

Money Management Tips

Managing your money is like so many difficult chores in life: You would probably rather be doing something else, but it has to be done. Money management can help you reach your goals, whether you are planning to purchase a home, save for educational expenses, or start a small business.

Monthly Spending Plan:

Many find that a monthly spending plan, also known as a budget, is the best way to control spending and ensure savings. The plan should have a column for each amount you plan to spend and the amount you actually do spend each month. Meet your goals by trimming expenses. Decide on what you need for basic survival, in contrast to things you desire but can live without.

Use your plan as a guide. Compare the amount you have budgeted each month in each category with the amount you have actually spent. This will allow you to determine if you are over spending in some areas and need to cut back. **Download Monthly Spending Plan.** Be sure to:

- Plan according to what your income is now. When your income goes up, redo your plan.
- Plan ahead for six months.
- Include some spending money for each family member, in addition to regular expenses.
- Make your recordkeeping as simple as possible, but do write everything down.
- Set money aside for home maintenance.
- Make sure that the entire household agrees that the plan is reasonable.

Tips for Saving:

- Pay yourself first each month by having money automatically deposited from your paycheck (if your employer offers this feature) or directly from your checking account to a savings account.
- Save money that you receive unexpectedly, such as a bonus check, financial gift, or tax refund.
- Be careful about signing up for too many monthly subscription services. (Cable television, magazines, cell phones, Internet services). These expenses can add up quickly.
- Eat out less. Decide how many times a month you can afford to either go out to eat or order pizza, and stick to it.
- Make wise clothing purchases. You may be able to save hundreds of dollars by selective shopping in stores that offer good value at lower prices.
- Cut back on daily expenses, such as coffee, candy, soda, or cigarettes.
- Pay your bills on time.
- Avoid borrowing for items that do not provide financial benefits or that do not last as long as the loan.