SUCCESSFUL MONEY MANAGEMENT

LEARNING OBJECTIVES

• Understand your money beliefs and how these affect your personal finances
• Establish ways to track your spending
• Explore proven ways to reduce debt and spending
• Develop a personal strategy for taking control of your finances

EXPLORING YOUR CURRENT BUDGETING STRATEGY

1. Do I spend more than I earn?
2. What can I afford to spend?
The 50/20/30 Rule

How financially fit are you?

A. I don't have a budget
B. I'm working on developing a budget
C. I adhere to my budget

'A budget tells us what we can't afford, but it doesn't keep us from buying it'.

– William Feather
MENTAL ACCOUNTING

GOOD REASONS TO BUDGET

• Guides you in the direction you want to be headed
• Allows you to better manage your money
• Helps you meet your savings goals
• Prepares you for emergencies
• Reveals areas where you can cut expenses

What factors may influence your ability to manage your money?
UNDERSTANDING MONEY SCRIPTS

• Your ‘money scripts’ are unconscious financial beliefs that run through your mind when you think about money. They drive key decisions related to money management.

• Identifying these beliefs and their resulting behaviors is an important step in improving financial health and ultimately increasing income and net worth.

THE FOUR BELIEFS

1. **MONEY AVOIDANCE**
2. **MONEY WORSHIP**
3. **MONEY STATUS**
4. **MONEY VIGILANCE**

A MULTI-STEP APPROACH

1. **Step One** Prepare
2. **Step Two** Set your budget
3. **Step Three** Tracking your spending
4. **Step Four** Evaluating your progress
5. **Step Five** Set goals
6. **Step Six** Cut spending
CREATING YOUR BUDGET

• Compile your expenses
• Total your income
• Subtract expenses from your income
• Rework your budget (repeat as needed until you reach a balance)

PRINCIPLES TO GUIDE YOUR BUDGET

• Make savings contributions automatically
• Define spending priorities
• Pay down expensive debt
• Build a safety net
• Live within your means

KEEP THE REALITY IN YOUR BUDGET

• Consider a change in vocabulary
• Categorize your previous spending
• Track the cash
• Consider cashflow
• Don’t let a splurge set you back
• Allow room for the unexpected
• Avoid feeling deprived
• Set goals
WHAT ARE YOUR FINANCIAL GOALS?

1. Review Expenses and Income Monthly
2. Adjust Expenses to Stay in Balance
3. Evaluate Goals Every Six Months

EVALUATING COMMON MISTAKES

- Not understanding your credit report
- Making an unrealistic budget
- Continuing unchecked spending
- Ignoring the impact of others
NO-WIN SITUATIONS

• Omitting fun
• Sporadically saving
• Relying on credit
• Paying only minimums
• Ignoring an emergency fund
• Spending beyond means

KEEP IT SIMPLE, KEEP IT PRACTICAL

• Clean out and sell unwanted/unused items
• Hunt for bargains for clothing, electronics, housewares, etc.
• Focus on buying only what you need, not what you want
• Re-use and re-purpose what you already have
• Don't fight over finances
• Learn to cook gourmet, not pay gourmet
• Learn when your local zoo, museums, and parks offer free or discount days
• Be creative

GET FAMILY AND FRIENDS INVOLVED
USING YOUR MONEY WISELY

• Invest and learn

• Plan ahead when making large purchases

• Access EAP resources

FINAL THINGS TO REMEMBER

• Stick with your new budget

• Be willing to give up some money

• Believe that your financial success is possible

• Realize all that you have

Your EAP Services at a Glance

• Telephone and crisis counseling 24-7, 365

• Face-to-face or telephone based short term counseling

• Professional referrals to community resources as needed

• Legal and financial services and referrals

• Eldercare/Childcare assistance and referrals

• Take the Highroad Program - $45 max reimbursement

• Employee and supervisor training seminars

• Crisis Intervention Services (CISD)

• Enhanced website with interactive will preparation, savings center, monthly newsletters, and more...

Toll Free: 1-866-327-2400
Website: www.deeroakseap.com
QUESTIONS?

THANK YOU!