

Managing Your Money

Worksheets and resources

What is money management?

Money management is knowing how to save, spend and invest your money so that you and your family can successfully work toward your financial goals.



What are your values?

What matters to you? Identifying and understanding your values is a challenging but important exercise.

Some of life's decisions are really about determining what you value most. If you know your values, then you know what you want, who you are and where you stand.

Identify your top five values (for example, education, home, etc.)

1. _____
2. _____
3. _____
4. _____
5. _____

Setting financial goals

(Managing Your Money Leader's Guide page 15)

What does a financial goal look like?



Your financial goals are personal benchmarks that you set for yourself throughout life. They often fall into short-term and long-term categories. Short-term goals are accomplished within one year—for example, saving enough to buy a used car. Long-term goals take longer to achieve—it typically takes five or more years to buy a home, save for retirement or pay for your children’s college education.

(Help Your Savings Grow Leader's Guide page 4)

Identify and write out your short- and long-term goals

Short-Term Goals	Estimated Cost	Target Date

Long-Term Goals	Estimated Cost	Target Date

What is your net worth?

(Help Your Savings Grow Leader's Guide page 18)

It's important to calculate your net worth (assets minus liabilities, or debts). Your net worth is probably the best indicator of how well you're doing financially, and it's the best way to track your progress toward achieving your goals over time.



Family financial assets play a key role in poverty reduction, social mobility and attaining/maintaining middle-class status. Income helps families get by, but assets help them get and stay ahead. Assets are anything of value that you own or have control over.

Identify and list your assets

Assets	Market/Value
Total assets	

Identify and list your debts

Debts	Amount
Total debts	

(Net Worth Calculator: www.bankrate.com/calculators/smart-spending/personal-net-worth-calculator.aspx)

Assets minus debts = _____

What if your net worth is negative?

Having a negative net worth isn't necessarily a bad thing. It's fairly normal to have a negative ratio if you're working to pay down a mortgage or auto and student loans. For most consumers, paying down these debts will be a huge factor in growing their net worth.

Did you list your good credit as an asset?

(Good Credit Leader's Guide page 2)

Credit is a valuable financial asset. Good credit can help you buy a home, get a job, rent an apartment, and borrow money so you can obtain assets, manage emergencies and move ahead into financial self-sufficiency. Building, re-building and maintaining good credit may be the single most important factor in obtaining long-term assets such as a car to get to work, a home, an education, or the capital needed for a business.

Avoid predatory lending, wealth-stripping financial products and services, and scams.



According to the FDIC, predatory lending imposes unfair and abusive loan terms on borrowers. It promotes a vicious economic cycle that especially hurts low-income Americans.

Predatory lending can take many forms, including payday loans, deposit advances and auto title loans.

In 2012, payday lending made up approximately \$29.8 billion of storefront loans and \$14.3 billion of online lending.

Check your credit and specialty consumer reports

(Good Credit Leader's Guide pages 3 through 7)

What does your financial resume say about your financial behavior?

What is a credit report?

A credit report contains information about your credit history and the status of your credit accounts. This information includes whether you make your payments on time, how much credit you have available, how much credit you are using, and whether a debt collector is collecting on any unpaid debt. Credit reports also can contain public records such as liens, judgments and bankruptcies.

To obtain a free copy of your credit report, visit the Annual Credit Report website (www.annualcreditreport.com) or call 877-322-8228.

What are specialty consumer reporting agencies?

Specialty consumer reporting agencies compile reports on particular types of transactions, such as tenant histories (rent payments), check writing, payday advances, rent-to-own agreements, online borrowing, and telecommunications and utilities records. You are entitled to a free report each year from each of the nationwide specialty consumer reporting agencies.

Money management review

Fill in the blanks with the correct answer(s) from the list below.

- (1) _____ is knowing how to save, spend and invest your money so that you and your family can successfully work toward your financial goals.
- (2) Keeping in touch with your _____ is a lifelong exercise.
- (3) Goals must be S _____, M _____, A _____, R _____, and T _____.
- (4) You should rework your _____ to include the money that you need to achieve your goals.
- (5) An _____ is any item you own that has value.
- (6) Family financial assets play a key role in _____, social mobility, and attaining/maintaining middle-class status.
- (7) You should connect _____ to your specific goals—whether they include getting a job, renting an apartment, buying a car, obtaining insurance or purchasing a home.
- (8) According to the FDIC, _____ imposes unfair and abusive loan terms on borrowers.
- (9) Teletrack is a _____ that compiles information reported by payday lenders, rent-to-own stores, and non-prime credit card issuers.
- (10) A credit file includes your _____ information, such as your name, past and present addresses, Social Security number and employment history.
- (11) You are entitled to a free copy of your credit report if any of the following is true: You are unemployed and planning to apply for a job within _____ days, you receive public _____, or you're a victim of _____ or fraud.

CREDIT

PERSONAL ASSISTANCE

PREDATORY LENDING

ASSET

IDENTITY THEFT

SPECIALTY REPORTING AGENCY

VALUES

MONEY MANAGEMENT

PAYDAY LENDING

BUDGET

POVERTY REDUCTION

SECRET

SMART, MEASURABLE, ATTAINABLE, REALISTIC, AND TIME-BOUND

Budgeting = Awareness

(Money Management Leader's Guide pages 2-3)



Does your spending match your values?

The key to understanding your finances is knowing where you are spending your money today and having a well-thought out plan for where you want your money to go in the future. The only way to determine if your spending is aligned with your values is for you to track where your money goes. Conduct a financial check-up. Here's how:

Pull out a year's worth of bank and credit card statements along with utility, telephone, insurance, maintenance and transportation bills. Enter the amounts you spend each month in every category—both essential and non-essential—into a budget worksheet (partial example below). Circle every expense in your worksheet that is a "want" (non-essential). You must separate these expenses from those that are crucial for you or your family to function.

CASH-FLOW WORKSHEET		
EXPENSES	MONTHLY COST	NEED / WANT
Mortgage/Rent		
Designer shoes		
Starbucks lattes		
Utilities		
Clothing		
Food		

Tracking your expenses

Fill in the blanks with the correct answer(s) from the list below.

Creating a spending plan, or budget, is the first step in taking control of your _____ . To create a budget, first look at how you spend your _____ . Track your spending for a minimum of one _____ . Write down every purchase you make and every bill you pay. Don't forget to add _____ payments or fees that come directly out of your bank account, and _____ expenses such as rent, car payments and auto insurance. At the end of each week, break your spending list down into categories. After you have tracked your spending for at least a _____ , examine your findings. Begin to separate your " _____ " from your " _____ ." This exercise should allow you to identify areas of spending waste. The results of your tracking will enable you to eliminate the "fat" from your budget and put more towards your savings goals.

- | | | | |
|------------------|------------------|--------------|--------------|
| WANTS | FINANCES | MONEY | NEEDS |
| AUTOMATIC | RECURRING | MONTH | FIXED |

Build your budget

What are the dangers of overspending? Whenever we spend more than our income, we are overspending. For some of us, overspending can be almost unconscious. When preparing your budget, try to cut your monthly spending in all categories, except deposits to savings and debt repayment. Below is a partial example of a budget worksheet.

Category	Budgeted	Actual
Income:		
Salary		
Child Support		
Other Income		
Income subtotal:		
Expenses:		
Savings (pay yourself first)		
Mortgage/Rent		
Renters/Homeowners Insurance		
Auto Payment		
Auto Insurance		
Utilities		
Credit/Debit Payments		
Groceries/Household		
Maintenance/Gasoline		

Cutting expenses

(Money Management Leader's Guide page 8)

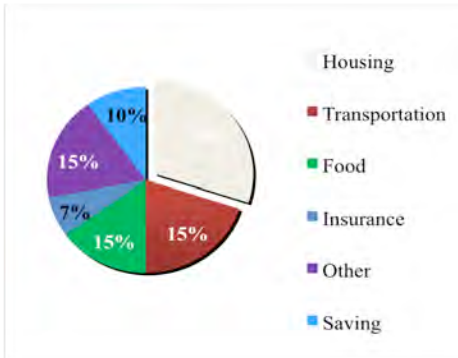
Everyone has spending holes. As with other kinds of leaks, you may hardly notice them, but those small drips can quickly add up to big bucks. The trick is to find the holes and plug them so you can keep more money in your pockets. A great place to look for leaks in your budget is the monthly cost of utilities, including telephone, cable and Internet services. When you reduce these recurring monthly expenses, the savings can really add up.



Money-saving tip: Brown-bag your lunch

Buying lunch to the tune of \$7 to \$10 a day can cost you more than \$150 a month. Use a grocery list when you go shopping and stick to it. Impulse shopping is the number one killer of a grocery budget.

Financial “Rule of Thumb” guides for various spending categories



The amount of debt a family can safely assume depends on income, living expenses and current debt obligations.

Housing is the largest of the four major expenditures: approximately 35% of an individual’s net income.



Transportation is the second largest major expenditure: approximately 15% of an individual’s net income.

- *Over 40% of Americans pay more than \$600 per year on cellular bills. About 23% pay more than \$900.*



- *The average household pays \$24.30 per month for Internet access and \$43.10 for cable TV.*

(Scarborough Research)

Food is the third largest major expenditure: approximately 15% of an individual’s net income.

**Include savings as an expense item in your budget.
Save three to six months of income in a liquid account for emergencies.**



What are the benefits of insurance?



At age 32, the chance of being disabled for 90 days is 6.5 times greater than the chance of death, yet more people carry life insurance than disability insurance. (Source: National Association of Insurance Commissioners)

Crime happens, as do fire and natural disasters. How are the assets you listed on page three protected?

What are the most important types of insurances for you and your family?

- _____
- _____
- _____
- _____

(Types: automobile, health, renters, homeowners, life, disability)

Savings: Achieving your savings goals



Are you a savings couch potato? According to the American Savings Education Council, about 30% of people in their 40s and 27% of people in their 50s have not saved any money for retirement.

The secret to achieving savings success is to pay yourself first by scheduling automatic deposits on payday that go into your savings account or IRA (individual retirement account). A goals worksheet (partial example below) helps you see exactly how much you'll need to save each pay period to reach your goals by your target date.

Name of goal	Total needed	Target date	Savings/month	Savings/paycheck
COMPUTER	\$5,000	12 months		
HOUSE	\$25,000	24 months		

Start saving early—it pays!

Banking and investing

Fill in the blanks with the correct answer(s) from the list below.

1. After paying off a loan, continue to put the monthly payment amount into your _____.
2. A savings account pays you in the form of _____ for the opportunity for the financial institution to use your money.
3. A _____ account is a service that financial institutions provide.
4. Before opening a checking or savings account, you should _____ by calling several financial institutions or visiting their websites for information.
5. You should save three to six months of income in an account for _____.
6. Using payday loans increases the chance of a consumer losing a _____.
7. Mobile banking allows you to access your bank accounts and conduct transactions wirelessly using your _____ device.
8. Most checking accounts include features like direct deposit, online banking and automatic bill payment, which can make _____ more convenient.
9. An _____ is the use of money to create more money.
10. Stocks, bonds and _____ are all types of investments.
11. Mobile text payments allow you to make purchases via _____.
12. Investments are not _____-insured, which means you could lose your money.
13. A debit card is linked to your checking account; most _____ cards are not linked to a bank account.
14. To ensure a safe, problem-free online banking experience, _____ your bank's site instead of typing in its Web address on each site visit.

INVESTMENT

SHOP AROUND

INTEREST

MOBILE

BANK

MUTUAL FUNDS

DEBIT

EMERGENCIES

TEXT

PREPAID

GOVERNMENT

CHECKING

BANK ACCOUNT

MONEY MANAGEMENT

BOOKMARK

What is credit?

Fill in the blanks with the correct answer(s) from the list below.

1. Having access to credit can be a form of _____—ensuring that you can make an essential purchase when you don't have cash.
2. To obtain credit you must have a _____ credit history.
3. _____ is the ability to borrow money or purchase an item on time.
4. _____ credit, such as a car loan or home mortgage, requires you to make a fixed number of monthly payments until the loan is repaid.
5. Revolving credit is also known as _____ - _____ or open- _____ credit.
6. Credit card and lines of credit are example of _____ credit.
7. Credit can be a convenience and an important financial _____.
8. Your _____ is a detailed record of how you've paid your bills and managed your credit over time.
9. You should try to keep the outstanding balance on your credit cards below _____ % of your credit limit.
10. Maxing out your _____ lowers your credit score and can make it difficult for you to get out of _____.
11. The availability of credit may be a _____ to take on debt in order to purchase things that are _____ but not necessarily _____.
12. Paying your bills on time each month is one of the most important ways to _____ your credit score.
13. Your payment history makes up of _____ % of your credit score.
14. No credit repair company can _____ remove accurate negative information from a credit report.
15. Paying your credit accounts on time, finding a cosigner and obtaining a _____ credit card are ways to rebuild credit.

SECURED

CREDIT

CREDIT LINE

50

NEEDS

DEBT

GOOD

35

TOOL

CREDIT REPORT

RAISE

WANTS

INSURANCE

SHORT-TERM

REVOLVING

ENDED

TEMPTATION

INSTALLMENT

LEGALLY

CREDIT CARD

RESOURCES: LEARN MORE

- **Bankrate's Financial Literacy Guide: Building an emergency fund**
(<http://www.bankrate.com/finance/financial-literacy/financial-literacy-guide-building-an-emergency-fund.aspx>)
- **Consumer Financial Protection Bureau: List of specialty consumer reporting agencies**
(http://files.consumerfinance.gov/f/201207_cfpb_list_consumer-reporting-agencies.pdf)
- **AnnualCreditReport.com** (<https://www.annualcreditreport.com>)
- **Insure.com** (<http://www.insure.com>)
- **InsWeb** (<http://www.insweb.com>)
- **CNNMoney: How to budget**
(<http://money.cnn.com/magazines/moneymag/money101/lesson2/index.htm>)
- **Consumer Action: Sally Walker - Financial Literacy Training Package**
(www.consumer-action.org/outreach/articles/sally_walker_financial_literacy_training_package)
- **Washington Post: A 4x6 index card has all the financial advice you'll ever need**
(<http://www.washingtonpost.com/blogs/wonkblog/wp/2013/09/16/this-4x6-index-card-has-all-the-financial-advice-youll-ever-need/>)
- **FTC: Time-Barred Debts**
(<http://www.consumer.ftc.gov/articles/0117-time-barred-debts>)
- **FTC: Credit Repair: How to Help Yourself**
(<http://www.consumer.ftc.gov/articles/0058-credit-repair-how-help-yourself>)
- **NCLC: Stopping the Payday Loan Trap**
(<http://www.nclc.org/issues/stopping-the-payday-loan-trap.html>)
- **FTC: Coping with Debt**
(<http://www.consumer.ftc.gov/articles/0150-coping-debt>)

