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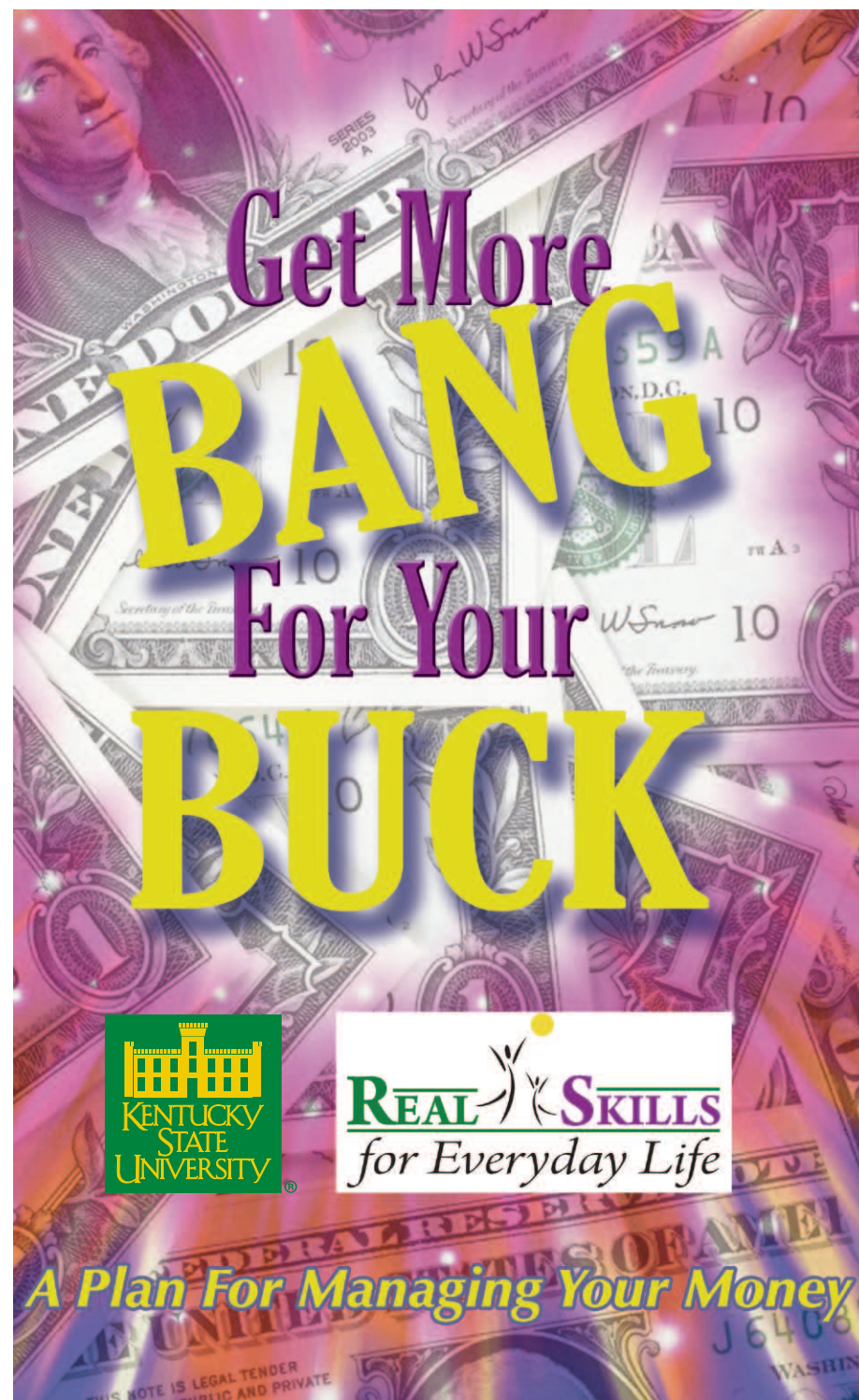
**Cooperative
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KENTUCKY STATE UNIVERSITY/UNIVERSITY OF KENTUCKY
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GET MORE BANG FOR YOUR BUCK

NOTES

A Plan for Managing Your Money

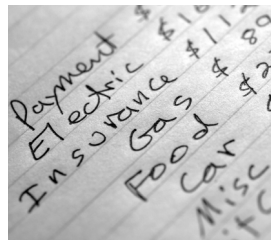
Did you know that you can “get more bang for your buck” by planning? Think about these questions. Do you sometimes find that you: run out of money before the end of the month; are unable to pay bills on time; or you cannot seem to get the things you need and want? Perhaps it is time to make a spending plan (budget) for managing your money. You may not always have enough money. However, a spending plan will help you and your family feel more in control of your money.

To manage your money successfully and “get more bang for your buck” think about your family situation and ask yourself:

- ◆ What goals do I/ we have for using my/ our money?
- ◆ What things do I/ we need and want?
- ◆ How much income do I/ we have?
- ◆ What expenses do I/ we have?
- ◆ What resources can I/ we use along with or in place of money?
- ◆ How do I/ we make a spending plan?
- ◆ How can I/ we adjust my/ our plan and stretch my/ our money?
- ◆ What can I/ we do to save and/ or change the way I/ we currently spend money?

Let's get started!

Your spending plan will be built around the needs of your household members. For families with more than one person, talking together is important. Talk to family members about your financial situation and your spending plan.

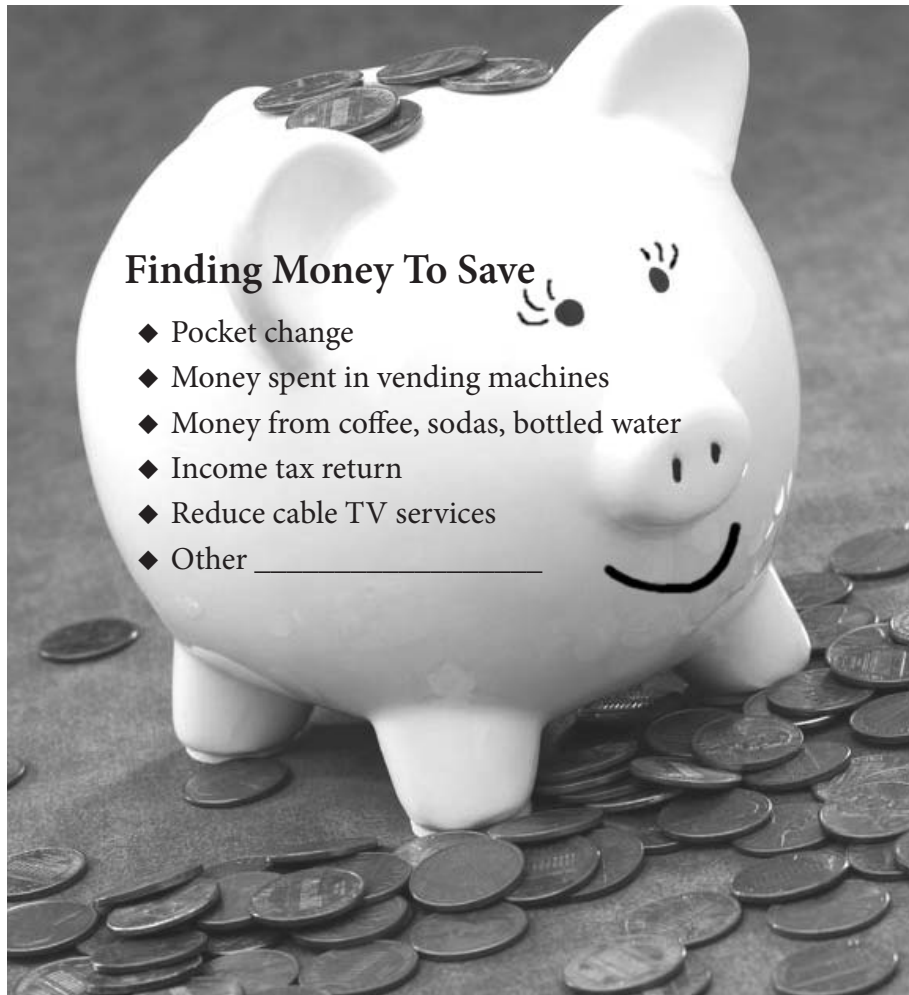


1. Your Goals

What goals do you and your family have for the use of your money? Goals are things that you strive for, because they are important to you. They may be short-term (less than a year) or long-term goals (1-2 years or more). Perhaps you would like to have next month's rent; catch up on the phone bill; get all of your medicine; save money each month; or get a car. You may have other goals. To reach your goals you must plan and take action.

Remember if your spending plan doesn't balance the first time, KEEP WORKING ON IT. Look for ways to use money and other resources to get the things that you need and want. If there is not enough money, you or a family member may be able to earn extra income.

Even with lots of effort there are times when you may not have enough money. However, continue to identify resources and adjust your spending plan to help you get on the right track. ***BELIEVE THAT YOU CAN DO WELL AT MANAGING YOUR MONEY!***



List your goals and action steps below:

| My Goals | Date to Achieve | Amt. \$ Needed | Action Steps to Reach Goal |
|-------------------------------|-----------------|-----------------------------|---|
| Example: Get a clothes washer | 3 months | \$350 – new \$110 – used | Get information; compare cost of clothes washer both new and used; use money from EITC (Earned Income Tax Credit) |
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Next - Think about what you need and want. Needs are essential for your daily life. They include food, clothing, and shelter. Wants (“extras”) may help you to meet a need with more style or comfort. Examples of wants might be designer clothes, eating out, getting your nails done professionally, or purchasing the latest electronics. One person’s wants may be another person’s needs. One person may need a cell phone for safety reasons. Another person may want the latest iPhone, because their friends have one. List your needs and wants on the next page. Rank the items - with Number 1 being the most important. Remember to take care of your needs (necessities) first. You will refer to your lists on the next page as you make your spending plan.

Needs: (Example: Pay rent, buy groceries, get medicine)

| | |
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| | |

Wants: (Example: Buy the latest, designer athletic shoes or cell phone)

| | |
|--|--|
| | |
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| | |

Making My Spending Plan

2. List All Income.

The amount you have to spend each month is your monthly net income. List all the income you take home each month on a regular basis and the amounts. If you get money weekly, add the amount of money for each week to get a monthly total. Total the amount of all income you receive.



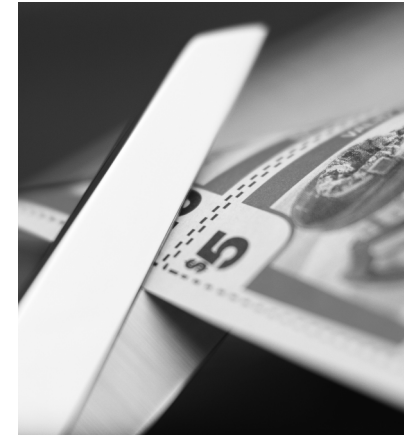
| Income | Monthly Amount |
|----------------------------------|----------------|
| Paycheck | |
| Paycheck (2nd job or 2nd person) | |
| Assistance | |
| Child Support | |
| Social Security | |
| Pension/ Retirement | |
| Unemployment: | |
| Other: | |
| Other: | |
| Total amount of Income: | |

Find Ways To Stretch Your Money

- ◆ Shop wisely. Use coupons
- ◆ Learn to do home repairs, hair care, and other services yourself.
- ◆ Make do with less.
- ◆ Use resources other than money.
- ◆ Use less energy – wash and dry full loads of laundry. Turn off lights.
- ◆ Avoid waste, and limit the use of disposable products (for example, paper towels, disposable plates, etc.). This way, you will save money and the environment. Teach children not to waste food, household items, etc.
- ◆ Get consumer information to help you make good choices and decisions. Read *Consumer Reports* at the library.
- ◆ Take care of the things you own so you will not have to replace them as often.
- ◆ Use the library for books and videos. Take the children to story hour.

5. Evaluate Your Plan and Take Action.

Think about your goals. Review this plan and rethink your goals. Make a plan, and take action. Write your money goals below.



My Money Goals

Example: Starting next month, I will not spend \$15.00 in the vending machines at work. I will add some money to my savings. How: I will purchase a large box of snacks at the discount store to take to work (\$6.00); use \$4.00 to help pay my telephone bill; and put \$5.00 into my savings.

1. My goal: _____
How: _____
2. My goal: _____
How: _____

4. Subtract Expenses from income.

| | | |
|------------------------------------|---|-------|
| Total Income (from page 3) | | _____ |
| Minus Total Expenses (from page 5) | - | _____ |
| Equals | = | _____ |

If **money is left Great!** Use some or all of the extra money for savings. It is important to save so you will have money in case of emergencies.

If you have more expenses than income, you will need to cut back on expenses, and/ or look for ways to earn more income.



Look For Ways To Cut Back On Your Spending

*Review your list of expenses from the expense section and the ways you can cut back.

- ◆ Keep a log of what you spend – stop buying items that you don't need.
- ◆ Set priorities – pay for or purchase essential things first.
- ◆ Review each expense – think about how it can be reduced (plan meals carefully and shop with a list; drive less and use less gas; caulk and weather-strip your home to save on energy bills). If you rent, ask the landlord to make energy changes to the home.
- ◆ Can you get some things by using little or no money (do your own hair – use community resources such as parks, libraries, and community events for entertainment)?

Now – Think about Resources. Resources are things that you have that can help you get some of the things you need and want. Resources include: **money, time, energy, talents, skills, ability, material goods, and community resources.** Use resources such as your time, energy, and talents to make money (for example, your talent for making craft items or cakes that you can sell). What resources do you have that can keep you from spending money or can reduce the amount of money that you will have to spend? Could you develop better shopping skills to save money, or trade doing someone's hair in exchange for babysitting where no money is used? Or do you qualify for assistance such as food stamps, childcare, medical assistance, energy assistance, etc.)? List all of your resources below. Consider how you can use all of your resources when making your spending plan.

Example: I will purchase or get donated seed and plants and use my time, energy and skill to grow a garden. The vegetables from my garden will last many months and reduce my grocery bill.

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |



3. List Expenses.

List how much you spend each month and the amount. You may not have each expense listed on the next page. If you have others, list them. If you have housing assistance, medical assistance, or other types of assistance, write only the amount you pay each month. Also write how you can reduce the amounts you pay. You may come back to this column later. (Note: You may not be able to reduce every expense). Total the amounts you pay.

| Monthly Expenses | Amount | Ways I Can Reduce Expense |
|---|---------|---|
| <i>Example: Clothing</i> | \$50.00 | <i>Use what I have; shop at a discount or thrift store; get essential items this month and others later</i> |
| Rent / Mortgage | | |
| Electricity / Gas | | |
| Water & Sewer | | |
| Telephone / Cell Phone | | |
| Food (<i>at home</i>) | | |
| Food (<i>away from home</i>) | | |
| Transportation (<i>bus</i>) | | |
| Transportation Expenses – Auto | | |
| Gas, Maintenance | | |
| Insurance | | |
| Life | | |
| Health | | |
| Auto | | |
| Apartment / Home | | |
| Clothing | | |
| Personal Care Items | | |
| Daycare | | |
| Loan payments / Credit Card | | |
| Medical / Doctor Bills | | |
| Medicine | | |
| Cable TV / Satellite TV | | |
| Entertainment (<i>videos, movies, etc.</i>) | | |
| Education / Student Loans | | |
| Contributions / Church | | |
| Savings | | |
| Other - Cigarettes, Liquor | | |
| Other (<i>list</i>) | | |
| Other (<i>list</i>) | | |
| Total Expenses | | |