



**Money Management**

# What is Money Management?

Knowing how to save and spend your money so that you and your family can successfully work toward your financial goals.

# Thinking before you spend...

- Tracking your spending
- Making a spending plan
- Balancing your account(s)
- Using credit wisely
- Create short- and long-term goals
- Setting aside money for savings

# Be a wise money manager

**Money management** can help you:

- Pay your bills on time
- Cover expenses if affected by a cut back on work hours, layoffs, job closings, etc.
- Save money
- Plan for short- and long-term goals
- Increase your credit score

# Utilizing a spending plan

## *What is a Spending Plan?*

- A written plan for all incoming/outgoing money to ensure you have enough money to live between paychecks

## *How do you make a spending plan?*

- List all incoming money. (Income)
- Track all outgoing money. (Expenses)
- Subtract expenses from income.
- The goal is to spend less than you make.

# Effective ways to monitor your spending

- Keep a notebook handy and write down everything you buy and every bill you pay.
- Keep all your receipts.
- Create a spreadsheet to enter your income and expenses.
- Download a money management app. (Ex. Mint, GoodBudget)

# What are some things that you should include in your spending plan?

Your **spending plan** may include:

- Housing (mortgage or rent)
- Utilities (electric, gas, water)
- Food (groceries, dining out, snacks)
- Automobile (payments, gas, repairs, insurance, commuting expenses)
- Clothing & personal grooming
- Credit card payments
- Student loan payment

# Your spending plan may also include:

- Childcare
- Medical Bills
- Health or life insurance premiums
- Entertainment (movies, concerts, books, cable, internet and phone)
- Hobbies & Habits
- Savings
- Donations to non-profit organizations



# Why does banking matter?

A **bank account** is an important **money management tool** that helps you:

- Keep track of your spending
- Monitor your available funds
- Manage your money wisely

# Benefits of a bank account

- Your money is safe
- Each account is insured
- Canceled checks and ACH transactions serve as proof you paid a bill
- Offers the convenience of ATM/debit card, mobile deposit and online bill pay

# Balancing a sample checkbook

Take out the **Account Balancing** activity from your folder:

1. Review the sample bank statement.
2. Balance the sample account register.
3. Balance the sample account using the account balancing worksheet.

# What are some ways to cut back on expenses/spending?

- Shop around and compare prices.
- Make a shopping list and stick to it.
- Prepare meals and take lunches to work. (Avoid eating out)
- Don't shop out of impulse or boredom. You could be tempted to buy things you don't need.

# Ways to cut back on spending

- Use the public library for books, magazines, videos.
- Adjust your thermostat when away or sleeping.
- Walk instead of drive.
- Look for a **free** bank account.
- Know the difference between “wants” and “needs”.
- Assess what you can live without.

# Ways to increase your income

- Part-time or weekend job
- Start a home-based business.
- Rent out an extra room you may have.
- Take advantage of government assistance programs
- Check into bank programs (IDA's).

# Setting Financial Goals

## Short-term goal (1-2 years)

- buying a new car
- getting a degree
- vacation
- planning a wedding

## Long-term goal (5-10 plus years)

- owning a home
- starting a family
- paying for college
- retirement

# Working towards your goals

- A savings plan helps you save and invest for emergencies and achieve your short- and long-term goals.
- Start small by designating a portion of your paycheck to automatically go into a savings account.
- Let's review your **Financial Goals** Worksheet.



# Money Management Activity

Break into small groups:

1. Review sample profiles.
2. Discuss how the people in the sample profile can get back on track.
3. Select a spokesperson from each group to present your ideas.

# Congratulations!

- In your folder you'll find a **Spending Plan** and **Financial Goals** worksheet.
- Take a few minutes to complete the worksheets.
- Track your spending for a while and then complete this worksheet at home.
- Keep yourself focused on creative ways to save money.

# Congratulations!

You've taken a big step toward wise money management. Put what you've learned into action—you can do it!

## Homework:






- Take a few minutes to complete the worksheets.
- In your folder you'll find a **Spending Plan** and **Financial Goals** worksheet.
- Track your spending for a while and then complete this worksheet at home.
- Keep yourself focused on creative ways to save money.

## Reminder:

- *Please fill out the **seminar evaluation form** and leave it with me on your way out.*



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