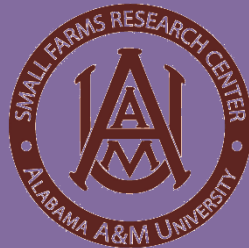


MANAGING PERSONAL FINANCES & BUDGETING

Alabama Agricultural and Mechanical University
Small Farms Research Center



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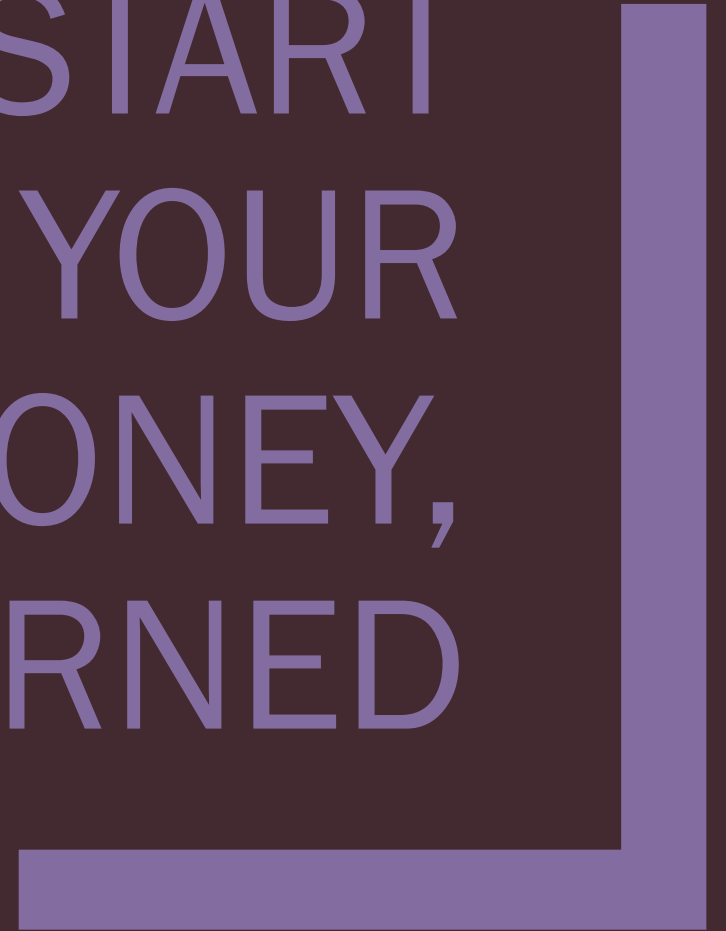


Objective

- This module is designed to teach participants the importance of managing finances and budgeting. Participants will become familiar with topics such as: managing personal finances, how to set up a budget, how to stick to a budget and budgeting software's, how to use credit cards responsibly, and important financial rules.
- This module is designed to service veterans, socially disadvantaged and limited resource producers located in the strike-force counties of: Wilcox, Sumter, Greene, Hale, Madison and Mobile counties.
- Length of Completion: 60 – 90 minutes
- Participants are encouraged to take notes **as there will be a quiz at the end** to assess knowledge gained.



HOW TO START
MANAGING YOUR
MONEY,
IF YOU NEVER LEARNED



Money management

- How you manage, spend, and invest your money can have a huge impact on your life, but not many people are taught these important skills. Learning financial skills can take a while, but the basics are fairly simple and never change.
- Most people were taught basic math growing up, but too many people make it all the way to adulthood without ever learning basic money management. Skills like **creating a budget, investing for the future, or even how credit cards work** are unfortunately rare skills.



The Golden Rules of Personal Finance

- Managing your finances feels like nothing but a lot of paperwork and numbers. However, your finances are just as much about psychology, habits, and the values you choose to live by. In other words, **your mindset matters just as much as the math.**
- There are three rules that will always help improve your financial life

Spend less money than you earn

Always plan for the future

Make your money make more money

- The most important personal finance rule don't change; spending less than you earn will always be beneficial. Investing your money will always be better than doing nothing with it. And planning for the future will always be better than blowing your paycheck as soon as you get it.



Spend less money than you earn

- If you earn \$30,000/year and you spend \$31,000/year, you'll end up in a spiral of debt that's hard to walk away from. If you spend exactly as much as you earn every year, you'll never be prepared for emergencies or major life changes. **Spending less than you earn allows you the freedom to save**, to prepare for the future, and deal with the inevitable crises that life throws at you. The bigger the gap between your income and your spending, the better.



Always plan for the future

- This doesn't just mean retirement. When a store offers to let you pay off some gadget in 6 months with no interest, you need to *know* you can pay it off, or avoid that deal. **Establishing an emergency fund will allow you to deal with unexpected car repairs or medical bills.** Having a retirement plan will ensure you have income when you're unable to work anymore. Your finances should always look forward beyond the current month.



Make your money make more money

- Want to know how the rich keep getting richer? It's because money can grow while you sleep, provided you save some of it. **Properly invested money earns more money over time.** Don't just sock all your cash away in a low-interest savings account. Invest in things that will earn you more money than you had before. Sometimes that's an investment account, but sometimes it's starting a business, or even getting an education to get a better paying job.



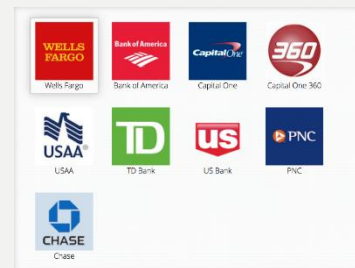
How to Find a Bank Account

- It's neither safe nor advisable to keep all your money under your mattress. You'll need some kind of account to stash your spending money and short-term savings. A bank (or credit union) can hold your money and allow you to access it with an ATM/debit card. Setting up a bank account is easy. You can usually apply online, or go to a branch, ask a teller to open an account, and they'll guide you through the process.



How to find a bank

- Picking a bank means finding an institution that has the services you need with the fewest fees. However, if you want credible advice, the FDIC has a tool that you can use to search for insured banks in your area.



Of course, keep in mind that not every bank has physical branches. [OneUnited Bank](#) the nation's largest black-owned bank and FDIC insured is an online-only bank. Online only banks often come with certain trade-offs (like, not having physical branches), but many offer fewer fees and better services.



How to find a bank

- Once you've decided on a bank, either go into a local branch or visit the company's site and ask to open a new account. You'll need to provide basic forms of identification, including your name, social security number, date of birth, and some form of photo ID like a driver's license to prove you are who you say you are. You can check with the bank you want for specifics.
- If you're still not sure which bank to go with, don't worry too much. Most banks generally offer similar services and if you decide you don't like one, you can always change to another.



Do you know where your money goes?

- Does it kind of just disappear from your account? A budget, even a basic one, is one of the best ways to make sure you're spending less than you earn, and starting early is important.
- Getting into the habit of categorizing your bills and tracking your expenses will help prevent a lot of financial problems before they start. If you're making a budget for the first time, it may be easier to start with paper, a pen, and a calculator.



Can you track your spending?

- Start by calculating how much money you make in a month. If you get paid hourly, multiply your wage by the typical number of hours you work each month. Write down all of your regular expenses. This includes recurring costs like your rent, mortgage, utilities, car payments. For things like food, you may need to track what you spend over time. Gather up your receipts for the past few weeks, or use your bank's transaction. If you can't get a precise number, estimate in the meantime. Then, keep track of all your expenses for the next month or two. At the end of each month, add everything up to see how much you're spending in each category.



Can you track your spending?

- Ideally, the amount you spend in a month should be lower than the amount you earn. If it's not, start going over your list and see which expenses you can cut down on until it is.. For some, it may be as easy as cutting Starbucks, but for others, you may have some big decisions to make like whether you can afford to live in an expensive city.

10-8-11

TRACK YOUR SPENDING

back	\$ 2	plumbing supplies	\$ 9
and sodas	\$ 7	groceries	\$ 302
	\$ 12	10/10 Sarah copy	\$ 30
sodas	\$ 8	Jim & Nena's lunch	\$ 17
	\$ 105	10/11 mailed books	\$ 9
	\$ 37	Brenda MK debut	\$ 10
	\$ 10	Glen Sam	\$ 10
	\$ 50		



How to set up a budget

- Once you get into the habit of tracking your spending, you can begin to create a budget.

There are a few different philosophies here. Some people prefer to have a very detailed transaction history with strict allotments for expenses like food, clothing, and entertainment. Others, believe that being overly strict doesn't work. Instead, divide your money into four categories:

- You should adjust the percentages based on your **age**, **financial goals**, and **what you find important**. *Remember: the more you save, the more money you'll have later on to buy a house, retire early, or achieve other goals.



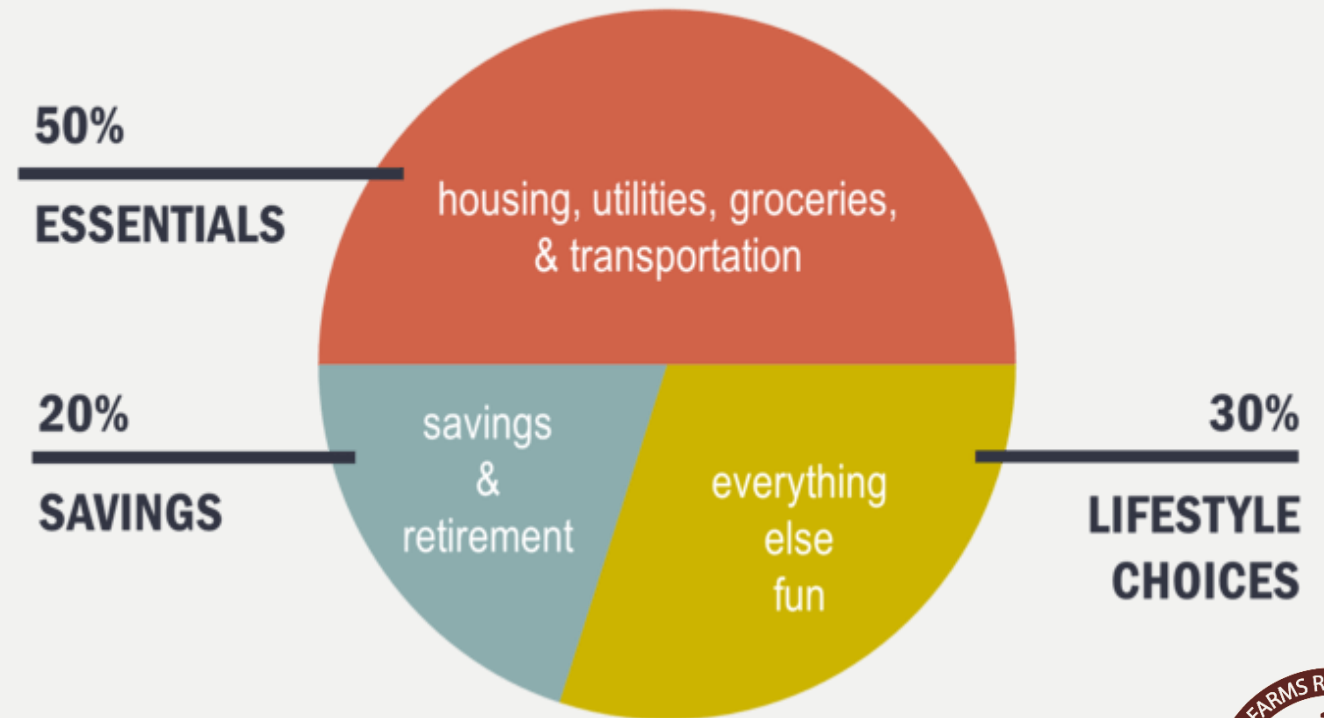
50 / 30 / 20

Fixed costs (50-60%)

Investments (10%)
Savings (5-10%) } 20%

Guilt-free spending (20-35%)

The 50/20/30 Rule for Budgeting



Fixed costs (50-60%)

- This should include every cost that you know is coming each month, that rarely change. That means rent, gas, power, groceries, your cellphone bill, and anything else that generally stays the same. Some of these may vary a bit from month to month, but are at least somewhat predictable, and are necessary for regular life.



Investments (10%)

- As you build your savings, you'll eventually want to invest some of your money so it grows over time. If you have any investments like a company 401(k) that come out of your paycheck, you can count it here.



Savings (5-10%)

- Short- and long-term savings should go in this category. This includes saving up for vacations, gifts, or large purchases like a new TV or computer. You should also include an emergency fund—which is just a block of money you keep in a savings account for unexpected emergencies like car repairs or sudden bills—in this category.



Guilt-free spending (20-35%)

- This category is where you can put whatever you want. Dining out, drinking, or splurging on entertainment is often seen as a financial vice, but the truth is, we do these things because we enjoy them. As long as you have the other three categories covered you can spend this money without feeling guilty about your budget.



The meaning of budget

- Budgeting means knowing where your money is going and planning ahead.
- If you don't want to go through the trouble of writing down every single dime you spend at the gas station, the model will still cover most of what you need to budget for. The only thing you need to decide is how much you'll place in each category. If you can't afford to save or invest 10% of your income after expenses, save what you can. You can also add more to your savings rather than forcing yourself to spend 20% of your budget on guilty pleasures. The more you can save, the better!



The meaning of budget

- Also there are A LOT of different budget models to choose from that may better fit your life. The 50/30/20 model is the most recommend for begging budgeters, which is what this model is based off of.

50% of your income goes to **necessities** (bills)

30% of your income goes to **wants** (dining out / movies)

20% of your income goes toward **financial goals** (paying off debt / saving)





Quiz

- Quick review

The 50 / 30 / 20 rule

How to choose a bank

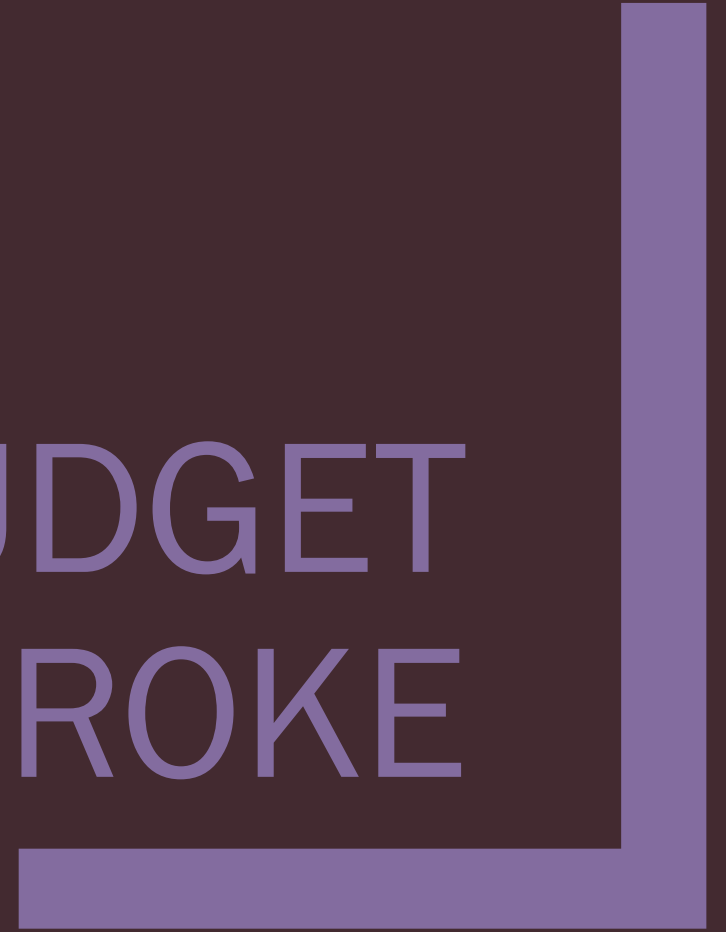
How to track your spending

3 rules that will improve your financial life & what does a budget mean

- [How to start managing your money if you never learned Quiz](#)



HOW TO BUDGET WHEN YOU'RE BROKE



Can I afford to budget?

- It takes commitment and time, but you can learn to manage your money even when there's not much of it. You can develop steps to set up a budget if you're broke that fit your life.
- Knowing how to create a basic budget is good, but that advice often doesn't apply when you're struggling to make ends meet. The basic ideas are the same, but your breakdown of spending is probably going to look a bit different, and everyone's situation is going to be unique to them.



Can I afford to budget?

- So here's what you need to do to get back on track.

Assess Your Financial Situation

Prioritize Your Money Goals

Tackle Your Debt

Draft Your Plan

Take Advantage of Opportunities



First: Assess Your Financial Situation

If you have more money going out than coming in: spend less and/or earn more (easier said than done).

Categorize Your Expenses

- Break down your expenses over the past few months. Categorize them into needs and wants.

Identify Your Problem Spending Areas

- Take note of your spending habits. Are there any specific stores you frequent? Do you have a coffee habit? Identify these categories, and keep them in mind once you start your budget.



Assess Your Financial Situation

Cut Back Your Spending

- It's important to allow yourself a little breathing room for fun in your budget. If you don't, you risk busting it and that can make you want to quit altogether. But remember: the key to managing your money when you're broke is downsizing your lifestyle. Take a close look at what might be luxuries. Ex: Cable, A data-heavy cellphone plan, Vacations



Be Frugal

- When you're struggling to make ends meet, being cheap is your friend. To make the most out of your money you could:
 - **Stretch your meals:**
 - **Do It Yourself:** You can save some money by learning basic preventive car maintenance
 - **Save on housing:** Can you negotiate your rent? Can you move into a cheaper place?



Second: Prioritize Your Money Goals

- Many people wonder whether they should focus on debt or savings first. The answer depends on your situation. The best solution could be to strike a balance between saving and paying off debt. You might be paying more interest than you need to, but having savings to cover sudden expenses like car repairs will keep you out of the debt cycle.
- Setbacks are inevitable. If you're not prepared for them, they can devastate your budget and your finances. While it might take some time to build an emergency fund, it will allow you to stick to your budget if a financial setback arises.



Third: Tackle Your Debt

- Whatever you choose to focus on, don't risk your finances unraveling by ignoring your debt. Late fees and interest can turn a small debt into an overwhelming one. Your debt should be a priority.

The "Debt Snowball" method: Pay your smallest debts first. Seeing your debts paid down will help you build the momentum to keep going.

The "Debt Avalanche" method: Pay debts with the highest interest rates first, proponents of the Debt Avalanche point out that you can lose thousands of dollars by choosing not to tackle your highest interest accounts first.



Reduce Your Credit Card Interest Rate

- Yes, it's possible; a national survey found that 56% of consumers who called credit card companies to ask for a lower interest rate had positive results.
- Bankrate.com reports: "A five-minute phone call to your credit card issuer could save you hundreds, even thousands, of dollars in interest charges. 'There's no incentive for them to lower your rate unless you call.'"
- But beware of credit card interest rate scams. According to the Federal Trade Commission: Companies that claim to be able to negotiate significantly lower interest rates with your credit card issuers if you just pay them a fee first, is a scam.



Request Extensions or Payment Plans

- Let's say you're behind on bills, debt or rent. Investopedia suggests you work something out with your provider, lender or landlord: "Don't be afraid to request bill extensions or payment plans. These requests are often granted. If your biggest worry is eviction from your apartment, talk to your landlord, but, also, see if you can get extensions on any other expenses to free up money for keeping your home. Playing catch-up might derail you from your other financial goals. But the most important thing is to keep your debts organized and come up with a plan on how you'll tackle each one."



Fourth: Draft Your Plan

- Every cent will be accounted for, making your budget pretty tight. At this point, a traditional budget strategy may not be suited for you. Avoid busting your budget by:
- **Not being realistic:** Crunch the numbers realistically. Maybe you plan to eat for \$25 a month by taking on some extreme measures. In reality, they're probably not going to work. Don't set yourself up for failure.
- **Cutting out all the fun:** It's important to give yourself some breathing room. "You may have to limit it to twenty dollars a month if your budget is really tight, but...this extra little bit of money can prevent you from feeling deprived, which can lead to overspending."



Draft your plan

- Once your expenses and goals are in place, it's time to draft your plan. Brainstorm your own plan of attack. Once you pick your debt repayment strategy, allocate an amount toward each debt. Calculate how long it will take to eliminate each one, with your budget in place. Breaking up goals into smaller milestones makes them easier to achieve.
- Ex: You can begin by listing your debts in the order you want to repay them, then list your sources of income, next brainstorm ways to accomplish your goals.



Fifth: Take Advantage of Opportunities

- Part of managing money when you're broke is increasing your income. You might be able to:

Get a better job

Ask for a raise

Sell your stuff

Find a side gig



- If you're depressed over your lack of funds, keep this in mind: many of the best success stories start with being broke. Come up with a plan. Set small milestones. Seize opportunities. Overall, this will help you take control. Once you do, you might be surprised at what you accomplish.



Quiz

- Quick Review

What should you do if you have more money going out then coming in?

What is the debt snowball method & the debt avalanche method?

How to avoid busting your budget

Is it impossible to reduce your credit card interest rate? (NO)

- [How to budget when you're broke Quiz](#)



HOW TO USE CREDIT CARDS WITHOUT GOING INTO DEBT



Credit cards can also be useful when used correctly

- Don't use a credit card to buy things you couldn't otherwise afford. Instead, only buy something if you have the money in your account right now, and pay off your card's balance every month.



How credit cards work

- Credit card companies will give you a certain amount of money known as “credit” that you can spend without paying it back immediately. By paying your credit card bill at the end of the month you don’t have to pay anything extra.
- If you *don’t* pay it back, the credit card company will start charging you extra money known as interest. Interest is typically indicated as an Annual Percentage Rate (or APR), but that’s a bit misleading, as it’s calculated on a per-day basis, not per-year.



What happens when you don't pay?

- Each month, the company will charge you the previous month's interest on whatever balance you're carrying. What that means is **every month that you don't pay off what you owe, you get charged more money.**
- Worse yet, you have to pay the interest first (or else your balance will just get higher). If you only pay the minimum amount due, most of your payment will go towards interest. This means your balance will remain high, and keep generating interest, but the gist is, only paying the minimum amount due is the worst thing you can do. Even if you can't afford to pay off the whole balance in one month, at least pay more than the minimum.



Take advantage of the benefits

- So if you're only supposed to pay for what you can afford, then what's the point of having a credit card instead of a debit card? Well, when used properly, there are a few key benefits:

You can earn rewards

You're protected against fraud

You can get protection for all kinds of purchases



You can earn rewards:

- Most credit cards come with different kinds of rewards based on how much you spend. It could be cash back, it could be airline miles, hotel points, or even Amazon gift cards. This is meant to tempt you to spend more money, which can be problematic if you have trouble controlling your spending. However, with a disciplined budget, it's basically like getting free money for going about your daily life.



You're protected against fraud:

- Sometimes, a bank will offer to refund debit card purchases, but for the most part, they're treated the same as cash. Credit cards, on the other hand, are completely protected, so you're never liable if someone steals your card and goes on a shopping spree. If you see charges on your bill you didn't make (or if you lose your card), you can call the company and you can get those charges revoked.



You can get protection for all kinds of purchases:

- Hidden in the fine print of many credit card contracts are some sweet features that protect your purchases. Many cards will offer extended warranties on bigger ticket items like TVs (which is yet another reason you shouldn't pay for them through the store) damage protection on your cell phone if you pay your monthly bill with your credit card, or travel insurance if you lose your valuables on a flight you paid for with your card. Your credit card may have a ton of benefits that aren't immediately obvious, so check your contract.



Credit Cards ARE NOT extra cash

- Credit cards can be incredibly useful tools for a properly planned budget, but they can also be destructive if you don't use them carefully. Try not to think of them like extra cash. Having a \$1,000 credit limit doesn't mean you have \$1,000 to spend. It means you can *borrow* \$1,000 for a month. If you can learn to use credit cards responsibly, they can be immensely useful. If you can't, however, avoid the temptation entirely by removing them from your wallet, or even destroying the physical card if necessary.



Debt Card Vs. Credit Card



Quiz

- Quick review

What is a credit card

How is interest typically indicated

Benefits of a credit card

How can a credit card improve your credit score

- [How to use credit cards without going into debt Quiz](#)



5 KEYS TO SUCCESSFULLY MANAGING YOUR PERSONAL FINANCES



Start to diminish your financial problems

Wouldn't it be nice if there was a magic formula or one easy trick that made it so you never had to worry about money again? If you're tired of constantly being stressed out about money, then maybe it's time to get a hold on your personal finances. There are five keys that can help you get control of your finances.



Start with Goals

- List your financial goals, and prioritize them.

This ensures that you are paying attention to the ones that are most important to you. You can also list them in the order you want to achieve them, but remember for a long-term goal like saving for retirement, you should be working towards it while also working on your other goals.

- Start by setting long-term goals like getting out of debt, buying a home, or retiring early. These goals are separate from your short-term goals.
- Set short-term goals, like following a budget, decreasing your spending, or not using your credit cards.
- Prioritize your goals to help you create a financial plan.



Create a Plan

- A financial plan is absolutely essential in helping you reach your financial goals. The plan should have multiple steps. A sample plan would include getting control of your budget, creating a spending plan, then getting out of debt.



When creating a financial plan, remember these things:

Your budget is key to success. It is the tool that will give you the most control of your financial future. Your budget is the key to achieving the rest of your plan.

You should keep contributing to long-term goals like saving for retirement no matter what stage of your financial plan you're in.

Building an emergency fund is another key factor to financial success.



Stick to Your Budget

- Your budget is one of the biggest tools that will help you succeed financially. It allows you to create a spending plan so you can focus your money in a way that will help you to reach your goals.
- A budget lets you decide how to spend your money. Without the plan, you may spend your money on things that are not important to you, but you want in the moment, and then wonder why you are never reaching the financial milestones you have set for yourself.



Get Out of Debt

- Debt is a huge obstacle to reaching your financial goals, so eliminating it should be a priority. Try these tips:
- Sell items to find extra money to kick start your debt payment plan.
- A second job can help speed up this process and may be necessary if you want to make lasting changes to your situation.
- Look for areas you can cut your budget to increase your debt payments.



Don't Be Afraid to Ask for Advice

- Once you are ready to grow your wealth and begin investing, you should speak to a financial planner to help you make your investment decisions. Remember that investing is a long-term strategy to building wealth. You can also find financial help elsewhere.

A local church or community center may be offering classes on personal finances and budgeting. Occasionally, banks and credit unions offer courses, as well.



Don't Be Afraid to Ask for Advice

You can also find a mentor that would be willing to walk you through your budget the first few months. This can help you if you are overwhelmed with your budget.

If your parents or family members are good with money, consider asking them for help, or sitting down and talking to them about what worked for them financially and what they would have done differently.

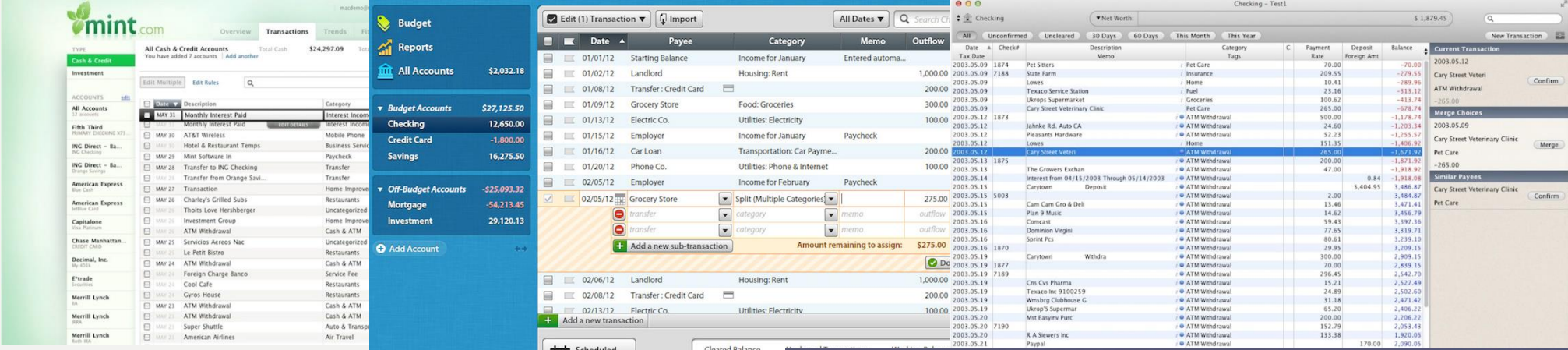


The Benefits of having a certified financial planner

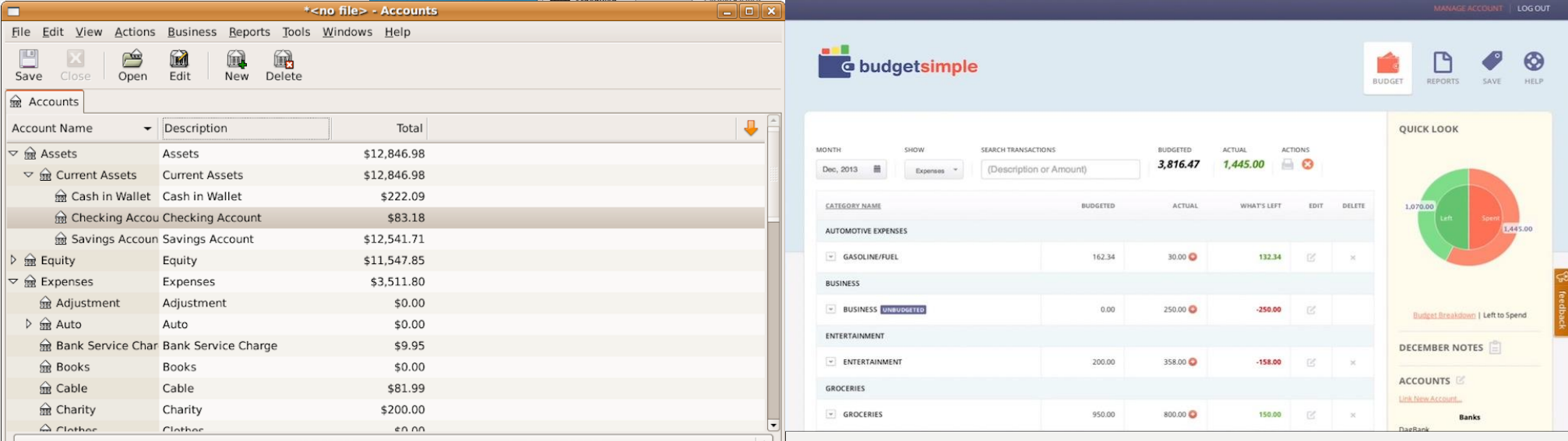
- Creating a financial plan helps you see the big picture and set long and short-term life goals, a crucial step in mapping out your financial future. When you have a financial plan, it's easier to make financial decisions and stay on track to meet your goals. Working with a CFP® professional can secure your financial wellbeing and give you peace of mind and help you reach financial planning success.



5 Best Budgeting Software's



The screenshot displays the Mint.com web interface. On the left, a sidebar shows 'All Cash & Credit Accounts' with a total cash balance of \$24,297.09. The main area shows a list of accounts including 'Fifth Third', 'ING Direct', 'American Express', 'Capital One', 'Chase Manhattan', 'Decimal, Inc.', 'E-trade', 'Merrill Lynch', and 'Merrill Lynch'. A 'Budget' sidebar on the right shows 'All Accounts' with a total of \$2,032.18, and 'Budget Accounts' with a total of \$27,125.50. The 'Budget Accounts' list includes 'Checking' (\$12,650.00), 'Credit Card' (-\$1,800.00), 'Savings' (\$16,275.50), 'Off-Budget Accounts' (-\$25,093.32), 'Mortgage' (-\$4,213.45), and 'Investment' (\$29,120.13). The main area shows a list of transactions with columns for Date, Payee, Category, Memo, and Outflow. A 'Transaction' dialog box is open, showing a transaction for 'Grocery Store' on 02/05/12, with a split into multiple categories and a memo 'Split (Multiple Categories)'. The 'Amount remaining to assign' is \$275.00.

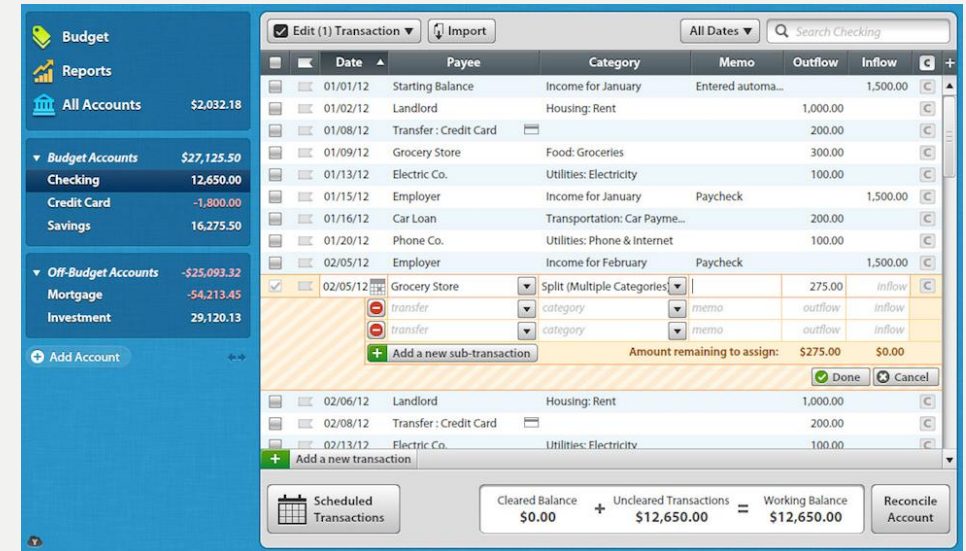


The screenshot displays the BudgetSimple web interface. The top navigation bar includes 'BUDGET', 'REPORTS', 'SAVE', and 'HELP'. The main area shows a 'QUICK LOOK' section with a donut chart showing 'Left' (\$1,070.00) and 'Spent' (\$1,445.00). Below this, a table shows 'BUDGETED' and 'ACTUAL' values for various categories. The 'BUDGETED' column shows values for 'AUTOMOTIVE EXPENSES' (162.34), 'BUSINESS' (0.00), 'ENTERTAINMENT' (200.00), and 'GROCERIES' (950.00). The 'ACTUAL' column shows values for 'AUTOMOTIVE EXPENSES' (30.00), 'BUSINESS' (250.00), 'ENTERTAINMENT' (358.00), and 'GROCERIES' (800.00). The 'WHAT'S LEFT' column shows values for 'AUTOMOTIVE EXPENSES' (132.34), 'BUSINESS' (-250.00), 'ENTERTAINMENT' (-158.00), and 'GROCERIES' (150.00). The 'DECEMBER NOTES' section is also visible.



You Need a Budget (YNAB)

- YNAB is only partially about its budgeting software, although that's what you're paying for when you buy it—you also get access to financial literacy classes, tutorials, a community of users, budgeting tools and tricks, and more. YNAB's budgeting features, which teach you to stop living paycheck to paycheck and find ways to save money.



GnuCash



The screenshot shows the 'Accounts' window in GnuCash. It displays a hierarchical tree of accounts with their respective balances. The accounts are organized into categories like Assets, Equity, and Expenses.

Account Name	Description	Total
Assets	Assets	\$12,846.98
Current Assets	Current Assets	\$12,846.98
Cash in Wallet	Cash in Wallet	\$222.09
Checking Account	Checking Account	\$83.18
Savings Account	Savings Account	\$12,541.71
Equity	Equity	\$11,547.85
Expenses	Expenses	\$3,511.80
Adjustment	Adjustment	\$0.00
Auto	Auto	\$0.00
Bank Service Charge	Bank Service Charge	\$9.95
Books	Books	\$0.00
Cable	Cable	\$81.99
Charity	Charity	\$200.00
Clothes	Clothes	\$0.00

- GnuCash uses an "always balanced" approach to managing your finances, meaning no transaction can be made without debiting another account for it, which makes sure the books are always straight. Similarly, you can schedule transactions and create recurring ones for things that happen regularly. The app supports split transactions, helps you reconcile accounts, and can create detailed reports and graphs to help you understand what you're spending money on and when.





The screenshot shows the Mint.com interface with the 'Transactions' tab selected. The left sidebar lists various accounts, including 'Fifth Third PRIMARY CHECKING X73...', 'ING Direct - Ba... ING Checking', 'ING Direct - Ba... Orange Savings', 'American Express Blue Cash', 'American Express JetBlue Card', 'Capitalone Visa Platinum', 'Chase Manhattan... CREDIT CARD', 'Decimal, Inc. My 401k', 'E*trade Securities', 'Merrill Lynch BA', 'Merrill Lynch IRA', and 'Merrill Lynch Roth IRA'. The main area displays a table of transactions for 'All Cash & Credit Accounts'. The table has columns for Date, Description, Category, and Amount. The transactions are listed in descending order of date, starting from May 31. The total cash balance is \$24,297.09 and the total debt is -\$3,060.29.

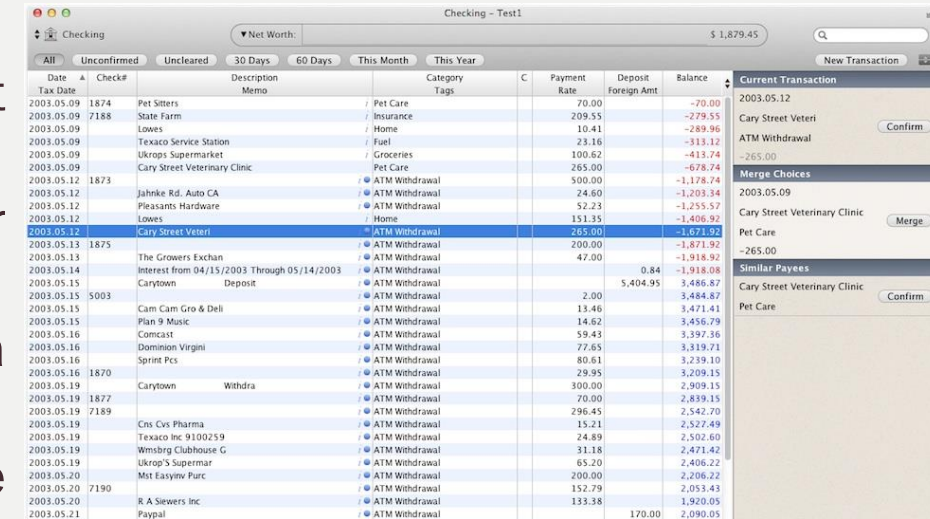
DATE	DESCRIPTION	CATEGORY	AMOUNT
MAY 31	Monthly Interest Paid	Interest Income	\$35.26
MAY 31	Monthly Interest Paid	Interest Income	\$1.27
MAY 30	AT&T Wireless	Mobile Phone	-\$119.96
MAY 30	Hotel & Restaurant Temps	Business Services	-\$840.00
MAY 29	Mint Software In	Paycheck	\$3,547.86
MAY 28	Transfer to ING Checking	Transfer	-\$2,000.00
MAY 28	Transfer from Orange Savi...	Transfer	\$2,000.00
MAY 27	Transaction	Home Improvement	-\$5.21
MAY 26	Charley's Grilled Subs	Restaurants	-\$5.94
MAY 26	Thois Love Hershberger	Uncategorized	-\$1,264.88
MAY 26	Investment Group	Home Improvement	-\$1,925.00
MAY 26	ATM Withdrawal	Cash & ATM	-\$260.67
MAY 25	Servicios Aereos Nac	Uncategorized	-\$157.00
MAY 25	Le Petit Bistro	Restaurants	-\$8.33
MAY 24	ATM Withdrawal	Cash & ATM	-\$173.79
MAY 24	Foreign Charge Banco	Service Fee	-\$3.48
MAY 24	Cool Cafe	Restaurants	-\$8.75
MAY 24	Gyros House	Restaurants	-\$8.08
MAY 23	ATM Withdrawal	Cash & ATM	-\$1.50
MAY 23	ATM Withdrawal	Cash & ATM	-\$400.00
MAY 23	Super Shuttle	Auto & Transport	-\$31.50
MAY 23	American Airlines	Air Travel	-\$746.12

- Mint lets you draw up a household budget and warns you if you're not sticking to it, see how much you're spending on what types of purchases or utilities, set up savings goals, and actually stick to them. Mint doesn't touch your money itself—it just uses read-only access to show you everything—but it does suggest financial products to you that might save you money in the long run, like lower-interest credit cards or higher-interest savings accounts.



MoneyDance

- It can connect to hundreds of financial institutions out of the box, and you can import transactions on your own if you choose. The account register works like a balanced checkbook, and always shows you where your money is going. You can also set up payment schedules for recurring transactions so you know when big transactions are about to take place, and track your investments using the investment module.



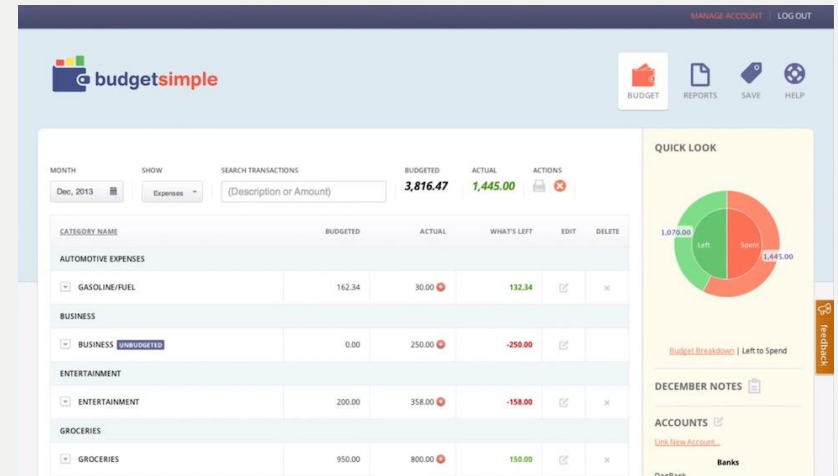
The screenshot displays the MoneyDance software interface for a checking account. The window title is "Checking - Test1". At the top, it shows a "Net Worth" of \$ 1,879.45. Below this, there are tabs for "All", "Unconfirmed", "Uncleared", "30 Days", "60 Days", "This Month", and "This Year". The main table lists transactions with columns for Date, Check, Description, Memo, Category, Tags, C, Payment Rate, Deposit, Foreign Amt, and Balance. The transactions are sorted by date, ranging from 2003.05.09 to 2003.05.21. On the right side, there is a "Current Transaction" panel showing details for a transaction on 2003.05.12, including a "Confirm" button. Below this, there are "Merge Choices" and "Similar Payees" sections.

Date	Check	Description	Memo	Category	Tags	C	Payment Rate	Deposit	Foreign Amt	Balance
2003.05.09	1874	Pet Sitters		Pet Care			70.00			-70.00
2003.05.09	7188	State Farm		Insurance			209.55			-279.55
2003.05.09		Lowe's		Home			10.41			-289.96
2003.05.09		Texaco Service Station		Fuel			23.16			-313.12
2003.05.09		Ukrops Supermarket		Groceries			100.62			-413.74
2003.05.09		Cary Street Veterinary Clinic		Pet Care			265.00			-678.74
2003.05.12	1873			ATM Withdrawal			500.00			-1,178.74
2003.05.12		Jahrike Rd. Auto CA		ATM Withdrawal			24.60			-1,203.34
2003.05.12		Pleasant's Hardware		ATM Withdrawal			52.23			-1,255.57
2003.05.12		Lowe's		Home			151.35			-1,406.92
2003.05.12		Cary Street Veteri		ATM Withdrawal			215.00			-1,621.92
2003.05.13	1875			ATM Withdrawal			200.00			-1,821.92
2003.05.13		The Growers Exchan		ATM Withdrawal			47.00			-1,918.92
2003.05.14		Interest from 04/15/2003 Through 05/14/2003		ATM Withdrawal				0.84		-1,918.08
2003.05.15		Carytown		ATM Withdrawal				5,404.95		3,486.87
2003.05.15	5003			ATM Withdrawal			2.00			3,484.87
2003.05.15		Cam Cam Gro & Deli		ATM Withdrawal			13.46			3,471.41
2003.05.15		Plan 9 Music		ATM Withdrawal			14.62			3,456.79
2003.05.16		Comcast		ATM Withdrawal			59.43			3,397.36
2003.05.16		Dominion Virgin		ATM Withdrawal			77.65			3,319.71
2003.05.16		Sprint Pcs		ATM Withdrawal			80.61			3,239.10
2003.05.16	1870			ATM Withdrawal			29.95			3,209.15
2003.05.19		Carytown	Withdra	ATM Withdrawal			300.00			2,909.15
2003.05.19	1877			ATM Withdrawal			70.00			2,839.15
2003.05.19	7189			ATM Withdrawal			296.45			2,542.70
2003.05.19		Cris Cys Pharma		ATM Withdrawal			15.21			2,527.49
2003.05.19		Texaco Inc 9100259		ATM Withdrawal			24.89			2,502.60
2003.05.19		Wmsbrg Clubhouse G		ATM Withdrawal			31.18			2,471.42
2003.05.19		Ukrop's Supermar		ATM Withdrawal			65.20			2,406.22
2003.05.20		Mst Easyinv Purc		ATM Withdrawal			200.00			2,206.22
2003.05.20	7190			ATM Withdrawal			152.79			2,053.43
2003.05.20		R A Siewers Inc		ATM Withdrawal			133.38			1,920.05
2003.05.21		Paypal		ATM Withdrawal				170.00		2,090.05



BudgetSimple

- BudgetSimple is a free budgeting and personal finance tool that focuses squarely on making sure you have a budget that works for you. The tool will analyze your finances and spit out a budget planner that's packed with suggestions for where you can save money, trim your spending, and increase your savings, all with the goal that you don't have to live paycheck to paycheck anymore.



Quiz

- Quick review

What are the five keys

Long term and Short term investing

What are the three tips to get out of debt

Knowledge of the budgeting software listed in the module

- [5 keys to successfully managing your personal finances QUIZ](#)



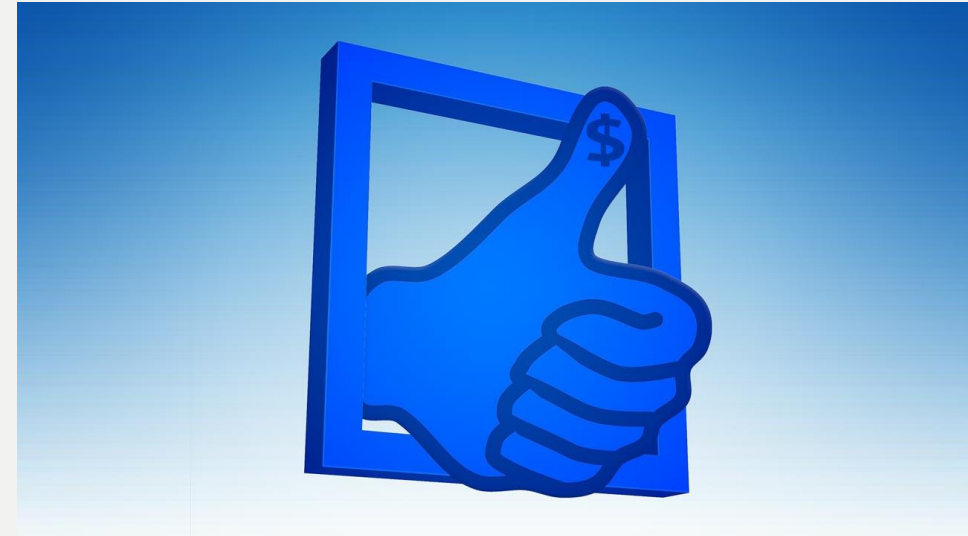
10

GOOD FINANCIAL RULES OF THUMB



Rules of Thumb

- Rules of thumb can be a good approximate guideline for decisions, and there are tons of money rules that aim to get your finances on track. While everyone's situation is different, these serve as a good starting point.



Budgeting

The 50/30/20 Rule

- This is a popular rule for breaking down your budget. The 50-30-20 rule puts 50% toward necessities, 20% toward financial goals, and 30% towards wants. If you're not sure where to start with a budget, breaking it up into these basic categories can be really helpful. Those percentages help create a balance between obligations, goals and splurges. You might have trouble with this if you have a hard time separating needs from wants, even with something like housing.



Buying a Vehicle

The 20/4/10 rule

- When buying a car, you should put down at least 20%. You should finance the car for no more than 4 years and spend no more than 10% of your gross income on transportation costs. It keeps you from buying more vehicle than you can afford. It also takes your ongoing budget into consideration by calculating total transportation costs. Depending on your situation, these numbers might not be realistic for you.



The 10-Year Rule

- This rule has to do with the decision to buy new vs. used. If you want to maximize your car's value, you should either buy used, or buy new and drive the car for ten years. The rule minimizes your depreciation hit. If you buy a car that's a few years old, the depreciation will have already been sucked out of the vehicle. If you buy a new car and keep it for a decade, you'll have optimized its value and the depreciation won't matter as much. Rather than put a timeline on it, some people prefer to drive their cars into the ground, whether they're new or used. The rule also doesn't consider the type of car.



Homeownership

The 20 Percent Rule

- You should put at least 20 percent down when buying a home, according to this rule. It ensures you don't spend more home than you can afford, it can lower your monthly mortgage cost, and it can increase your chances of being approved for a loan. You also won't have to pay Private Mortgage Insurance. While this is pretty traditional advice that's a safe bet, opinions vary. Some consider it an overwhelming amount to save. Some argue that, while a home is an asset, you shouldn't give up your liquidity, or savings. Of course, there are counterarguments to be made, but the point is: some consider the rule unrealistic.



The Income Rule

- Don't buy a house that costs more than three years' worth of your gross annual income. Some variations say no more than two years; others say two and a half (whatever your comfortable with). It puts a ballpark limit on how much home you can (or should) afford. Maybe your job is volatile. This rule doesn't consider how much money you have in reserves, in case something should happen with your income source. It might make more sense to consider your net worth rather than your income.



Retirement

The 10% Rule

- This is probably the most traditional rule of thumb when it comes to saving for retirement. Save ten percent of your income toward retirement. It gives people a simple number to work with. If you're young, you've just opened a 401(k), and you're not sure how much of your earnings to set aside, 10% is a good start. While simple, the percentage doesn't consider how much you'll actually need in retirement. If you want to retire early, or more lavishly, you'll probably need to save more than 10%.



The Income Rule

- Here's another rule of thumb for deciding how much to set aside for retirement. You should save 20x your gross annual income. It actually focuses on what you'll need in the future. Your retirement expenses might differ from how much income you earn now. Depending on the lifestyle you plan to live, you may need a lot more, or less, than your income. These rules might still give you a decent ballpark figure of how much to save.



Student Loans

The First-Year Salary Rule

- You shouldn't take out more in student loans than you expect to make your first year on the job. It ensures you're taking out an affordable amount that you'll be able to repay. Rising tuition rates have made following this rule a challenge, as have unemployment rates. This is a sticky and complicated topic. Precisely because we are in the middle of a student debt crisis, it's easy to knock this rule. To get a realistic idea of [what your income and repayment are going to look like after college](#), find out how hard it will be to pay off your loan, based on your major.



Saving and Investing

The 6-Month Emergency Fund Rule

- You should have six months' worth of savings on hand in case of an emergency.

Obviously, this is a big help in case an emergency arises in your life. It keeps you from having to make desperate decisions that can set you back. There are so many different opinions on how much you should have saved. Some say between 3-6 months; others say by keeping so much money in a low-to-no interest savings account, you're missing out on a potential return.

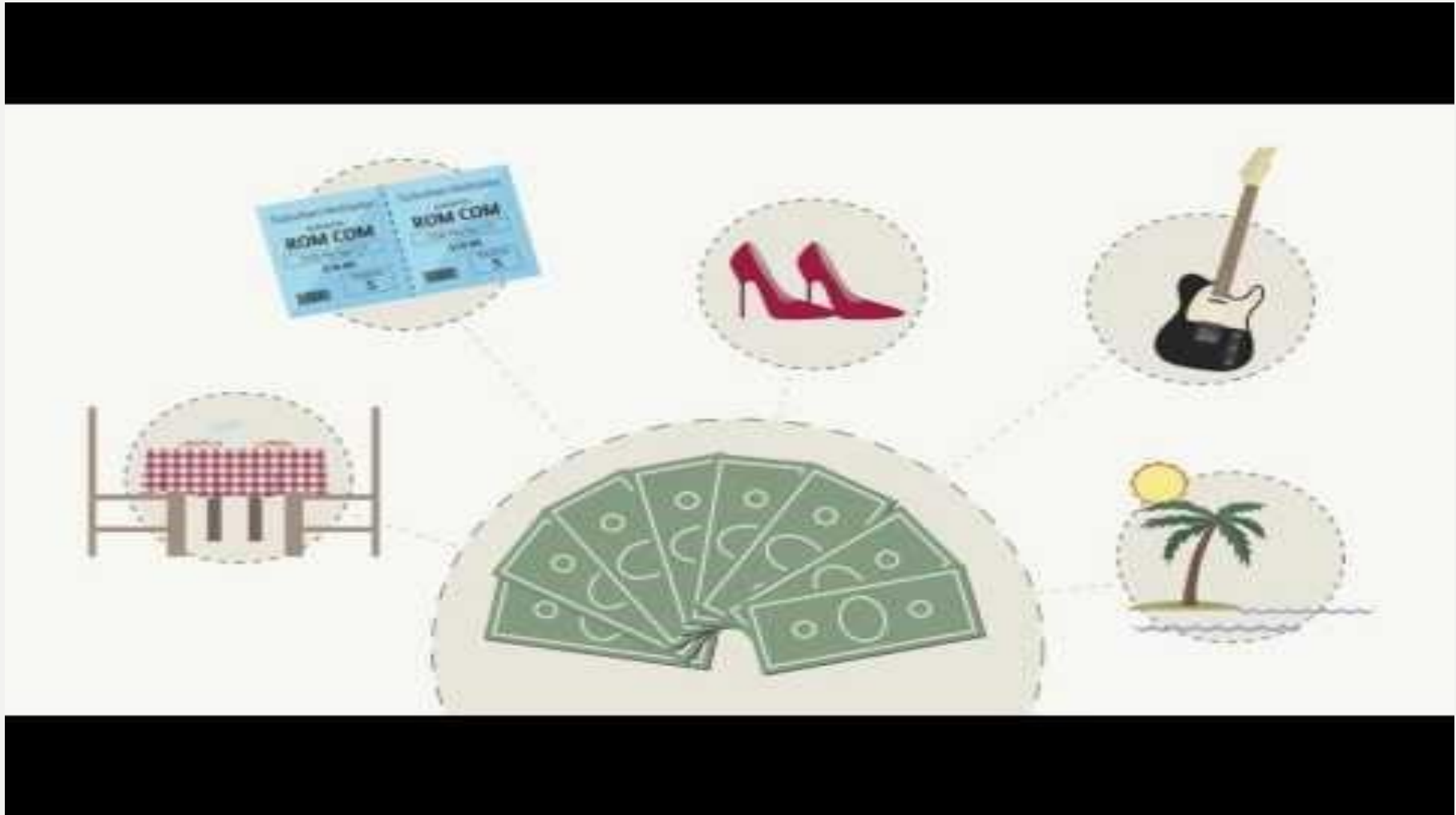


The Age Rule for Stocks

- Generally, bonds are considered a conservative investment, and stocks a riskier asset. So experts say, the older you get, the less you should invest in stocks. To put a number on it, subtract your age from 120 (the old rule was 100, but many experts now say 120 makes more sense). That's the percentage of your portfolio that should be invested in stocks. It gives you a general idea of what your asset allocation should look like, based on your age. This rule doesn't consider the incredibly low interest rates we now have to contend with. It also assumes your retirement based on your age.



Options for people who don't like to budget



Quiz

- Quick review

What is the 50/30/20 & 20/4/10 rule

What are the three parts of a budget

What is the retirement 10% rule

What is the envelope method

- [10 good financial rules of thumb QUIZ](#)



Managing Personal Finances & Budgeting

FINAL QUIZ

- Quick Review

Review How to Manage Your Money, if You've Never Been Taught.

Review How to Budget When You're Broke

Review How to Use Credit Cards Without Going into Debt

Review 5 Keys to Successfully Managing Your Personal Finances

Review 10 Good Financial Rules of thumb

- [Final Quiz](#)



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- <https://www.investopedia.com/small-business/>
- <https://www.nerdwallet.com/>
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