Making Your Money Count

Felicia Boettger
Seattle Goodwill Industries
Workshop Agenda

• 9:00-9:30 a.m.
• Workshop Topics
  – Introduction
  – Money Management
  – Setting Money Goals
  – Money Management Strategies
  – Goodwill Class Information
Introduction

• About Instructor
  – How long worked at Goodwill
  – Subjects Taught
  – Relevant Professional History

• About Goodwill
  – Mount Vernon
  – Typical Classes and Services
Money Beliefs and Values

MONEY Management
Why Manage Money?

Wise Money Management

• Less stress
• Less wasted money
• No bill collectors
• Self-sufficiency
• Brighter future

Poor Money Management

• Constant worry
• Dependence on others
• Guilt
• Debt, bill collectors

“The Line”
Goal Setting

What are your goals that require money?
Goal Setting

**Long-Term Goals – 1-5 years**

- Move to better housing
- Buy a car
- Finish college

**Short-Term Goals – in the next year**

- Save 1000 dollars
- Get a better job
- Get a job with insurance
- Learn Microsoft Excel
- Research Colleges
Reaching Your Goals

Savings

– Helps you reach your goals
  • Make savings a part of a monthly budget
  • Pay yourself first!

• Protects in the case of an emergency
  • What kind of emergency might keep from reaching your goals?
  • What is another way to protect yourself and your bank account from emergency.
What can you do?

In order to achieve greatness,
Start where you are.
Use what you have.
Do what you can.

— Arthur Ashe
Strategies

• Figure out needs vs. wants
• Everyday money saving
• Using Credit Cards Wisely
• Using a Budget
Needs or Wants?

___ Living alone
___ Cell phone
___ Cable TV
___ Eat at Wendy’s
___ Nails done
___ New clothes
___ MP3 player

___ GPS system
___ Beer or wine
___ Cigarettes
___ Fruits and vegetables
___ Steak
___ Car
___ Vitamins
<table>
<thead>
<tr>
<th></th>
<th>Breakfast</th>
<th></th>
<th>Lunch</th>
<th></th>
<th>Dinner</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bagel &amp; Coffee</td>
<td>$5.25</td>
<td>Burger, Fries &amp; a Drink</td>
<td>$7.00</td>
<td>Pizza, Drink &amp; a Tip</td>
<td>$12.00</td>
</tr>
<tr>
<td></td>
<td>Cereal, Fruit &amp; Milk</td>
<td>$1.50</td>
<td>Sandwich, Fruit &amp; (Tap) Water</td>
<td>$2.50</td>
<td>Baked Chicken, Potato, Vegetables &amp; Milk</td>
<td>$4.50</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$24.25</td>
<td></td>
<td>TOTAL</td>
<td>$8.50</td>
<td>TOTAL</td>
<td>$263.50</td>
</tr>
<tr>
<td></td>
<td>($751.75 per month)</td>
<td></td>
<td></td>
<td></td>
<td>($263.50 per month)</td>
<td></td>
</tr>
</tbody>
</table>
Cycle of Overspending

• Example: What happens if you spend only $3.33 over budget everyday?
  – How much money per month (30 days)?
  – How much money per year?
  – Where would you get the extra money?
• Family and Friends – How do they feel about lending you money?
• Credit Cards or Payday Loans – What about interest?

A little debt can stay around for a long time if not managed wisely
Using Credit Cards Wisely

• Like a short term loan
  – NOT FREE MONEY!!!
• Good to have for emergencies
• Be careful about interest rates
• Make more than the minimum payment
Credit Score

- Tells a lender how risky you are
- Low score =
  - difficultly getting an auto loan, apartment or some jobs.
- Improve by paying bills on time and only taking loans when you need them

Is your credit report accurate?

- For a free yearly report: www.annualcreditreport.com
- For more information credit scores visit: http://www.ftc.gov/bcp/menus/consumer/credit/reports.shtm
Making a Budget

A Budget is:

– A snapshot of current financial situation
– Clarifies your needs vs. wants
– A tool to help you achieve your financial goals
– Only useful if you are honest about what you write down!
# Monthly Budget

<table>
<thead>
<tr>
<th>Money In</th>
<th>Money Out</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pay</strong></td>
<td><strong>Food</strong></td>
</tr>
<tr>
<td>$_______</td>
<td>$_______</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td><strong>Clothing</strong></td>
</tr>
<tr>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td><strong>Public Assistance</strong></td>
<td><strong>Transportation</strong></td>
</tr>
<tr>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td><strong>Family Help</strong></td>
<td><strong>Housing</strong></td>
</tr>
<tr>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td><strong>Child Support</strong></td>
<td><strong>Insurance</strong></td>
</tr>
<tr>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td><strong>Odd Jobs</strong></td>
<td><strong>Fun</strong></td>
</tr>
<tr>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td><strong>Gifts</strong></td>
</tr>
<tr>
<td>_____</td>
<td>_____</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>Debt Payments</strong></td>
</tr>
<tr>
<td>$__________</td>
<td>_____</td>
</tr>
<tr>
<td></td>
<td><strong>Other</strong></td>
</tr>
<tr>
<td></td>
<td>_____</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$__________</td>
</tr>
</tbody>
</table>

Money In $_______ – Money Out $_______ = $_____________ (To Save)
What Files Do I Need

- Insurance
- Bills
- Budget
- Taxes

- Pay Stubs
- Receipts
- Accounts

1) Label your files

2) Get a box to keep your files in
# Budgeting Example

<table>
<thead>
<tr>
<th>Income</th>
<th>$</th>
<th>Expenses</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Williams paycheck</td>
<td>1500</td>
<td>Fixed Expenses</td>
<td></td>
</tr>
<tr>
<td>Mrs. Williams paycheck</td>
<td>1700</td>
<td>Rent</td>
<td>1100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Car Payment</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Car Insurance</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Renter’s Insurance</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Life Insurance</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Savings</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Variable Expenses</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Utilities</td>
<td>250</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Food</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Work Clothing</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Health and Personal Care</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gifts and Contributions</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transportation</td>
<td>250</td>
</tr>
<tr>
<td>Total Income =</td>
<td>3200</td>
<td>Total Expenses =</td>
<td>2900</td>
</tr>
</tbody>
</table>

Mr. Williams paycheck: 1500
Mrs. Williams paycheck: 1700

Total Income: 3200
Total Expenses: 2900
Goodwill Class Information

Want to improve your job skills? Come and register for our next classes.

Registration:
May 11th – 14th | 11 a.m. – 3 p.m.

Classes:
May 26 – July 16
Final Thoughts

• I am a strong money manager
• Money cannot have power unless I have power over it
• Every penny I spend is a decision
• Decisions must be made ahead, not on the spot