

# **Taking Control of Your Money**

**Healthy, Wealthy, and Wise Financial Education Program Calendar**



**Mississippi State University Extension Service**

## Taking Control of Your Money



Welcome to the Healthy, Wealthy, and Wise Financial Education Program. By enrolling in this program, you indicate you are ready to sharpen your skills as a money manager.

This calendar can help you learn how to take control of your financial situation and your money. You will also learn how to balance your income with your expenses, and you will become a good consumer in the process.

This program is easy to use. Just follow the steps listed in this calendar. If you have any questions or need assistance, contact your local Extension agent.

### **Steps to improve financial health, increase wealth, and become a wise consumer:**

1. Write down your family's total income on a sheet of paper labeled **What Is Our Income?**
2. List your family's regular expenses on a page labeled **What Are Our Expenses?**
3. Using information from your **What Are Our Expenses?** page, make a set of envelopes. Mark each envelope with the item to be paid, its due date, and the amount due. In each envelope, put the amount of money you will need for each item (marked on the envelope). Keep the envelopes in a safe place such as a locked box or drawer, or a shoe box stored in a discreet place.

4. Write the month and the year (when you start your plan) on the first **Payment and Buying Calendar** (on page 5). Then number the calendar days for that month and each of the following months.
5. On each month's calendar page, fill in your family's income and expenses information. In the **Estimate of Expenses** column, write the amount you think you will spend during that month. This is your budget, or spending plan.
6. As you receive bills, list them on the calendar on the date they are due. Put a checkmark by each bill as you pay it.
7. On your calendar, write down purchases you make. Include what you bought, how much it cost, and what day you bought it.
8. At the end of the month, add up your expenses for each category and place that amount in the **Actual Expense/ Payment** column.
9. Put your monthly income on the **Total Income** line toward the bottom left of the calendar page. Add up all of your expenses in the **Actual Expense/Payment** column, and put the total on the **Total Expenses** line. Subtract your total expenses from your total income, and write the difference on the line provided.
10. What is the difference between your total income and total expenses for the month? If your income is more than your total expenses, what do you plan to do with the money left over? Put it in your emergencies envelope? Put it in your goals envelope? If your income is less than your expenses, what changes will you make next month to reduce your expenses and live within your budget?
11. Make sure you read the monthly lesson on the calendar, and complete the activities before each month ends. If you need more information about one of the lessons, contact an Extension agent.

## **Lesson 1: Little Things Add Up**

The key to financial health and wealth is to spend less than you earn for a long time and save the rest.

Track your spending for 1 week by writing down every cent you spend. You may be surprised!

Little things you buy every day or every week can really add up. For example, if you buy a \$1 soft drink every day, you'll spend \$30 in a month and more than \$360 in a year!

Continue tracking your expenses for at least 1 month. Save your bills and sales receipts. Finding where you spend money and exactly how much you spend can help you gain control and decide how to spend your money wisely. By cutting back on little extras, you can save a lot of money to use for what you and your family really need and want.

On this chart, write the price beside the items your family buys, and then add up how much the items cost you on a yearly basis. Decide if the items are worth the cost.

<b>Item</b>	<b>Cost each time</b>	<b>Cost per year</b>
beer/liquor	_____	_____
candy bars	_____	_____
casino trips	_____	_____
chewing gum	_____	_____
fast food	_____	_____
magazines	_____	_____
movie rentals	_____	_____
soft drinks	_____	_____
tobacco products	_____	_____

## **Income**

## **Payment and Buying Calendar**

Week 1: \_\_\_\_\_

Week 2: \_\_\_\_\_

## Week 3:

## Week 4:

## **Month**

## Year

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## **Expenses**

<i>Item</i>	<i>Estimate of Expense</i>	<i>Actual Expense/ Payment</i>
alimony/child support	_____	_____
child care	_____	_____
church	_____	_____
cleaning supplies	_____	_____
clothing/diapers	_____	_____
credit cards	_____	_____
emergencies	_____	_____
entertainment/recreation	_____	_____
food	_____	_____
insurance premiums	_____	_____
laundry/cleaning	_____	_____
medical/dental	_____	_____
mortgage/rent	_____	_____
newspaper/magazines	_____	_____
personal items	_____	_____
school supplies/fees	_____	_____
transportation	_____	_____
utilities	_____	_____
miscellaneous:	_____	_____
gifts	_____	_____
goals	_____	_____
haircuts	_____	_____
pets	_____	_____
stamps	_____	_____
<b>Total Income</b>	_____	_____
<b>Total Expenses</b>	_____	_____
<b>Difference</b>	_____	_____

## Lesson 2: Finding Extra Income

It is important to learn to balance your income and expenses. If you are having trouble making ends meet, you have two choices: lower your expenses or increase your income.

What would you do if you had a large unexpected expense? What talents or personal property do you possess that could be used for extra income? The following activities may help you find resources to pay for things your family needs.

Consider these ideas:

- Examine your paycheck stub and statements carefully. Look for extras that could be reduced. If you get a big tax refund, change your deductions to get a little more in every paycheck, instead.
- See if you qualify for tax credits for low-income workers, such as the Earned Income Tax Credit, the Child Tax Credit, or the Child and Dependent Care Credit, even if you only worked a part-time or temporary job.
- Seek special benefits or assistance from places like food pantries, clothes closets, disaster assistance programs, food stamps, unemployment insurance, churches, or other community agencies.
- Sell personal property or assets to get extra cash.
- Use your time, talents, and skills to earn money or to trade for what you need.

### Talent Search

List 3-6 ways you might use your time, talents, or skills to earn extra cash:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

5. \_\_\_\_\_

6. \_\_\_\_\_

Find others who have skills you need, and trade with them. For example, trade your wonderful home-baked cake for minor auto repairs.

### Assets You Own

List the cash value of personal property and accounts you own that might be sold.

bank balance

cash savings

investments

life insurance

home equity

real estate

automobile

mobile home

home furnishings

jewelry

musical instruments

antiques

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Add up the value of what you own, and take the time to figure out what you owe to find your net worth. Lenders and lawyers may require **net worth** statements for legal matters, including buying a home.

## **Income**

## **Payment and Buying Calendar**

Week 1: \_\_\_\_\_

Week 2: \_\_\_\_\_

## Week 3:

## Week 4:

## **Month**

Year

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## **Expenses**

<i>Item</i>	<i>Estimate of Expense</i>	<i>Actual Expense/ Payment</i>
alimony/child support		
child care		
church		
cleaning supplies		
clothing/diapers		
credit cards		
emergencies		
entertainment/recreation		
food		
insurance premiums		
laundry/cleaning		
medical/dental		
mortgage/rent		
newspaper/magazines		
personal items		
school supplies/fees		
transportation		
utilities		
miscellaneous:		
gifts		
goals		
haircuts		
pets		
stamps		
<b>Total Income</b>		
<b>Total Expenses</b>		
<b>Difference</b>		

## Lesson 3: Periodic Expenses

This activity will help you to plan for non-monthly periodic expenses that can be “budget busters” if you don’t have money set aside for them.

Monthly expenses that stay about the same each month (fixed expenses) are the easiest to remember. Monthly expenses that change (flexible expenses) are also easy to remember, although amounts may be hard to predict.

Occasional bills (periodic expenses) that only come up once or twice a year usually cause the most trouble or stress.

Think through the year, listing expenses you expect each month. Estimate the amount you plan to spend for each. Have you remembered to include things like gifts, school clothes, dues, subscriptions, season tickets, taxes, insurance, car license tags, vacations, holidays, and special occasions like birthdays, weddings, graduations, and baby showers?

What repairs, doctor visits, and emergency expenses might you expect? Most unexpected expenses are not really surprises. Shouldn’t you expect at least one or two trips to the doctor’s office each year? Will your aging car or home need repairs? Bald tires eventually blow out or go flat. If your roof, air conditioner, or appliances are more than 10 years old, they may soon need to be replaced.

List maintenance and repairs you might expect soon, and estimate how much they will cost. Add up all of these periodic expenses to get a grand total for the year.

Divide that total by 12 months or the number of your regular paychecks. This is the amount you need to save from every paycheck to avoid the stress of “unexpected expenses.”

Jan. \_\_\_\_\_ Feb. \_\_\_\_\_ March \_\_\_\_\_ Apr. \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_

May \_\_\_\_\_ June \_\_\_\_\_ July \_\_\_\_\_ Aug. \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_

Sep. \_\_\_\_\_ Oct. \_\_\_\_\_ Nov. \_\_\_\_\_ Dec. \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_

\_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_

Annual total \_\_\_\_\_

Each check \_\_\_\_\_

## **Income**

## **Payment and Buying Calendar**

Week 1: \_\_\_\_\_

Week 2: \_\_\_\_\_

Week 3: \_\_\_\_\_

Week 4: \_\_\_\_\_

## **Month**

Year

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# **Expenses**

<i>Item</i>	<i>Estimate of Expense</i>	<i>Actual Expense/ Payment</i>
alimony/child support	_____	_____
child care	_____	_____
church	_____	_____
cleaning supplies	_____	_____
clothing/diapers	_____	_____
credit cards	_____	_____
emergencies	_____	_____
entertainment/recreation	_____	_____
food	_____	_____
insurance premiums	_____	_____
laundry/cleaning	_____	_____
medical/dental	_____	_____
mortgage/rent	_____	_____
newspaper/magazines	_____	_____
personal items	_____	_____
school supplies/fees	_____	_____
transportation	_____	_____
utilities	_____	_____
miscellaneous:		
gifts	_____	_____
goals	_____	_____
haircuts	_____	_____
pets	_____	_____
stamps	_____	_____
<b>Total Income</b>	_____	_____
<b>Total Expenses</b>	_____	_____
<b>Difference</b>	_____	_____

## Lesson 4: Savings

Do you have an emergency savings fund to cover 1–3 months of income? Are you saving for non-monthly periodic expenses?

People who don't have \$500 to \$1,000 in a savings account often don't sleep well for worrying about money. Others without savings get caught up in payday or title loan money traps.

If you could save \$1.50 each day for a year, you would not need a payday loan. You would have more than \$500 in your emergency savings account. To save \$100 per month, you and your partner would only need to save \$1.67 each per day.

### Ways to Save

✓ Check the saving ideas you are willing to try below:

\_\_\_\_\_ 1. **Pay yourself first.** When you pay your bills, pay your savings bill by depositing the money in your savings account.

\_\_\_\_\_ 2. **Use payroll deductions.** Have your employer deposit your savings directly into a credit union or bank account.

\_\_\_\_\_ 3. **Save “bonus” income.** Save tax refunds, overtime pay, gift money, refunds, and rebates.

\_\_\_\_\_ 4. **Save sales or coupon money.** Save the amount you “save” by using coupons or shopping sales at the grocery store.

\_\_\_\_\_ 5. **Pay installments to yourself.** Once you pay off a loan, continue to make “payments” to your savings account.

\_\_\_\_\_ 6. **Collect loose change.** Empty your pockets and wallet of loose change each day and save it in a jar.

\_\_\_\_\_ 7. **Break a habit.** Every time you don't buy a soft drink or snack, save the money you didn't spend.

\_\_\_\_\_ 8. **Save lunch money.** Get up 10 minutes earlier and make your own lunch. Save money you would have spent on lunch.

\_\_\_\_\_ 9. **Save on postage.** Have bills paid by automatic bank drafts and save on stamps or money orders.

\_\_\_\_\_ 10. **Have a “nothing week.”** Once in a while, have a week when you try not to spend any extra money. Clean out your refrigerator, freezer, and pantry. Eat what you have. Stay home, or visit your mom for supper. Make this a game and win big savings!

### How Much to Save

Calculate the amount you need to save from each paycheck to accumulate emergency savings to cover **1 month** of expenses.

Divide the total amount you need to pay all your monthly expenses by the **number of paychecks** you receive each year. (For example, if your total monthly expenses are \$1000 and you get paid 24 times a year:  $\$1000 / 24 =$  about \$42. So you need to save \$42 from each paycheck.)

Wouldn't it be nice not to live from paycheck to paycheck? Don't forget to save for periodic annual expenses or other goals, as well.

$$\frac{\text{total expenses}}{\# \text{ of paychecks per year}} = \frac{}{\text{amount to save from each check}}$$

## **Income**

## **Payment and Buying Calendar**

Week 1: \_\_\_\_\_

Week 2: \_\_\_\_\_

Week 3: \_\_\_\_\_

Week 4: \_\_\_\_\_

## **Month**

Year

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## **Expenses**

<i>Item</i>	<i>Estimate of Expense</i>	<i>Actual Expense/ Payment</i>
alimony/child support	_____	_____
child care	_____	_____
church	_____	_____
cleaning supplies	_____	_____
clothing/diapers	_____	_____
credit cards	_____	_____
emergencies	_____	_____
entertainment/recreation	_____	_____
food	_____	_____
insurance premiums	_____	_____
laundry/cleaning	_____	_____
medical/dental	_____	_____
mortgage/rent	_____	_____
newspaper/magazines	_____	_____
personal items	_____	_____
school supplies/fees	_____	_____
transportation	_____	_____
utilities	_____	_____
miscellaneous:		
gifts	_____	_____
goals	_____	_____
haircuts	_____	_____
pets	_____	_____
stamps	_____	_____
<b>Total Income</b>	_____	_____
<b>Total Expenses</b>	_____	_____
<b>Difference</b>	_____	_____

## Lesson 5: Money Goals

### Why Have Goals?

Goals help you make decisions. They help you decide what is important and worth working toward. Goals help keep you on track and can help measure areas of progress.

Families who decide their goals together are more likely to work together and reach those goals.

Goals show what is important. As you write goals, you are listing hopes and dreams for the future. To be useful, goals need to give details such as what, when, and how.

### Writing Your Goals

SMART goals are Specific, Measurable, Attainable, Relevant, and Time-related. List your family's money goals below.

For each goal, list a completion date, the total amount it will take, and the amount you will have to save from each paycheck to make it a reality.



Do WHAT?	By WHEN?	TOTAL Needed	AMOUNT to save regularly
----------	----------	-----------------	-----------------------------

#### Goal 1

I will \_\_\_\_\_ by \_\_\_\_\_, saving \$\_\_\_\_\_ by contributing \$\_\_\_\_\_ weekly/monthly.

#### Goal 2

I will \_\_\_\_\_ by \_\_\_\_\_, saving \$\_\_\_\_\_ by contributing \$\_\_\_\_\_ weekly/monthly.

#### Goal 3

I will \_\_\_\_\_ by \_\_\_\_\_, saving \$\_\_\_\_\_ by contributing \$\_\_\_\_\_ weekly/monthly.

## **Income**

## **Payment and Buying Calendar**

Week 1: \_\_\_\_\_

Week 2: \_\_\_\_\_

Week 3: \_\_\_\_\_

Week 4: \_\_\_\_\_

## **Month**

Year

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# **Expenses**

<i>Item</i>	<i>Estimate of Expense</i>	<i>Actual Expense/ Payment</i>
alimony/child support	_____	_____
child care	_____	_____
church	_____	_____
cleaning supplies	_____	_____
clothing/diapers	_____	_____
credit cards	_____	_____
emergencies	_____	_____
entertainment/recreation	_____	_____
food	_____	_____
insurance premiums	_____	_____
laundry/cleaning	_____	_____
medical/dental	_____	_____
mortgage/rent	_____	_____
newspaper/magazines	_____	_____
personal items	_____	_____
school supplies/fees	_____	_____
transportation	_____	_____
utilities	_____	_____
miscellaneous:	_____	_____
gifts	_____	_____
goals	_____	_____
haircuts	_____	_____
pets	_____	_____
stamps	_____	_____
<b>Total Income</b>	_____	_____
<b>Total Expenses</b>	_____	_____
<b>Difference</b>	_____	_____

## Lesson 6: Establishing Credit

Have you ever used credit? If so, credit bureaus probably have a report on you. Have you taken a look at it?

You can get one free credit report each year from each of the three major consumer reporting agencies—Equifax, TransUnion, and Experian. Although you can get a report from a bureau anytime for a small fee, you can get a report free from a special site where all three cooperate: [www.annualcreditreport.com](http://www.annualcreditreport.com). You may apply online or print a form to mail in. You may also order by phone by calling 877-322-8228.

Many credit reports have errors. Some can affect your access to credit or your credit score. If you find mistakes in your report, you can correct them by filing a dispute form. If you find accounts that do not belong to you, you may be a victim of **identity theft**, and you may need to file a police report to get this fraud corrected.

Some of the monthly bills you pay are not considered “credit” and may not be reported when you pay on time. Some examples are rent, utilities, and medical bills. Of course, if you do NOT pay these on time, they will be reported to the credit bureau and can make your credit score lower. Around one-third of your credit score is based on whether or not you pay your bills on time! If your score is too low, you may not be able to get credit, or the fees you have to pay will be much higher.

Your debt-to-income ratio (or debt load) is another number that can affect your ability to get credit, in addition to your credit score. Most families cannot afford a debt load higher than 20 percent (.20) for consumer debt (not including your house). It is best to remain debt-free or have a debt-to-income ratio that is much lower. However, it may be necessary to use credit to purchase big-ticket items like your car.

**Calculate your debt load** by adding up all of your credit payments, including auto or furniture loans, credit card payments, or other monthly debt payments. Divide total monthly credit payments by monthly income.

$$\frac{\$ \text{total monthly credit payments}}{\$ \text{monthly income}} = \text{debt load}$$

*For example, if total monthly payments are \$500 and income is \$2,500 per month, the debt load will be .20, or 20 percent. (\$500 divided by \$2,500 equals .20)*

What is the maximum dollar amount of debt that someone making \$1,500 per month could handle?

$$.20 \times 1,500 = \$ \underline{\hspace{2cm}}$$

**Income****Payment and Buying Calendar**

Week 1: \_\_\_\_\_  
 Week 2: \_\_\_\_\_  
 Week 3: \_\_\_\_\_  
 Week 4: \_\_\_\_\_

**Month** \_\_\_\_\_ **Year** \_\_\_\_\_

<b>Expenses</b>			SUN	MON	TUES	WED	THURS	FRI	SAT
Item	Estimate of Expense	Actual Expense/ Payment							
alimony/child support	_____	_____							
child care	_____	_____							
church	_____	_____							
cleaning supplies	_____	_____							
clothing/diapers	_____	_____							
credit cards	_____	_____							
emergencies	_____	_____							
entertainment/recreation	_____	_____							
food	_____	_____							
insurance premiums	_____	_____							
laundry/cleaning	_____	_____							
medical/dental	_____	_____							
mortgage/rent	_____	_____							
newspaper/magazines	_____	_____							
personal items	_____	_____							
school supplies/fees	_____	_____							
transportation	_____	_____							
utilities	_____	_____							
miscellaneous:									
gifts	_____	_____							
goals	_____	_____							
haircuts	_____	_____							
pets	_____	_____							
stamps	_____	_____							
Total Income	_____	_____							
Total Expenses	_____	_____							
Difference	_____	_____							

## Lesson 7: Rent-to-Own

Rent-to-own contracts are popular but very costly. They usually don't require a down payment, they have low weekly payments, and there is no credit check. However, those low weekly payments can add up to a high total cost. If you miss a payment, you may have to pay a stiff interest penalty. Or the item may be repossessed, and then you have nothing to show for the payments you have made.

Before you sign a rent-to-own contract, get answers to the following questions:

- How much are the weekly/monthly payments?
- When are the payments due?
- How many payments are required?
- How many payments must I make before I own the item?
- Is the merchandise new or used?
- Am I responsible for loss or damage to the item?

Before you decide to rent an item from a rent-to-own store, see how much it would cost to buy the item at a retail store. The following chart can help you decide which is the better deal. Circle the method that has the lowest total cost.

Item \_\_\_\_\_

Rent-to-own

Retail store

Purchase price \_\_\_\_\_

Monthly payment \_\_\_\_\_

Number of payments \_\_\_\_\_

Total cost \_\_\_\_\_

(Monthly payment times number of payments)



**Income****Payment and Buying Calendar**

Week 1: \_\_\_\_\_  
 Week 2: \_\_\_\_\_  
 Week 3: \_\_\_\_\_  
 Week 4: \_\_\_\_\_

**Month** \_\_\_\_\_ **Year** \_\_\_\_\_

<b>Expenses</b>			SUN	MON	TUES	WED	THURS	FRI	SAT
Item	Estimate of Expense	Actual Expense/ Payment							
alimony/child support	_____	_____							
child care	_____	_____							
church	_____	_____							
cleaning supplies	_____	_____							
clothing/diapers	_____	_____							
credit cards	_____	_____							
emergencies	_____	_____							
entertainment/recreation	_____	_____							
food	_____	_____							
insurance premiums	_____	_____							
laundry/cleaning	_____	_____							
medical/dental	_____	_____							
mortgage/rent	_____	_____							
newspaper/magazines	_____	_____							
personal items	_____	_____							
school supplies/fees	_____	_____							
transportation	_____	_____							
utilities	_____	_____							
miscellaneous:									
gifts	_____	_____							
goals	_____	_____							
haircuts	_____	_____							
pets	_____	_____							
stamps	_____	_____							
Total Income	_____	_____							
Total Expenses	_____	_____							
Difference	_____	_____							

## Lesson 8: Cash or Credit?

When you buy something on credit, you are promising to pay in the future for something you get now. When you use credit, you must pay a charge to divide up your payments.

It is important to know how much you are paying for using credit. The cost depends on current interest rates, who you borrow from, how much you borrow, how long you take to repay it, and your credit rating.

A quick way to compare the cost of two or more credit contracts is to look at the annual percentage rates (APR). If you have this figure, you can compare the credit costs between different creditors, different payback times, and different costs. Remember: the lower the APR (interest rate), the cheaper the credit.

Never sign a blank credit agreement. Make sure you read, understand, and agree to the terms of the contract before signing your name.

To keep credit costs as low as possible, pay the highest down payment you can afford and make the highest monthly payments you can without hurting your budget.

Use this worksheet to calculate the cost of credit from two sources.

	Creditor #1	Creditor #2
APR	_____	_____
Price of item	_____	_____
Amount financed (Price of item minus down payment)	_____	_____
Monthly payment	_____	_____
Number of payments	_____	_____
Total amount of payments (Monthly payment times number of payments)	_____	_____

## **Income**

# **Payment and Buying Calendar**

Week 1: \_\_\_\_\_

Week 2: \_\_\_\_\_

Week 3: \_\_\_\_\_

Week 4: \_\_\_\_\_

# **Expenses**

<i>Item</i>	<i>Estimate of Expense</i>	<i>Actual Expense/ Payment</i>
alimony/child support	_____	_____
child care	_____	_____
church	_____	_____
cleaning supplies	_____	_____
clothing/diapers	_____	_____
credit cards	_____	_____
emergencies	_____	_____
entertainment/recreation	_____	_____
food	_____	_____
insurance premiums	_____	_____
laundry/cleaning	_____	_____
medical/dental	_____	_____
mortgage/rent	_____	_____
newspaper/magazines	_____	_____
personal items	_____	_____
school supplies/fees	_____	_____
transportation	_____	_____
utilities	_____	_____
miscellaneous:		
gifts	_____	_____
goals	_____	_____
haircuts	_____	_____
pets	_____	_____
stamps	_____	_____
<b>Total Income</b>	_____	_____
<b>Total Expenses</b>	_____	_____
<b>Difference</b>	_____	_____

## **Month**      **Year**

## **Year**

## **Lesson 9: Buying Insurance**

Accidents and emergencies happen. Few of us have enough money saved to pay for losses when these emergencies happen.

Insurance protects you from big financial losses. When you pay the insurance company, they agree to pay for losses when certain accidents happen.

Insurance can be expensive. It is risky to decide to have no insurance at all—and against the law if you drive! The better decision is to figure out what losses you are most likely to have and find ways to buy the right insurance policies.

The chance to buy insurance may come in the newspaper, by telephone, on the Internet, or from a salesperson at your door. Buying insurance from these sources may be the most expensive way to buy any kind of insurance.

A licensed insurance agent who has a business in your local area may offer more options in the kinds of coverage you can buy. There is also a greater chance the state government can protect you if you have a problem.

The four major types of insurance are automobile, health, home, and life. Decide the types of insurance policies you need, then compare the coverage and cost from different agents.

The chart below can help you compare the costs of automobile insurance. Talk to at least two insurance agents, and fill in the information provided.

**Company/Agent #1**

Name \_\_\_\_\_

Collision \_\_\_\_\_

Comprehensive \_\_\_\_\_

Liability \_\_\_\_\_

Medical \_\_\_\_\_

Uninsured motorist \_\_\_\_\_

Total yearly cost \_\_\_\_\_

**Company/Agent #2**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## **Income**

## **Payment and Buying Calendar**

Week 1: \_\_\_\_\_

Week 2: \_\_\_\_\_

## Week 3:

## Week 4:

## **Month**

Year

---

## **Expenses**

<i>Item</i>	<i>Estimate of Expense</i>	<i>Actual Expense/ Payment</i>
alimony/child support		
child care		
church		
cleaning supplies		
clothing/diapers		
credit cards		
emergencies		
entertainment/recreation		
food		
insurance premiums		
laundry/cleaning		
medical/dental		
mortgage/rent		
newspaper/magazines		
personal items		
school supplies/fees		
transportation		
utilities		
miscellaneous:		
gifts		
goals		
haircuts		
pets		
stamps		
<b>Total Income</b>		
<b>Total Expenses</b>		
<b>Difference</b>		

## Lesson 10: Build Wealth NOT Debt

Earning interest or dividends is a good thing! Good investments and savings can grow over time and build wealth.

But, paying interest on credit accounts can add to your debt. Use “interest” in your own best interest. Build wealth, not debt, by investing in things you expect to increase in value or increase your wealth.

Stocks, bonds, mutual funds, and retirement accounts are not the only kinds of investments we need to think about. Since homes generally increase in value over time, buying a home can be a good investment. Further education can also be a good investment because it may help you to get a better job and earn more money.

Why not write some goals right now that can help you build wealth, not debt? Begin with one **SMART goal to build wealth**. Remember: SMART goals are Specific, Measurable, Attainable, Relevant, and Time-related.

Perhaps you can save for a down payment on a home. If you have a home, perhaps you will make a plan to pay off the mortgage before you retire.

Maybe starting a retirement savings account is your goal. Never pass up the chance to get free money from your employer if they

will match your retirement savings. It’s your chance to double your investment!

If your goal is to get a good job, what kind of investment will you need to make? Be sure to include specific times, tasks, and costs in your goals.

Paying off high-cost **debt** is another way to begin building wealth. Make a plan for paying off credit accounts with the highest interest rates first. Pay more than the minimum payment, if possible. How much would you have to pay each month to get the accounts paid off in 1 year? 2 years? Use the following chart or another sheet of paper for your debt-repayment plan.

Creditor or purpose of loan

---

Interest rate (APR)

---

Balance owed

---

Monthly payment

---

Payment due date

---

Number of payments

---

Overdue amount

---

Monthly amount you plan to pay

---

## **Income**

## **Payment and Buying Calendar**

Week 1: \_\_\_\_\_

Week 2: \_\_\_\_\_

## Week 3:

## Week 4:

## **Month**

Year

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## **Expenses**

<i>Item</i>	<i>Estimate of Expense</i>	<i>Actual Expense/ Payment</i>
alimony/child support	_____	_____
child care	_____	_____
church	_____	_____
cleaning supplies	_____	_____
clothing/diapers	_____	_____
credit cards	_____	_____
emergencies	_____	_____
entertainment/recreation	_____	_____
food	_____	_____
insurance premiums	_____	_____
laundry/cleaning	_____	_____
medical/dental	_____	_____
mortgage/rent	_____	_____
newspaper/magazines	_____	_____
personal items	_____	_____
school supplies/fees	_____	_____
transportation	_____	_____
utilities	_____	_____
miscellaneous:	_____	_____
gifts	_____	_____
goals	_____	_____
haircuts	_____	_____
pets	_____	_____
stamps	_____	_____
<b>Total Income</b>	_____	_____
<b>Total Expenses</b>	_____	_____
<b>Difference</b>	_____	_____

## Lesson 11: Consumer Skills



Almost everyone has bought something that was not as good as they thought it should be. It may have been damaged or made of low-quality materials.

When a product does not "measure up," don't just forget about it—that's like throwing away money. Instead, complain to the store where you bought the item.

But before complaining, read the instruction book or any

other operating or care instructions that came with the item to make sure you followed the right directions. Find your sales receipt and study the warranty, service contract, or other papers that came with the item.

If you still are not happy with the item, go to the store where you bought it, and talk with the manager. Be sure to take your receipt.

Explain the problem clearly and calmly. If you stay calm, you are more likely to get across your point.

If you do not get help at the local store of a national or regional chain store, write a letter to the headquarters of the company, explaining your position. Usually you can get the address of the company from materials that came with the product. Some companies have toll-free telephone numbers you can call for help.

When writing a complaint letter, use the following checklist to be sure you have included all the important information:

- \_\_\_\_\_ Your name, complete address, and telephone number.
- \_\_\_\_\_ The product name, model number, serial number, and style number.
- \_\_\_\_\_ The date and place you purchased the item.
- \_\_\_\_\_ An explanation of the problem and what you have done to resolve the problem before writing your letter.
- \_\_\_\_\_ Copies of your receipt, contract, or label of the item.
- \_\_\_\_\_ A copy of the letter for your records.

## **Income**

## **Payment and Buying Calendar**

Week 1: \_\_\_\_\_

Week 2: \_\_\_\_\_

Week 3: \_\_\_\_\_

Week 4: \_\_\_\_\_

## **Month**

Year

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# **Expenses**

<i>Item</i>	<i>Estimate of Expense</i>	<i>Actual Expense/ Payment</i>
alimony/child support		
child care		
church		
cleaning supplies		
clothing/diapers		
credit cards		
emergencies		
entertainment/recreation		
food		
insurance premiums		
laundry/cleaning		
medical/dental		
mortgage/rent		
newspaper/magazines		
personal items		
school supplies/fees		
transportation		
utilities		
miscellaneous:		
gifts		
goals		
haircuts		
pets		
stamps		
<b>Total Income</b>		
<b>Total Expenses</b>		
<b>Difference</b>		

## Lesson 12: Organizing Financial Files and Review

Congratulations! You have completed 1 full year of managing your money by using this calendar and envelope system.

You have also learned many important consumer skills by reading and studying the monthly lessons.

To review your work over the past 12 months, answer the questions on this page.

Yes    No    Did you...

Write down your family's money goals?

Track or keep records of what you spent?

Reduce spending? How?

Pay off debt? Approximately how much?

Increase savings or investments? About how much?

Improve your financial health? How?

Make an important financial decision or change? About what?

Feel more confident about your financial health or ability to make wise consumer decisions?  
Explain.

What plans do you have for improving your money management skills over the next year? Why not make organizing your financial files one of them? Learn more about this and other money management tips at MSUcares.com. Search "Healthy, Wealthy, and Wise series."

*Your county Extension agent will be happy to help you set new goals for learning and show you how to reach them. He or she would also like to have a copy of this page showing actions you have taken to take control of your money. Also ask for a new calendar like this or other financial resources.*



## **Income**

## **Payment and Buying Calendar**

Week 1: \_\_\_\_\_

Week 2: \_\_\_\_\_

Week 3: \_\_\_\_\_

Week 4: \_\_\_\_\_

## **Month**

Year

---

# **Expenses**

<i>Item</i>	<i>Estimate of Expense</i>	<i>Actual Expense/ Payment</i>
alimony/child support	_____	_____
child care	_____	_____
church	_____	_____
cleaning supplies	_____	_____
clothing/diapers	_____	_____
credit cards	_____	_____
emergencies	_____	_____
entertainment/recreation	_____	_____
food	_____	_____
insurance premiums	_____	_____
laundry/cleaning	_____	_____
medical/dental	_____	_____
mortgage/rent	_____	_____
newspaper/magazines	_____	_____
personal items	_____	_____
school supplies/fees	_____	_____
transportation	_____	_____
utilities	_____	_____
miscellaneous:		
gifts	_____	_____
goals	_____	_____
haircuts	_____	_____
pets	_____	_____
stamps	_____	_____
<b>Total Income</b>	_____	_____
<b>Total Expenses</b>	_____	_____
<b>Difference</b>	_____	_____



Revised by **Dr. Bobbie Shaffett**, retired Extension Professor, Family Resource Management, based on the *Money Smart* calendar originally prepared by **Dr. Beverly Howell**, former Extension specialist.

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