There are so many different ways to borrow, save, spend, and get money. This guide will help you figure out what’s best for you—and hopefully help you to keep more of your money!

There are basically two types of financial services. Which is best for you?

IT’S YOUR MONEY. YOU DECIDE.

Informal financial services

These are places like check cashers, pawnshops, and money transfer stores. They are like stores for financial transactions, and each transaction has a fee. They can be convenient, but fees can add up.

Banks and credit unions

Banks and credit unions make their money from bigger transactions, like loans to homebuyers or small businesses. So they can usually charge lower fees for smaller transactions.
Questions about informal financial services

Isn’t my money safer with me?

It might seem safer to keep your money at home, in your pocket, or under your mattress, instead of in some bank. But money in banks is insured by the government. If something happens to the bank, you’ll get your money back. If something happens in your home, like a fire or a robbery, you can lose all your money.

I’m not a citizen. Isn’t this my only option?

This isn’t your only option. Non-citizens can open bank accounts, too. Federal law says that banks can accept foreign-issued IDs to start a bank account. It’s up to each bank to decide what they ask for. Some banks require a Social Security number. Some accept an Individual Tax Identification Number (ITIN) instead. Some accept foreign IDs, like the Mexican consular ID card. And some don’t require any of these.

Aren’t these better than banks, since I know exactly what their fees are?

With both banks and informal financial services, you need to pay attention to the details to know what the real costs are. Fees for informal financial services can also be hidden, like when you’re charged every time you check your balance on a prepaid card or get a bad exchange rate when you send money.

“People sometimes think check cashers are more convenient, or they don’t trust banks, or aren’t familiar with the banking system in the U.S.”

—Jasniya Sanchez, financial educator, Qualitas of Life

Questions about banks and credit unions

What’s the difference?

You can pretty much do the same things at a credit union that you can do at a bank. The main difference is that, at a bank, you’re just a customer, while at a credit union, you’re also an owner. Some credit unions also charge lower fees than banks because they’re not trying to maximize their profits. In the rest of this document, when we say “banks,” we’re also referring to credit unions.

What if I open a bank account?

You can open an account in some banks. Look at the opposite page for more information. You can also find out the requirements by visiting or calling the banks, or by using this website: sendremas.org

“I opened an account when I first started working. I spend less when I don’t have cash in my pocket. Once my money goes into the bank account I forget about it.”

—Audrey, teaching aide, 17 years old
How does time add up over time?

If you use money orders to pay rent and a few bills every month, each year you could pay...

$50 in fees + $200 in fees + $200 in fees = $50 in fees

If you use a prepaid card to make a few transactions a month, each year you could pay...

$50 in fees + $200 in fees + $200 in fees = $50 in fees

If you cash a $300 paycheck every week, each year you could pay...

$50 in fees + $200 in fees + $200 in fees = $50 in fees

We all know banks are not perfect, but having a bank account helps you...

Access credit cards

Pay less to send money home

Banks and credit unions, pros and cons

Informal services, pros and cons

This year you spent...

In 10 years...

you could spend more than

$6000 IN FEES

If you transfer $300 to family back home once a month, each year you could pay...

$167 in fees = $187 in fees

$6000 IN FEES

Questions

- Informal financial services are more convenient, or they don’t trust banks, or aren’t familiar with the banking system in the U.S.
- Many account holders make a direct deposit, which is convenient and allows them to save without cash or paper receipts.
- You could open a check cashing account, or apply for a credit card, without any paperwork.
- Operations are complex, which limits access to banking services.

Bank account

- Your address and tax ID number are used to verify your identity.
- A bank account is insured by the government.
- If anything happens to the bank, your money is insured, and their money is insured for you to get home loans and other kinds of credit.
- The Federal Reserve says that banks pay a fee for every transaction.

In some banks, you can in some banks. Look at the opposite page for more information. You can also find out the requirements by visiting or calling your bank.

We all know banks are not perfect, but having a bank account helps you...

Write checks to pay bills

Get a car loan or a mortgage on a home

Get a loan to build your business

Invest your money so it grows
In Mexico, some people are more likely to lose their money if they don’t keep track of it. Your money might not be that safe.

When there’s a robbery, your money can get stolen, too! What happens if there’s a robbery? Your money doesn’t earn any interest. It doesn’t pay interest, but you often aren’t required to keep a minimum amount of money in your account. Even if you get charged a low fee, you lose your money or get charged overdraft fees if someone else uses your card.

You might get a really bad exchange rate, depending on where you spend… magnesium can help you keep more of your money!

Pilar, home health aide, originally from Ecuador

At the bank or credit union, you keep

98.5% of your money

100% of your money

What’s next?

Call 311

That’s New York City’s official help line. You can call 311 to talk to someone from the city government about almost anything.

Visit sendremas.org

Now that you know your options, you can look into banks or credit unions. They will pay you interest for keeping your money there, and you might get a really bad exchange rate. Banks sometimes even do have to keep a minimum amount of money in your account.

Even if you get charged a low fee, you’ll lose your money or get charged overdraft fees if someone else uses your card.

Most prepaid debit cards charge a lot of little fees that can catch you off guard. With debit cards, you can’t save money but they work really well. They work well for people who want to get paid every week and pay for things more comfortably. You can also use a prepaid debit card to make purchases in stores.

If you use a check casher, you’ll lose your money or get charged overdraft fees if someone else uses your card.

Pay for something but I can’t use cash

In Mexico, that could buy...

154 eggs

½ tank of gasoline

You can use a credit card, debit card, or prepaid card. How do you decide which is the best option for you? It depends on your situation. Some people use a credit card, but they work really well. They work well for people who want to get paid every week and pay for things more comfortably.

If you use a check casher, you’ll lose your money or get charged overdraft fees if someone else uses your card.

Most people are more likely to spend their money (it’s as easy as)

You have to go to the bank or an ATM to get your money. When you open a savings account, the bank or credit union will pay you interest for keeping your money there.

If you use a check casher, you’ll lose your money or get charged overdraft fees if someone else uses your card.

With a savings account, you might get a really bad exchange rate. In the bank, it’s as easy as.

The interest rates aren’t great at these banks now, but they’re better than nothing. They’re better than nothing. To get interest, you need to keep a minimum amount of money in your account.
Here are some questions to ask yourself when you're choosing a financial service:

**WHAT'S BEST FOR ME IN THE LONG RUN?**

It's not enough to think of the cost of each transaction on its own. You should also look at how fees will add up over time. And ask yourself what opportunities you might be missing out on—like making interest off of your money or getting a loan.

**HOW MUCH ARE THE FEES?**

**HOW OFTEN DO THEY CHARGE A FEE?**

**IS THE FEE THE SAME NO MATTER WHAT?**

Every service charges some fees, but they vary a lot. You need to find out how much they are. You should also find out if you get charged every time you make a transaction.

**WHAT'S NEXT?**

Visit sendremas.org

Now that you know your options, you can look into banks or credit unions that meet your needs. Remás can help you compare your options.

Call 311

That's New York City's official help line. They can tell you if there are organizations in your neighborhood that can teach you more about money. They can also help you set up a free one-on-one appointment with a financial counselor.