your share of costs after hitting your deductible, often 10-20% of the total bill.
- Out-of-pocket max - The most you'll pay in a year before insurance covers 100%. Often \$3000 - \$8000.
- Grace period - The time you have to pay a missed premium before your policy lapses. Usually 30 days.
- Rider - Additional coverage you can add to your policy for extra premium cost, like dental insurance added to a health policy.
- Term life insurance - coverage for a set period of time, like 10 or 20 years. Lower cost, builds no cash value.
- Whole life insurance - Coverage for your entire life. More expensive but builds cash value you can borrow against.

Estate Planning

In addition to asset distribution and providing for loved ones, estate planning encompasses several key aspects. It allows you to appoint guardians for minor children, specify healthcare preferences through advanced directives, and potentially minimize estate taxes. Moreover, a well-crafted estate plan can expedite the probate process, saving time and costs for your beneficiaries. Regularly reviewing and updating your estate plan is essential, especially after major life events like marriages, births, or changes in financial circumstances. By addressing these comprehensive elements, estate planning becomes a holistic approach to securing your financial legacy and ensuring your wishes are upheld across various aspects of your life and assets.

- Will - Legal document detailing asset distribution upon death. Name executor to oversee the process.
- Trust - Allows a third party (trustee) to manage assets for beneficiaries. Reduces probate costs.
- Power of attorney - Designate someone to act on your behalf if incapacitated. Separate financial and medical POAs.
- Guardian - Name someone to care for minor children if you're unable to. Confirm they accept responsibility.
- Beneficiaries - Double-check life insurance, retirement accounts, and trusts. Update after major life events.

Avoid Financial Troubles

Equip yourself with the knowledge and tools needed to protect against identity theft. By adopting preventative measures, staying vigilant, and knowing the steps to take if your identity is compromised, you can safeguard your financial well-being and personal privacy. This workbook section serves as a comprehensive guide to empower individuals in the fight against identity theft.

1. Understanding Identity Theft:

- Definition: Identity theft occurs when someone wrongfully acquires and uses another person's personal information for fraudulent purposes.
- Common Targets: Social Security numbers, credit card information, bank account details, and personal identification.

2. Impact of Identity Theft:

- Identity theft can drain your finances and your peace of mind. It can lead to unauthorized transactions, damage to your credit, and emotional stress.
- Emotional Toll: Stress, anxiety, and frustration resulting from the violation of personal privacy.

3. Warning Signs:

- Unfamiliar transactions on bank statements or credit reports.
- Receiving bills or notices for accounts you didn't open.
- Unexpected denial of credit or loan applications.

4. Prevention Techniques:

- Use strong, unique passwords and update them regularly.
- Enable two-factor authentication for added security.
- Shred sensitive documents before discarding.

Avoid Financial Troubles

5. Credit Monitoring:

- Regularly review credit reports from major bureaus: Equifax, Experian, TransUnion.
- Set up alerts for suspicious activities through credit monitoring services.

6. Reporting Identity Theft:

- File a report with the Federal Trade Commission (FTC) at [IdentityTheft.gov](https://www.identitytheft.gov).
- Contact local law enforcement and file a police report.

7. Freezing Credit:

- Understand the process of freezing and unfreezing credit reports.
- Implement credit freezes for added protection against unauthorized access.

8. Resolving Identity Theft Issues:

- Contact affected financial institutions to report unauthorized transactions.
- Work with credit bureaus to dispute fraudulent information on credit reports.

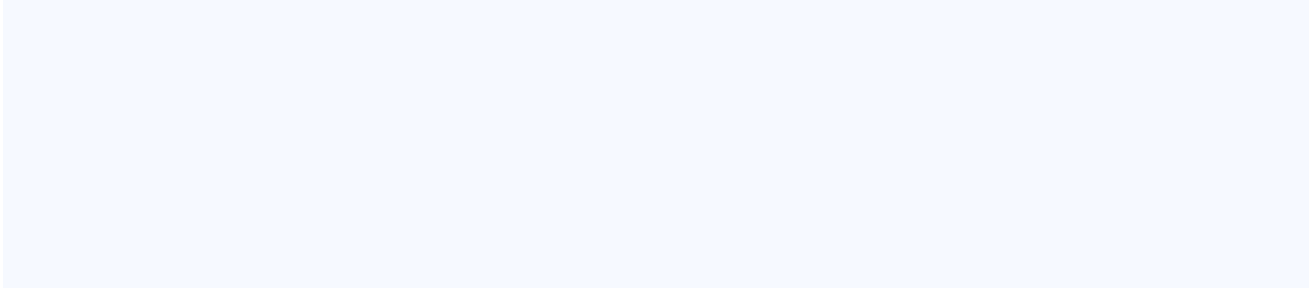
9. Safeguarding Personal Information:

- Be cautious with sharing personal information online and offline.
- Monitor social media privacy settings to limit exposure.

Avoid scams by not sharing personal information if something seems suspicious. Be cautious of unsolicited messages and verify requests directly with trusted contacts. Trust your instincts – if it feels off or too good to be true, protect yourself by withholding sensitive details.

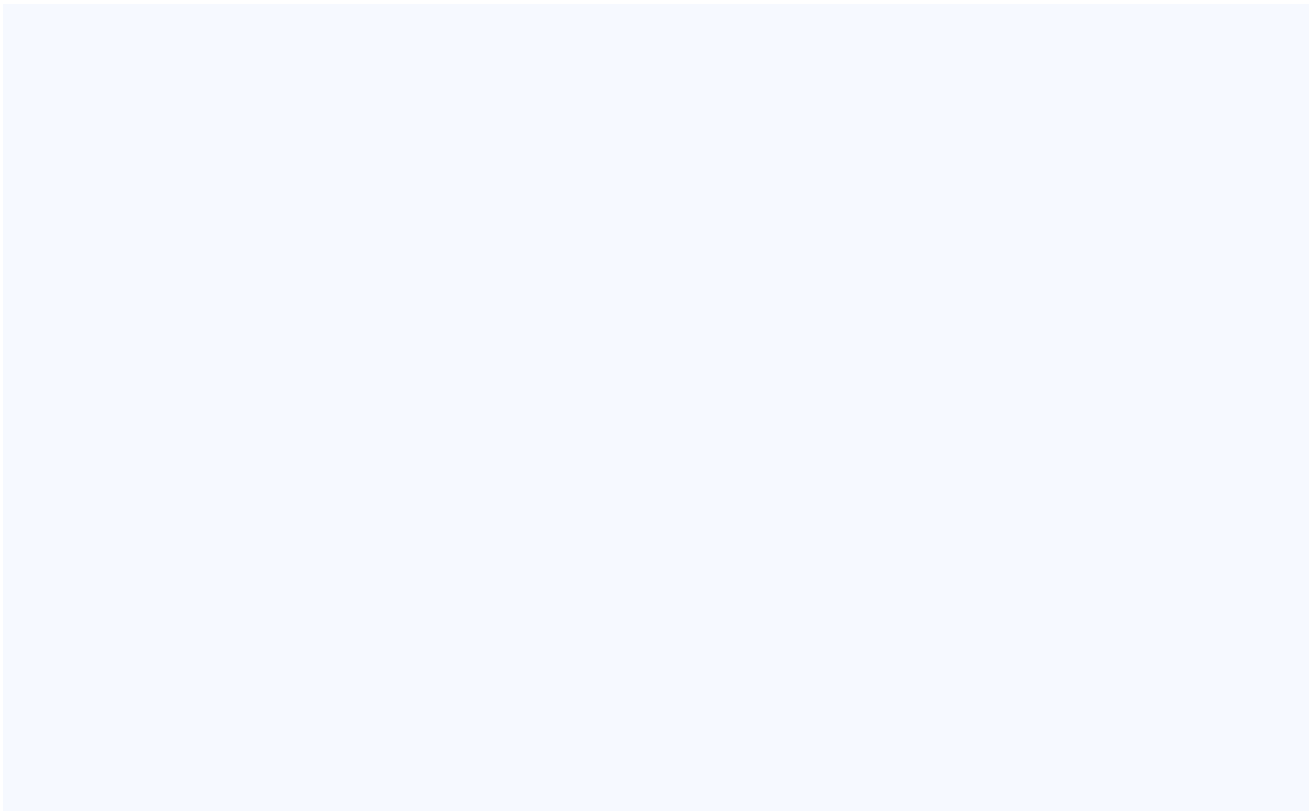
Activity

Creating a strong password is crucial for enhancing the security of your accounts. Follow these guidelines to generate a robust password:



What I Learned

What plan can you put in place to ensure you don't fall victim to scams?



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