

# Momentum

*Improving your money management skills*



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### Smart money habits

- ✓ If you haven't managed to save money yet, start small—with specific, achievable short-term goals such as saving \$50 per month.
- ✓ If you're spending more than 20% of your income on credit card and loan payments, develop a debt reduction/consolidation plan.
- ✓ Make more than the minimum payment on your credit cards. Low minimum payments seem convenient but they don't help pay off your balance quickly.

## Manage your spending with a budget

Do you sometimes ask yourself where all the money goes at the end of every month? If so, using a budget can provide answers. Adhering to a budget helps you better control your spending and achieve greater financial freedom.

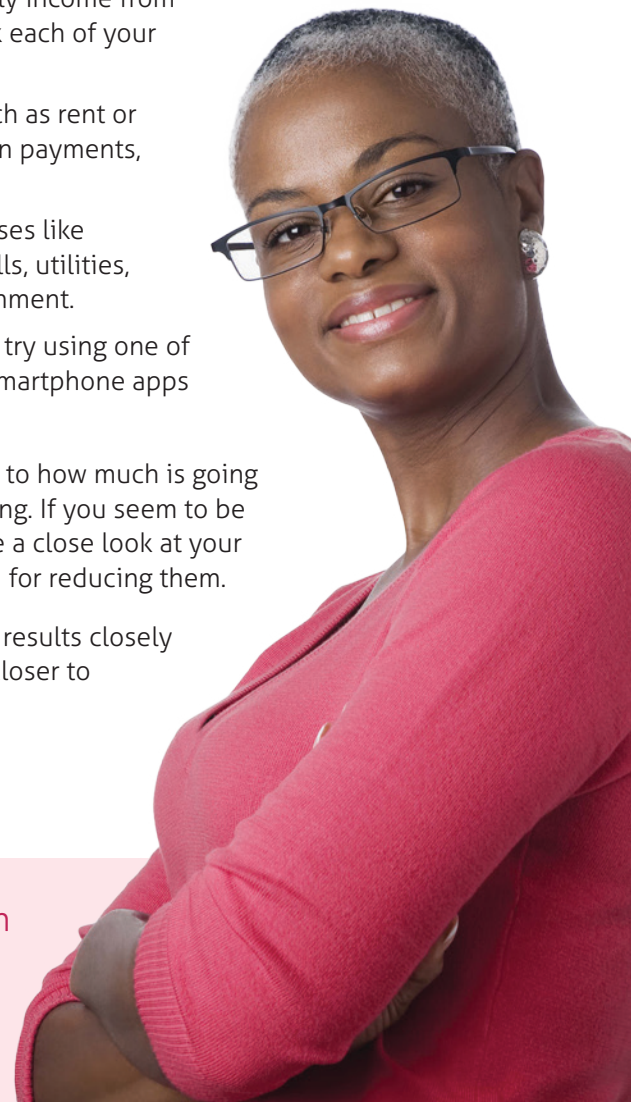
While you may not believe it, setting up a budget is easy!

First, total your average monthly income from all sources. Then begin to track each of your expenses over the month.

- Add up predictable bills such as rent or mortgage, car and other loan payments, and insurance.
- Record your variable expenses like food, clothing, cellphone bills, utilities, transportation and entertainment.
- If you find tracking difficult, try using one of the many free or low-cost smartphone apps that make budgeting easy.

Compare the money coming in to how much is going out. The results can be surprising. If you seem to be living beyond your means, take a close look at your expenses—and develop a plan for reducing them.

Tracking your budget and your results closely over time, you'll find yourself closer to reaching your financial goals!



Your program offers free initial telephonic consultations with certified financial counselors on issues such as budgeting, debt consolidation, consumer credit, fluctuations in income, retirement, saving for college, IRS matters and more.

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# Everyday ways to increase your savings

Here are some basic tips for building your nest egg.

- **Adopt a saving—not spending—mindset.** When you're about to buy something, stop and identify your real motivation for doing so. Do you really need it today?
- **Pay yourself.** Set aside money to be directed from each paycheck to a savings account. Consider setting up a split direct deposit so the money goes to savings automatically.
- **Cut back on discretionary spending.** Budget tracking may reveal that you're spending more than you thought on things like dining out, expensive coffee, cable TV, clothes, etc. Make some cuts and watch your savings increase.
- **Pay your bills on time.** You'll avoid financial hits that can drain savings. These include late fees, added finance charges, renewal of disconnected utilities, and recovery of repossessed autos.
- **Max out on retirement savings.** Contribute the maximum amount possible to your employer's a 401(k) plan. The employer match (i.e., free money!) and non-taxed nature of these plans are ideal.

## Money habits for children



### Begin early

Introducing your children to the responsible use of money can start as early as preschool. A very young child can learn to put coins in a piggy bank. Teach them to tell the difference between a penny, nickel, dime and quarter. Explain how your money comes from the work you do.



### Start an allowance

Depending on a child's maturity and level of interest, set up a small payment for their regular help with certain chores. They'll learn to associate money with effort. Enthusiastically reward them for saving money. Consider matching the amount they've saved.



### Help teens be money-savvy

Teach them how to use and keep track of a bank account, handle credit cards responsibly, and avoid the perils of debt. Many teenagers don't understand that credit cards are a form of borrowing, and that interest owed can accumulate quickly. Encourage them to work part-time if their schedule allows.



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