

MANAGING YOUR MONEY



S.O.A.R PROGRAM
Mayland Community College
1997

THE SECRET TO MANAGING MONEY

Everyone wants enough money to live on. Many people feel they need more money than they have. With credit cards readily available, we tend to have a false sense of what money is available and spend money we don't have without thinking of the future consequences. Money problems sometimes come from spending more than is actually there. Anyone who has ever done this knows what a serious problem it can be.

The truth is, there is no secret to money management. Whatever amount of money you have, it is important to learn how to manage it. By applying simple methods of planning and tracking your spending, you can be reasonably sure you will know where your money goes and have more money available for the necessities of life.

1. Charting your Monthly Expenses:

The first step in money management is to estimate the monthly expenses you now have. In other words, how do you spend your money? Using the chart below, list your expenditures in terms of monthly amounts.

MONTHLY EXPENSES

- tuition _____
- books and fees _____
- groceries _____
- rent or mortgage _____
- utilities (gas, electric, water) _____
- telephone _____
- credit cards _____
- transportation, including gas _____
- clothing _____
- child care _____
- other: _____
- other: _____
- other: _____

On the next page, you are going to list all your sources of income. Be sure to include salary, financial aid, awards, grants, scholarships, loans, insurance or disability benefits, AFDC, food stamps, alimony, child support, and any other income assistance benefits. Make sure all sources of income are figured according to monthly income amounts.

2. Complete the following chart: list all the sources of income you receive on a monthly basis.

MONTHLY INCOME SOURCES

Monthly income source:

Monthly amount (or estimate)

(Example: Paycheck) _____

(Example: \$425.00) _____

Total Monthly Income: _____

Where Does the Money Go?

Many people complain that they have no idea where the money goes. The underlying problem is that they fail to plan and keep track of their spending. In order to develop a budget that is manageable, you need to have a realistic idea of your expenses.

BOB JONES	2048
	DATE _____
PAY TO THE ORDER OF _____	\$ <input type="text"/>
	_____ DOLLARS
FIRST NATIONAL BANK	

⑆00 2100 66⑆ 770 ⑆⑆ 664076⑆ 2121	

3. CHARTING TYPICAL MONTHLY EXPENSES

The chart on the following page will enable you to complete a more detailed record of your typical monthly expenses. You will need to obtain the necessary information (bills, tax records, etc.) to fill out this record as completely as possible.

CHART 1: TYPICAL MONTHLY EXPENSES

Complete the categories that apply to you.	Average monthly expense (known and estimated)
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- Child care/elder care
- Clothing - new purchases
 - cleaning, repairs
- Contributions, gifts
- Subscriptions
- School supplies/books
- Tuition/fees
- Entertainment/recreation
- Food:
 - groceries
 - meals out
 - school lunches
 - snacks away from home
- Health:
 - medical
 - dental
 - eyeglasses/contacts
- Housing/Shelter:
 - rent or mortgage
 - appliances
 - cleaning supplies
 - furnishings
 - maintenance
 - repairs
 - utilities:
 - cable TV
 - electricity
 - fuels
 - telephone
 - water
- Insurance:
 - auto
 - home
 - life
 - health
 - disability
- Job-related expenses
- Personal care allowance
- Savings investment
- Taxes:
 - income
 - property
 - social security
 - other
- Transportation (gas, repairs)
- Vacation
- Credit cards

STICKING TO A BUDGET

A budget is simply a spending plan. Budgeting your money means sticking to your spending plan. With a good budget, an adequate income can be allocated between everyday expenses and money you put aside as savings or investments for tomorrow's needs and wishes. In order to develop a spending plan or budget you must have an idea of your fixed, flexible, and incidental expenses.

Fixed expenses:

These are expenses that do not change or change only in dollar amounts from month to month. Things like rent, mortgage, loan repayments etc. are fixed expenses. It is important to have enough resources on hand to pay these regular monthly expenses.

Flexible expenses:

These are regular expenses that vary from month to month, such as gas, food, car maintenance, gifts, most utilities, and school costs.

Incidental expenses:

These are expenses that may be expected and planned for, such as birthday and Christmas gifts, or unexpected, such as travel or medical expenses arising from a family crisis or illness. It is important to have "set-aside" money (a savings account) to counteract the effects of these "surprise" expenses. Other incidental expenses may include car repairs, school supplies, entertainment, or children's needs.

DEVELOPING A SPENDING PLAN

When you have a clear idea of your monthly expenses, you can begin to develop a spending plan. This plan will help you control what you spend and let you know where the money goes. By sticking to this plan and keeping a record of your expenses each month, you will gain a much better picture of where and how you spend your money. This will enable you to make changes where needed and predict what future expenses you will have.

Complete your Spending Plan on the next page.

CHANGES YOU CAN MAKE

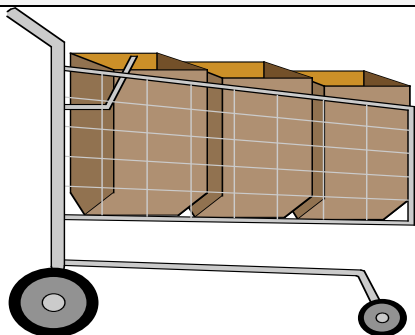
Now that you know what money you have and where it goes, if you are committed to working with your spending plan, it's time to look at changes you can make to spend money more efficiently and to have reserves of money when you need it.

Ways to spend more efficiently: The following list was compiled by students and staff at Mayland Community College. Feel free to add any other ideas you have for economizing and making your money go further.

- 1. Look for sale items.
- 2. Use coupons.
- 3. Look for sales in the local newspapers and weekly flyers.
- 4. Shop in discount stores, second-hand stores, yard sales, outlets.
- 5. Avoid buying on credit.
- 6. Avoid grocery shopping when you are hungry.
- 7. Avoid impulse shopping.
- 8. Don't use shopping as a way to "feel good."
- 9. Budget for entertainment and eating out.
- 10. Don't give in to solicitors.
- 11. Before you buy, ask yourself if you can live without it.
- 12. Don't buy for your children out of feelings of guilt.
- 13. Stock up on necessities when on sale.
- 14. Ask around for referrals when needing car repairs.
- 15. Avoid TV shopping channels and TV promoted items.
- 16. Ask your doctor or pharmacist for generic brand prescriptions.
- 17. Don't leave lights, stove, or other appliances on when not in use.
- 18. Find alternate cheaper sources of heat in winter.
- 19. Avoid fast food restaurants.
- 20. Use rags instead of paper towels.
- 21. Bring lunch to school.
- 22. Sell your schoolbooks/buy used books.
- 23. Barter for services.
- 24. Form a babysitting co-op.
- 25. Learn to do own car maintenance.
- 26. Go to matinee movies or rent videos.
- 27. Avoid cosmetics/housewares/Tupperware parties.
- 28. Use Cosmetology Dept. for haircuts.
- 29. Drive a gas-efficient vehicle.
- 40. Plan meals and shop with a grocery list.
- 42. Check the "I WANNA" newspaper for bargains.
- 43. Serve meatless meals.
- 44. Make your own baby food.
- 45. Use cloth diapers.

Other Ideas:

HEALTHY EATING ON A LIMITED BUDGET



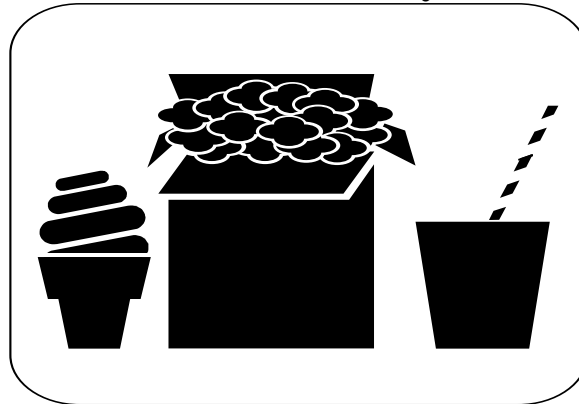
Having a limited budget does not mean having to eat poorly. It may mean that you have to adjust your eating and food shopping habits. Buying foods that are healthy and nutritious can actually save you money in the long run.

To learn more about your eating habits and nutritional awareness, answer the questions by circling either "Yes" or "No":

- | | | |
|--|-----|----|
| 1. I usually shop for groceries when I'm hungry. | Yes | No |
| 2. TV advertising often influences what foods I eat. | Yes | No |
| 3. I usually shop without a grocery list. | Yes | No |
| 4. I rarely look at prices when I shop for food. | Yes | No |
| 5. I rarely read the labels to see what ingredients are in foods. | Yes | No |
| 6. I don't bother comparing prices or checking for specials. | Yes | No |
| 7. A nutritional meal must include meat. | Yes | No |
| 8. I make several trips to buy groceries each week. | Yes | No |
| 9. I eat out or in the school cafeteria often (3-5 times per week). | Yes | No |
| 10. When I'm hungry, I usually buy a snack to eat. | Yes | No |
| 11. I find that I am gaining weight even though I'm not eating more. | Yes | No |
| 12. I don't bother with coupons when I shop. | Yes | No |
| 13. High-calorie, sweet foods and drinks give me energy. | Yes | No |
| 14. I eat fried foods often (3-or more times per week). | Yes | No |
| 15. I enjoy eating junk foods and do so regularly. | Yes | No |

Add up the number of times you circled "Yes." Each of your "Yes" responses indicates that you need to adjust your food shopping and eating habits. Read on to find out why and how.

16 Ways to Eat Well and Save Money:



Eating well requires that we know some of the basics of nutrition and that we learn to shop wisely and control our food spending.

1. Never shop when hungry: you will undoubtedly spend more money and buy things on impulse.
2. Plan ahead: prepare a list of meals you will make for each week and make a shopping list of the groceries you will need. Be sure to plan on large enough quantities so you will have leftovers for lunches.
3. Check your newspaper for special prices, "Buy One, Get One Free" items and coupons. Adjust your meal planning according to the weekly specials.
4. Be price conscious and compare prices at different stores which are advertised in weekly tabloids.
5. Estimate the cost of what you are buying as you go along. Have a calculator with you when you shop.
6. Try to shop alone. Children often influence buying items you don't need or want.
7. Read labels: labels can tell you the weight and volume, the ingredients, the fat content, and other important information about what you are buying. Check for hidden ingredients such as excess fat, salt and sugar.
8. Check unit prices: unit pricing shows the price by weight or volume. Larger containers usually cost less per pound, but check the unit price to be sure.
9. Compare brands and packages: well-known brands aren't necessarily the best buy for nutrition and price. Try the store's brand or generic products which are often less expensive and just as good.
10. Try meatless meals: most people consume far more meat protein than is recommended for a healthy diet. Meat is high in fat and cholesterol. Try cooking more with beans and lentils which are healthier and cheaper sources of protein. If you can't live without meat, try poultry and fish which contains less fat and calories than red meat.
11. Buy fruit juice concentrates, not "drink" or "ade." Concentrates have more nutrients and are less expensive.
12. Choose "whole grain" or "enriched" foods to get necessary nutrients.
13. Avoid eating out and snacking when you're hungry. Snacks are filled with empty calories and are fattening. Most food at fast food restaurants is fried, and high in fat, salt, and calories.
14. If you must snack, choose nutritional foods like carrots, raisins, celery, and peanut butter.
15. Buy in quantity if you have room to store food.

16. Learn about nutrition. What you learned about food growing up may not be the best information in light of modern findings about food, health, and nutrition. Your health care provider or family health clinic can give you information on complete nutrition guidelines and suggest any supplements (iron, vitamins, etc.) you may need.

Remember, changes in your eating habits and food buying practices can lead to wiser spending of your money, leaving you more money for other needs.



FINANCING THE COST OF EDUCATION

There are many sources of financial aid to help supplement the costs of an education. Your best source of information is your college financial aid office. There you will find out about the basic types of financial aid available to students: scholarships and grants, work-study, and student loans. Most financial aid is awarded on the basis of need. While you are expected to have adequate resources for living expenses while you attend school, financial aid is intended to cover the additional expenses, such as tuition, books, supplies, transportation and other expenses related to attending college.

THE FINANCIAL AID APPLICATION

The first step in obtaining financial aid is to fill out a financial aid application. After your need is assessed and the amount of aid for which you are eligible is determined, you must insure that you make satisfactory progress in school to continue being eligible for aid.

TYPES OF AID

PELL GRANTS - Grants awarded to all students in need who have been accepted at an institution of higher education.

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS - Grants to students with exceptional financial needs, who could not otherwise attend college.

COLLEGE WORK-STUDY - Federal government pays a percentage of the wages for students who work part-time.

PERKINS STUDENT LOAN PROGRAM - Designed to make low-interest, long-term loans directly to students in need.

STAFFORD STUDENT LOANS/PLUS LOANS - Loans from private lenders (financial institutions, insurance companies, etc.) which are guaranteed by the federal government.

FEDERAL MILITARY BENEFIT PROGRAMS - Dependents of certain service members may be eligible for education benefits under several programs. Call the Veteran's Administration for information (1-800-827-1000).

FEDERAL LOANS FOR HEALTH CARE CAREERS -

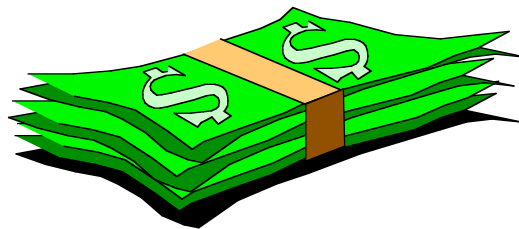
HEAL- Health Education Assistance Loans are available for student in many health-related fields. Call HEAL 1-301-443-1540.

NURSING STUDENT LOANS - Low interest loans are available to qualified students through accredited schools of nursing. Contact the financial aid office for information.

SCHOLARSHIPS - There are many types of scholarships available to students through various sources. Stop by the financial aid office to inquire about scholarships and to obtain a scholarship application.

In conclusion, there are many sources of financial assistance for college students. Be sure you explore all the resources available, including part-time enrollment/full-time employment and summer employment.

You are now fully informed and ready to begin an exciting quest to make sure you are getting the most for your money and managing the money you have. Remember that budgeting your money and learning effective money management practices is a life-long concern. You will develop your own methods and see what works and doesn't work for you. Use the ideas in this module as tools to help you along the way. If you put into practice only a portion of these ideas, you will get results.



Good luck in managing your money!

