Money Management for International Students

US Currency

Paper & Coin Currency

No matter where you go or what you do in America, you will want to have some form of US currency with you at all times.

In the US, currency can take the form of paper (cash) or metal (coins) and can be transferred a multitude of ways:

- Cash/coin exchange = paying for items with physical forms of currency
- Check/promissory note = the payment of items using a paper form to be presented to a financial institution to transfer funds from one person or entity to another (Note: Debit is the electronic version of the check method; also called a "check card").
- Credit = similar to Debit, but credit refers to an agreement between you and the creditor to repay the promised, borrowed amount plus interest back at the end of the month or payment period.

A few bills or coins will come in handy when you need a trip on public transportation, copies in the public library, or maybe just an emergency snack!

Understanding the value of each form of US currency will give you a head start as a new resident of America.

Sources:
moneytalks4teens.ucdavis.edu
learn.bankofamerica.com
money.howstuffworks.com/currency
usnews.com
bankrate.com

A Word about Money

Many of the words we associate with money today come from ancient uses of currency.

Buck - Early settlers in North America relied heavily on the skin of the deer for trade. Each skin was referred to as a buck.

Fee - This word comes from the German word for cattle, vieh.

Shell out - The use of shells as currency among Native Americans, and, later, the European colonists, led to the phrase "shell out," meaning "to pay."

Salary - This is another money-related word we got from the Romans. At one point, Roman soldiers were paid part of their wages in salt. The Latin word salari-um means "of salt."

Dollar - A count in a Czechoslovakian town called Jachymov started minting silver coins in 1519. The coins were known as talergroschen, which was eventually shortened to talers. They spread throughout Europe, and today, many nations have currency named for some variation of the word taler, including the American "dollar."

http://www.studentmoney.illinois.edu/InternationalStudents
More Money Info

Bank Accounts

Financial institutions are organizations where you can keep your money safe. In the US, the FDIC or NCUA helps to keep your money safe by insuring deposits and overseeing the security of financial institutions. They will have their accreditation posted for you to see.

It is important that you choose a financial institution that has services you value.

There are two basic accounts:
1. Checking
2. Savings.

Historically these accounts were quite different. Savings accounts were considered “deposit” accounts and earned interest. Checking accounts were used to pay bills or make purchases.

Today, savings and checking accounts are similar in many respects. The main differences are that savings accounts limit the number of monthly transactions and always earn interest.

Main features of savings accounts:
• Primarily used to save money
• Limited monthly withdrawals
• Typically pays a higher interest rate
• May require a minimum balance

Main features of checking accounts:
• Primarily used make purchases
• No withdrawal restrictions
• May pay interest
• May require a maintenance fee

Do not feel obligated to open an account with the first place you visit or hear about. Feel free to shop around when it comes to choosing a bank or credit union.

Debit/Credit

Pay Now or Pay Later

When you use your debit card, you’re withdrawing money directly from your checking or savings account by making the purchase.

When you use a credit card, you’re accessing a line of credit from the bank or organization that issued your card. Each purchase is essentially a loan that you repay later.

The following are expert tips for building credit and acquiring housing as an international student.

1. Get a credit card that’s specifically for international students: Getting a credit card was not very hard, because universities have arrangements for international students.

2. Manage card balances wisely: It is important that students understand that when one uses a credit card, one ends up owing the money.

3. Start off on campus: Live on campus for at least a year to become familiar with the campus as well as build up your credit before they move off campus.

Landlords know that a credit check for an international student will not return much information, instead, they just rely on the standard deposit, a passport, and Form I-20, the eligibility form to study in the United States for international students, instead of a credit check and a Social Security number.

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