

STEPS TO HELP YOU TAKE CHARGE OF YOUR FINANCES

If you are part of a household, your plan must include all participants to be successful. Sit down as a family and determine your goals and each one's role. Think of this as a learning opportunity for your children and together you can celebrate your accomplishments!

- * Determine your monthly income by collecting your latest pay stub(s) and other revenue sources. Write it down. Don't forget bonuses, alimony, child support, and interest payments. If you receive money annually, write it down. Remember birthdays, Christmas and other celebrations.
- * Write down your monthly and annual bills such as house payment, utility expenses, car payment, insurance, credit cards and medical bills. You need to include grocery bills and miscellaneous items such as eating out, membership dues, school fees, sports activities, etc. You may have to estimate how much you are spending.
- * The question you need to ask is: "Do I have more monthly income than monthly expenses?" If the answer is yes, you can make some changes to your spending plan and be better prepared for unexpected events; pay off your credit cards; or take a vacation. You should have an emergency fund for unexpected events such as car repair, medical expense, storm damage, etc.
- * If you have less money than expenses, you need to take action immediately! Prioritize your bills with the first bills paid as those needed to survive. For most individuals, the bills include mortgage/rent, food, heat, water, child care, car payment, gas and insurance.

Review the remaining bills and ask yourself, "Do I need this now?" Cable television, cell phone, membership fees and Internet services are some examples of bills you need to think about terminating until you are able to pay all of your bills on time!

- * Determine the amount of money to spend for each category. You may want to put the cash in an envelope with the category's name and spend from the appropriate envelope. When the envelope is empty, you quit spending in that category. This is especially helpful to manage expenses for items such as food and entertainment.
- * Identify miscellaneous expenses you could reduce or eliminate. Some examples are hair and nail salons; renting DVDs; eating out, and buying popcorn and drink at the movies.
- * List your credit cards with their balances. Look at the interest rates, late fees, and minimum payment charged. Develop a plan to pay off your credit cards. Quit using credit cards for unnecessary items such as clothes, eating out, and entertainment.
- * Under the Fair and Accurate Credit Transaction Act, you can receive a free copy of your credit report from the three major credit agencies every 12 months. Go to "AnnualCreditReport.com."

WAYS TO INCREASE YOUR INCOME

You may want to consider some or all of the steps below depending on your financial situation. If you are unable to pay all of your bills, you may need to take the more dramatic steps. Remember, the longer you put it off, the harder it is to be on the road to financial freedom.

- * Consider a second job to help pay off large debt or late bills. You may need a second job that allows you to work out of your home such as babysitting, selling cosmetics, or typing reports for students. Also, consider a job that allows you to use or improve a skill or an interest such as photography, playing a musical instrument, etc.

Remember, the reason for the job is to pay off your debt so make sure you are making more money than you are spending. You need to include gas to and from the job, extra clothes required such as uniform, and babysitting fee. Be careful not to include the extra money in your regular budget or you will always need to work two jobs.

- * Clean your house and have a yard sale. Remember the plan is to get rid of items you don't need so put "stuff" in that you want to get rid of and be prepared to take any amount of money for it.
- * Sell the new or expensive vehicle for a less expensive model or better yet, keep only one vehicle. In buying a new vehicle, the best deal is what you can afford to buy and to maintain. Think about the amount of gas and car insurance you will have to pay. This should not be an impulse purchase.
- * Get a roommate to share expenses. Make sure you set the rules including how much money each one pays and which expenses are included.
- * Consider moving to a place with a less expensive rent payment.
- * Sign up to have your childcare payment and medical expenses deducted before taxes. See your Payroll Clerk for more information and the required paperwork.
- * Review the amount of income tax refund you receive each year. If it is more than \$500.00, consider having less money taken out of your paycheck and use that money to pay off bills or place in savings. If you are not disciplined to pay that monthly money on your current debt, you need to think about this step carefully before you make changes. Remember, the purpose of the extra money is to help pay off debt or save.
- * Talk to creditors about lowering your interest on credit cards. Offer a plan to pay off late or large balances. You make the first call to your creditors!

TIPS ON SAVING MONEY!

Here are suggestions that may help you get out of debt. Be creative and use what works for you.

- * Start writing down what you spend. Everything! Don't forget the coffee, chips, and newspaper at the vending machines! You may be surprised at how much money you are "throwing away." You can do this by placing all of your receipts in an envelope and write down the amount in a notebook or on a spreadsheet each week.
- * Buy generic or store brands. Items are cheaper and are made by the same manufacturers as brand names. Look at the ingredients to ensure quality and to maintain a healthy lifestyle.
- * Buy fruits and vegetables at the local farmer's market or at a roadside stand. The items will be fresh and cheaper, and you will help your neighbor!
- * Clip coupons for those items you buy. Be careful not to be fooled into buying a product you do not need such as candy and sodas.
- * Buy in bulk and split with a family member or friend.
- * Buy at yard sales or consignment shops for needed items.
- * Make a list of errands and items you need before you start out. Plan your trip so that you go the shortest route. Buy only what is on the list.
- * Team up with other parents to buy or swap used items such as children's clothes or school books.
- * For presents, offer a service such as babysitting, yard work, or washing a car. Be creative and use your talent. Determine a price and stick with it. Remember, most of us have everything we need. No reason for you to go into debt for someone else's luxury.
- * Take advantage of free entertainment. Use the library for books, videos, DVDs, and internet service. Plan a game night and serve popcorn. Visit a neighborhood park and pack a picnic. Take a walk and bring a ball.
- * Let your extended family and friends know that you are on a budget and trying to get out of debt. You may inspire them and find an accountability partner.

