smartdollar

# Lesson Guide

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# Welcome!

*It's time to take control of your money once and for all. SmartDollar will help you tell your money where to go so you stop wondering where it went.*

## Ready to Get Started?

We want you to have the best possible experience with SmartDollar. So, before starting each video lesson, make sure you have the correct lesson page printed so you can follow along. The lesson page includes key points that will be addressed in the lesson. You are also encouraged to jot any extra notes on the page.

At the conclusion of the lesson, review the three questions at the bottom of the page. You are encouraged to write your responses to the questions at the bottom of the page. This personal interaction will help reinforce the teaching information and will help you apply the teaching material to your personal situation.

# The Baby Steps

| | |
|---|---|
| BABY STEP 1 | *$1,000 in a starter emergency fund* |
| BABY STEP 2 | *Pay off all debt with the debt snowball* |
| BABY STEP 3 | *3–6 months of expenses in savings* |
| BABY STEP 4 | *Invest 15% of your income for retirement* |
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| BABY STEP 6 | *Pay off your home early* |
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# THE PLAN

## *The Baby Steps*

Winning with money isn't rocket science, but it won't happen by accident. If you want to get out of debt, put some money in the bank, and build up a healthy retirement account, you've got to take action! In this lesson, you will discover the Baby Steps—a proven, practical, step-by-step process that will enable you take control of your money, beat debt, and build wealth!

## Main Points

- Personal finance is 80% behavior and 20% head knowledge.
- You can learn how to save, get out of debt, and plan for retirement. The process is not always easy—but it works.
- The number-one cause of divorce today is money fights and money problems.
- If you will live like no one else, later you can live like no one else.
- The Baby Steps are a roadmap for financial wellness.
- The Baby Steps:
  1. $1,000 in a starter emergency fund
  2. Pay off all debt with the debt snowball
  3. 3–6 months of expenses in savings
  4. Invest 15% of your income for retirement
  5. College funding
  6. Pay off your home early
  7. Build wealth and give

## Questions to Consider

1. What parts of Dave's story provide you with hope for your situation?
2. What are some emotions you feel right now when it comes to your financial situation?
3. In what ways are the Baby Steps a roadmap toward financial wellness?

# SAVING

## *Getting Started*

When it comes to money, there are some things we know we should do, but we often have trouble actually doing them. Saving money is one of those things, but there's an ancient key to saving money: you have to get started. That's the key! This lesson will help you understand the importance of making saving a priority.

## Main Points

- Baby Step 1 is to put $1,000 in a starter emergency fund.
- Saving money has to become a priority.
- There are three basic reasons to save money:
  1. For an emergency fund
  2. For purchases
  3. For wealth building
- The emergency fund is for unexpected events.
- One of the biggest threats to your retirement savings is having an emergency without an emergency fund.
- Seven out of ten households are living paycheck to paycheck.
- Baby Step 3 is to save 3–6 months of expenses.
- Your emergency fund is not an investment; it is insurance for when life happens.

## Questions to Consider

1. If saving money is hard for you, what makes it so hard to save?
2. Why do you think seven out of ten families are living paycheck to paycheck?
3. What are some creative ways that someone could put together the $1,000 starter emergency fund in a short amount of time?

## Saving for the Future

Retirement. College. A home. There's plenty to save for! Most of us understand saving for an emergency fund and purchases, but for many people, saving for wealth building can seem like a fairy tale. This lesson will emphasize the importance of saving—starting right now.

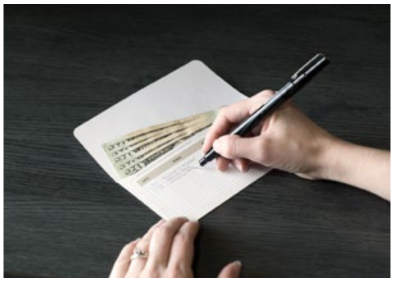
## Main Points

- Retirement is not an age; it is a financial number. You need to know how much money is required to provide a monthly income that supports your retirement lifestyle.
- With proper planning, retirement can be enjoyable.
- Building wealth is a marathon, not a sprint.
- Compound interest is a mathematical explosion when it comes to investing.
- Interest that you pay is a penalty; interest that you earn is a reward.
- Planning for retirement requires a desire and a plan to build wealth over the long term.
- Saving money is the only way you will ever have money in a retirement account.

## Questions to Consider

1. What makes the "marathon" aspect of saving for retirement so difficult?
2. Based on what you learned, how would you explain compound interest to someone?
3. What are some specific things you can do today to start planning for retirement?

# BUDGETING



## *The Power of Budgeting*

Most people hate the dreaded B-word: budget. We think of it kind of like exercise—we all know it's a good thing, but a lot of us rarely take the time to do it! It's time to learn how to tell your money where to go instead of wondering where it went. This lesson will help you understand some budgeting basics to help get you in better financial shape.

## Main Points

- You have to learn to live on a budget—on paper, on purpose, every single month.
- Your retirement depends on your ability to handle money today.
- We have forgotten what actual money feels like.
- Spending cash for some things will help change your behaviors with money.
- Managed money feels like getting a raise.
- Creating a written budget gives you a sense of power and control over your money.
- Always cover the Four Walls first:
  1. Food
  2. Shelter and utilities
  3. Clothing
  4. Transportation

## Questions to Consider

1. Of the financial conveniences mentioned in this lesson, which do you use? In what ways do these electronic conveniences help or hurt your budget?
2. How would you describe your experiences related to preparing and living on a budget? Have you experienced success or failure? Why?
3. What are some of your fears related to preparing a monthly budget?

# BUDGETING

## *Relating with Money*

Most people never realize the impact that money issues have on their personal and family lives. If you're married, it is important for you and your spouse to work together and agree on a monthly spending plan. If you're single, you need to recruit some help and be even more intentional about your budget. Those are the things we'll cover in this lesson.

## Main Points

- Married couples need to be on the same page when it comes to money and budgeting.
- The number-one cause of divorce today is money fights and money problems.
- For men, money tends to represent a scorecard; for women, money tends to represent security.
- The flow of money in a household represents the value system under which that household operates.
- Both spouses must prepare the budget.
- When it comes to budgeting, you are either a Nerd or a Free Spirit.
- Some people are natural spenders and others are natural savers—and both are okay!
- A written budget gives the single person accountability and self-control.

## Questions to Consider

1. If you're married, what is the biggest money fight you and your spouse ever had? If you're single, who helps hold you accountable with your money?
2. What are the big differences between the Nerds and the Free Spirits? What are the big differences between savers and spenders?
3. What are some of your concerns related to a budget committee meeting? If you are single, who could keep you accountable to your budget?

## *Building a Budget*

It is a terrible feeling to get to the end of the year and wonder where all your money went. The problem for most of us is that we don't operate with any kind of written budget. A part of that problem is that we have never been shown how to actually do a budget! This lesson will help you understand how to build a monthly budget that really works.

## Main Points

- A budget is simply you telling your money what to do.
- The zero-based budget gives every dollar an assignment every month.
- The envelope system helps you manage your budget by allocating cash for certain categories.
- You have to keep your bank account balanced.
- Overdrafts are a sign of crisis living and sloppy money habits.
- If not managed and made to behave, your debit card can become a budget-buster.
- You have to track your spending so you can control it.

## Questions to Consider

1. What thoughts come to mind when you hear the word "budget"?
2. What would you think are some benefits to using an envelope system? What might be some of the challenges to using envelopes of cash?
3. What is your current method of keeping track of how much money you have to spend?

# DEBT

## *Breaking the Chains of Debt*

Debt has become a way of life for most Americans. After all, it's "normal" to have car payments, student loans, and a wallet full of credit cards, right? That bad belief is the reason the average family loses 24% of their paycheck each month paying off credit cards and other nonmortgage debts. Debt hurts. But the good news is there's a way out. This lesson will begin to unveil some of the truths related to debt.

## Main Points

- People act like debt is a way of life that has always been with us.
- Debt as we know it is still relatively new.
- Some people think they are debt-free as long as they pay their credit card off every month and make their car payments on time.
- If you have to make payments on something, you are in debt.
- Debt has been marketed to us so aggressively that we think we need debt in order to win with money.
- A paradigm shift helps us to see things differently.
- A credit score is really an "I love debt" score and is not a measure of winning financially.

## Questions to Consider

1. How many credit cards do you have? Why do you feel you need them?
2. What are some of the ways that credit has been marketed to you recently? How do you normally respond to the offers?
3. What is your response to the stat that the average family sends 24% of their income to consumer debt (not including a house payment)?

# DEBT

## *The Truth About Debt*

Debt is dumb. Most people are living paycheck to paycheck because they are in debt up to their eyeballs. Credit cards and car payments—you just can't live without them, right? The good news is that you can actually live without a car payment and without credit cards. This lesson will debunk the myths about credit cards, car loans, and other debt.

## Main Points

- A debit card will do everything a credit card will do—except put you into debt.
- People spend more when using plastic than when spending cash.
- Teenagers are a huge target of credit card companies.
- Car payments are not a way of life.
- Leasing a car is the most expensive way to finance and operate a vehicle.
- A new car loses about 60% of its value in the first four years.
- Other money myths to avoid:
    - Home equity loans
    - Debt consolidation services
    - Cosigning for a loan

## Questions to Consider

1. What are some of the justifications you have heard, or even used yourself, for using credit cards?
2. What are your feelings about having a car payment? If you have a car payment, how long have you had one? If you don't have a car payment, how long have you not had one?
3. Based on what you heard in this lesson, in what ways can debt repayment negatively impact your ability to save toward retirement?

# DEBT

## *Dumping Debt*

The average American saves about 5% toward retirement but sends 24% of their take-home pay out to nonmortgage debt payments. The debt snowball is the key to helping you get rid of all debt. It has worked for millions of people. This lesson will help you get the ball rolling to get out of debt so you can start saving for retirement.

## Main Points

- Debt is not a tool for building wealth.
- The majority of the wealthiest people in the country say the key to wealth building is to get out of debt and stay out of debt.
- The first step to getting out of debt is to stop borrowing more money.
- You must save money and build up an emergency fund.
- To get out of debt quicker, consider selling stuff, finding an extra job, or working overtime.
- The point of the debt snowball is simply this: you need some quick wins in order to stay pumped up about getting out of debt!
- Paying off debt is not always about math. It's about motivation.

## Questions to Consider

1. In what ways have you personally experienced the bondage of debt?
2. What do you believe to be the most important key to building wealth? Why?
3. How does the debt snowball work?

# INVESTING

## *The Pinnacle Point*

Retirement. Just the mention of the word makes some people really nervous. But there is no need to be afraid of retirement if you plan correctly. There will come a day when the money you've invested earns more than you do! This lesson will help you understand that it can happen with the proper focus and intensity.

## Main Points

- The pinnacle point in your investing is the point at which your investments are making more money for you than you are making for you.
- Baby Step 4 is to put 15% of your income into retirement.
- Investing is for long-term wealth building, not savings.
- If you think that money is evil, you will never do anything with it.
- Money is amoral—it has no morals of its own.
- Money takes on the characteristics of the person holding it.

## Questions to Consider

1. What are some of your financial fears when you think about retirement?
2. What do you understand to be the key to Baby Step 4?
3. What does the statement "Money is amoral" mean?

# INVESTING

## *Investing Basics*

The American Dream is changing. A proper view of retirement can help you focus on the proper planning. As a result, you will be able to enjoy your retirement years. But there tends to be a certain amount of fear when it comes to investing. This lesson will help you understand some of the do's and don'ts of investing so you can achieve your dream retirement.

## Main Points

- "The Great American Dream" is considering what your retirement years could look like financially.
- Zero dollars invested at whatever interest rate will still equal zero dollars.
- The Baby Steps work when you work them in order.
- You can avoid the short-term risk of losing money in the market by investing for the long-term (more than five years).
- Your investments need to earn more than the inflation rate or it's as if you're losing money.
- Diversification means to spread your investments around. That way you don't put all your financial eggs into one basket.

## Questions to Consider

1. What would you like your retirement to look like? What is your current financial plan related to retirement?
2. How would you describe how the market works to a friend? How do the supermarket and roller coaster analogies help?
3. How would you summarize the three investment risks and how to avoid each?

# INVESTING

## *Retirement Plans*

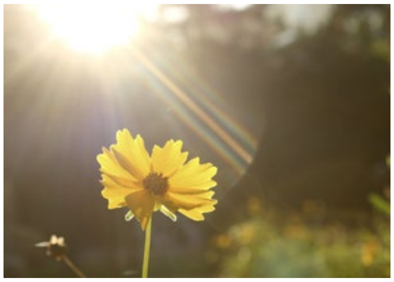
A basic understanding of the market and how mutual funds work will equip most people with a measure of confidence when it comes to investing for retirement. Remember, saving for retirement is a long-term investment plan. There are a number of ways to save for retirement. This lesson will explain the various types of retirement plans so you can pick what's right for you.

## Main Points

- There are three main types of investments to consider:
    1. Cash
    2. Bonds
    3. Stock
- Mutual funds are formed when investors put their money together to invest in something.
- Do not invest in things you do not understand.
- Taking advantage of tax-favored plans and matching funds will provide opportunities for great gain over the long term.
- A 401(k) is a type of retirement plan that companies can offer to help you save for retirement.
- Tax-deferred means you won't pay taxes now, but you will pay them later.
- Roth plans grow tax-free. You invest with after-tax dollars, but you will pay no taxes at all when you withdraw the money.

## Questions to Consider

1. How would you explain what a mutual fund is to someone else?
2. Why is diversification in your retirement investments important?
3. What is "matching", and how can it help you reach your retirement goals?



## *Keep It Simple*

One danger of having money in retirement savings, for some people, is that it can represent quick and easy cash just sitting there. Viewing your retirement account as an extension of your emergency fund will get you into some big problems. This lesson will help you understand why borrowing against your retirement account is a terrible idea.

## Main Points

- Never borrow against your retirement plan.
- Borrowing against your retirement plan unplugs a good investment.
- An annuity is basically a savings account with an insurance company.
- Terrible retirement investing options include:
  - Gold
  - Commodities
  - Futures
  - Foreign currencies
  - Web-based currencies
- Don't overcomplicate your investment plan—keep it simple.

## Questions to Consider

1. Why is it important that you never borrow against your retirement plan?
2. What are some reasons people might borrow or withdraw from their retirement accounts?
3. Why are some things considered poor investment options related to planning for retirement?
4. What is the difference between a good investment option and a poor investment option?

# PLANNING

## *College and Houses*

It's easy to do smart things with money in a dumb way. Don't derail your retirement plans by raiding your retirement accounts to pay for college or buy a home. With the proper planning, and by following the Baby Steps, you can take care these things. This lesson will walk you through ways to safeguard your nest egg while making major financial decisions.

## Main Points

- There are two smart things people do in dumb ways that mess up their retirement accounts: paying for college and buying real estate.
- College funding is Baby Step 5. Save for your child's college using tax-favored plans.
- You should only buy a house when you are out of debt.
- There is nothing wrong with renting for a little while; it demonstrates patience and wisdom.
- If a mortgage is necessary, get a monthly payment of no more than 25% of your take-home pay on a 15-year fixed-rate loan with at least 10% down.
- Baby Step 6 is paying off your home early.
- Don't fall for the myth that you should keep your mortgage for the tax deduction.

## Questions to Consider

1. Why can renting temporarily be a good thing?
2. How do you know when you are ready to buy a house?
3. Why is a 15-year fixed-rate mortgage better than a 30-year mortgage?

## Insurance Basics

Life happens. Nothing will tear into your nest egg faster than an emergency. So let's talk about insurance. It's something everyone needs but nobody likes paying for. However, when you view insurance from the perspective of protecting your investments, the premiums start to look like a good deal. This lesson will help you recognize the policies that keep you covered and protected.

## Main Points

- Insurance is a critical piece of your financial plan.
- Insurance protects your investments.
- Insurance transfers risk away from you and onto the insurance company.
- Dave's seven recommended insurances are:
  1. Term life insurance
  2. Homeowner's or renter's insurance
  3. Auto insurance
  4. Health insurance
  5. Disability insurance
  6. Long-term care insurance
  7. Identity theft protection
- It is best to work with an independent insurance broker who will shop multiple companies.
- Avoid insurances such as:
  - Credit life and credit disability
  - Cancer and hospital indemnity
  - Accidental death
  - Prepaid burial policies
  - Mortgage life insurance and other fancy options

## Questions to Consider

1. How do the proper insurances protect your investments?
2. How does insurance transfer risk away from you?
3. How many of the seven recommended insurances do you currently have in place? What's your plan for adding any missing or insufficient policies and canceling any unnecessary ones?

## Life Insurance

Nobody likes to think about death, but it's going to happen to everyone. Life insurance, if properly researched and purchased, will provide income for your family in the event of your death. However, there are so many different types of policies available today that few people understand what they have. This lesson explains which is best for you and how much coverage you need to take care of your family.

## Main Points

- Life insurance is used to replace lost income due to death.
- Term life insurance is for a specified period, is substantially cheaper, and has no savings plan built into it.
- According to *SmartMoney* magazine, "The right type of insurance can be summed up in a single word: term."
- You should purchase at least 10–12 times your income in term life insurance.
- A non-income-generating spouse needs some coverage too—especially if you have young children.
- Everyone over the age of 18 needs a will.

## Questions to Consider

1. What would happen to your family members financially in the event of your death?
2. What are the advantages of term life insurance over cash value life insurance?
3. What is the recommended amount of life insurance? Why?

# LEGACY

## *Retire with Dignity*

Everyone wants to leave a lasting legacy. Your goal in retirement should be more than simply having enough income to live on. This lesson will unlock the keys to contentment and leaving behind more than just financial security.

## Main Points

- Four signs of discontentment:
  1. Trying to get rich quick
  2. Trying to appear wealthy
  3. Feeling anxiety about what you don't have
  4. Allowing jealousy and envy to creep into your mindset

- There is a natural progression of priorities as you build wealth: Now, Then, Us, Them.

- Contentment could be the most powerful financial principle.

- Content people don't always have the best of everything, but they make the best of everything.

- The key question when it comes to contentment is this: How much is enough for you?

- The overflowing Havdalah cup represents a financial overflow that will benefit others.

## Questions to Consider

1. What does contentment have to do with financial wellness and retirement?
2. How would you explain the Now, Then, Us, Them progression to someone else?
3. How would you answer the question "How much is enough for you?"

# Monthly Cash Flow Plan

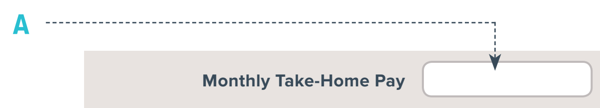
Cash flows in and out each month. Make sure you tell it where to go!

**YES, THIS BUDGET FORM HAS A LOT OF LINES AND BLANKS.**

But that's okay. We do that so we can list practically every expense imaginable on this form to prevent you from forgetting something. Don't expect to put something on every line. Just use the ones that are relevant to your specific situation.

## STEP 1

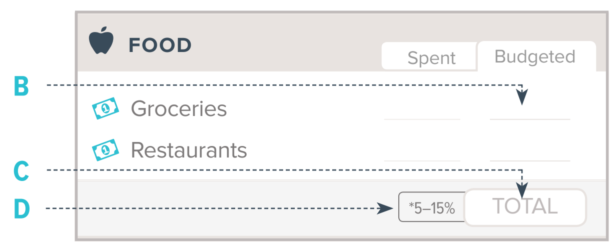
Enter your monthly take-home pay in the box at the top right (**A**). This is the amount you have for the month to budget. So far so good, huh?




## STEP 2

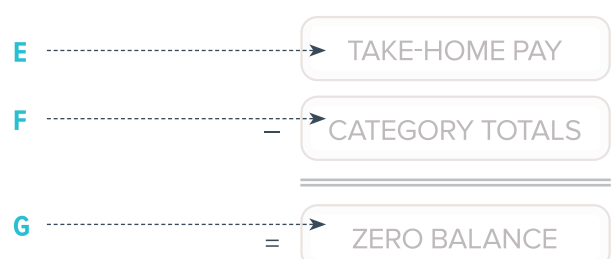
Within each main category, such as Food, there are subcategories, like Groceries. Start at the top and work your way down, filling out the Budgeted column (**B**) first. Add up each subcategory and put that number in the Total box (**C**).

Also, pay attention to Dave's recommended percentages (**D**). This will help you keep from budgeting too much for a category.



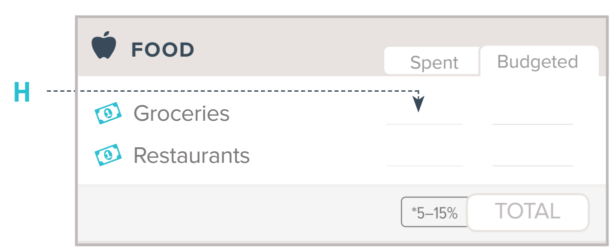

## STEP 3

Finally, enter your take-home pay in the top box at the end of the page (**E**), then add up all categories and place that total in the Category Totals box (**F**). Then subtract your Category Totals amount from your Take-Home Pay. You should have a zero balance (**G**). Doesn't that feel great?




## STEP 4

When the month ends, put what you actually spent in the Spent column (**H**). That will help you make any necessary adjustments to the next month's budget.



# Monthly Cash Flow Plan

Cash flows in and out each month. Make sure you tell it where to go!

**Monthly Take-Home Pay** ____

Add up budgeted column & enter here

These icons represent good options for cash envelopes

## GIVING

| | Spent | Budgeted |
|---|---|---|
| Giving | | |
| *10–15% TOTAL | | |

## SAVING

| | Spent | Budgeted |
|---|---|---|
| Emergency Fund | | |
| Retirement Fund | | |
| College Fund | | |
| *10–15% TOTAL | | |

## HOUSING

| | Spent | Budgeted |
|---|---|---|
| First Mortgage/Rent | | |
| Second Mortgage | | |
| Real Estate Taxes | | |
| Repairs/Maint. | | |
| Association Dues | | |
| *25–35% TOTAL | | |

## UTILITIES

| | Spent | Budgeted |
|---|---|---|
| Electricity | | |
| Gas | | |
| Water | | |
| Trash | | |
| Phone/Mobile | | |
| Internet | | |
| Cable | | |
| *5–10% TOTAL | | |

## FOOD

| | Spent | Budgeted |
|---|---|---|
| Groceries | | |
| Restaurants | | |
| *5–15% TOTAL | | |

## CLOTHING

| | Spent | Budgeted |
|---|---|---|
| Adults | | |
| Children | | |
| Cleaning/Laundry | | |
| *2–7% TOTAL | | |

## TRANSPORTATION

| | Spent | Budgeted |
|---|---|---|
| Gas & Oil | | |
| Repairs & Tires | | |
| License & Taxes | | |
| Car Replacement | | |
| Other ____ | | |
| *10–15% TOTAL | | |

## MEDICAL/HEALTH

| | Spent | Budgeted |
|---|---|---|
| Medications | | |
| Doctor Bills | | |
| Dentist | | |
| Optometrist | | |
| Vitamins | | |
| Other ____ | | |
| Other ____ | | |
| *5–10% TOTAL | | |

*Dave's Recommended Percentages*

# Monthly Cash Flow Plan

Cash flows in and out each month. Make sure you tell it where to go!

## INSURANCE

| INSURANCE | Spent | Budgeted |
|---|---|---|
| Life Insurance | | |
| Health Insurance | | |
| Homeowner/Renter | | |
| Auto Insurance | | |
| Disability Insurance | | |
| Identity Theft | | |
| Long-Term Care | | |
| *10–25% | | TOTAL |

## PERSONAL

| PERSONAL | Spent | Budgeted |
|---|---|---|
| Child Care/Sitter | | |
| Toiletries | | |
| Cosmetics/Hair Care | | |
| Education/Tuition | | |
| Books/Supplies | | |
| Child Support | | |
| Alimony | | |
| Subscriptions | | |
| Organization Dues | | |
| Gifts (incl. Christmas) | | |
| Replace Furniture | | |
| Pocket Money (His) | | |
| Pocket Money (Hers) | | |
| Baby Supplies | | |
| Pet Supplies | | |
| Music/Technology | | |
| Miscellaneous | | |
| Other ______________ | | |
| Other ______________ | | |
| *5–10% | | TOTAL |

## RECREATION

| RECREATION | Spent | Budgeted |
|---|---|---|
| Entertainment | | |
| Vacation | | |
| *5–10% | | TOTAL |

## DEBTS

| DEBTS | Spent | Budgeted |
|---|---|---|
| Car Payment 1 | | |
| Car Payment 2 | | |
| Credit Card 1 ________ | | |
| Credit Card 2 ________ | | |
| Credit Card 3 ________ | | |
| Credit Card 4 ________ | | |
| Credit Card 5 ________ | | |
| Student Loan 1 | | |
| Student Loan 2 | | |
| Student Loan 3 | | |
| Student Loan 4 | | |
| Other ______________ | | |
| Other ______________ | | |
| Other ______________ | | |
| Other ______________ | | |
| Other ______________ | | |
| Your goal is 0% — *5–10% | | TOTAL |

Once you have completed filling out each category, subtract all category totals from your take-home pay.

Use the "income sources" form if necessary → TAKE-HOME PAY

Add up totals from each category → − CATEGORY TOTALS

Remember —The goal of a zero-based budget is to get this number to zero → = ZERO BALANCE

# Allocated Spending Plan

Don't let this one scare you. Managing your money week to week happens here!

**LIFE PULLS YOUR MONEY IN ALL DIRECTIONS. SPEND TIME HERE BEFORE SPENDING YOUR CASH.**

Allocation is a fancy word for "when you spend your money." We're going to build on your Monthly Cash Flow Plan here and get a little more in depth by breaking your income down by pay period. The four columns on this form represent the four weeks in a given month. If you're married, combine your spouse's income with yours.

## STEP 1A

Fill out the pay period in box **A**. This is simply how long you'll go between paychecks. If you get paid on the 1st and 15th, then your pay period for July, for example, would be 7/1 to 7/14.

## STEP 1B

Write how much you will be paid in that pay period (**B**).

A

| | |
|---|---|
| **Pay Period Dates** | TO |
| **Pay Period Income** | |

B

## STEP 2

Write down how much money you're budgeting in the Budgeted column (**C**). In the Remaining column (**D**), keep a running total of how much of your starting income you have left for that pay period.

C, D

| **HOUSING** | Budgeted | Remaining |
|---|---|---|
| First Mortgage/Rent | 945 | 285 |
| Second Mortgage | | |
| Real Estate Taxes | 150 | 135 |

## STEP 3

Keep going down the list until the "Remaining" column (**E**) hits zero. When "Remaining" equals zero, you're done budgeting for that pay period.

E

| | | |
|---|---|---|
| Optometrist | 40 | 95 |
| Vitamins | 20 | 75 |
| Other ________ | | |
| Other ________ | | |

## STEP 4

If you have money left over at the end of the column (**F**), go back and adjust an area, such as savings or giving, so that you spend every single dollar. Every dollar needs a home.

F

| | | |
|---|---|---|
| Other Final cable bill | 40 | 35 |
| Other Florist bill | 35 | 0 |
| Other ________ | | |
| Other ________ | | |

# Allocated Spending Plan

Don’t let this one scare you. Managing your money week to week happens here!

| | | | | |
|---|---|---|---|---|
| **Pay Period Dates** | TO | TO | TO | TO |
| **Pay Period Income** | | | | |

Income
− Giving
= Remaining to budget this pay period

## GIVING

| | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Giving | | | | | | | | |
| Giving | | | | | | | | |

“Remaining” minus “Budgeted.” Back & forth.

## SAVING

| | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Emergency Fund | | | | | | | | |
| Retirement Fund | | | | | | | | |
| College Fund | | | | | | | | |

## HOUSING

| | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| First Mortgage/Rent | | | | | | | | |
| Second Mortgage | | | | | | | | |
| Real Estate Taxes | | | | | | | | |
| Repairs/Maintenance | | | | | | | | |
| Association Dues | | | | | | | | |
| Other ___________ | | | | | | | | |

## UTILITIES

| | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Electricity | | | | | | | | |
| Gas | | | | | | | | |
| Water | | | | | | | | |
| Trash | | | | | | | | |
| Phone/Mobile | | | | | | | | |
| Internet | | | | | | | | |
| Cable | | | | | | | | |
| Other ___________ | | | | | | | | |

# Allocated Spending Plan

Don't let this one scare you. Managing your money week to week happens here!

| Pay Period Dates | TO | TO | TO | TO |
|---|---|---|---|---|

When "Remaining" equals zero, you're done budgeting for this pay period.

| FOOD | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Groceries | | | | | | | | |
| Restaurants | | | | | | | | |

| CLOTHING | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Adults | | | | | | | | |
| Children | | | | | | | | |
| Cleaning/Laundry | | | | | | | | |

| TRANSPORTATION | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Gas and Oil | | | | | | | | |
| Repairs and Tires | | | | | | | | |
| License and Taxes | | | | | | | | |
| Car Replacement | | | | | | | | |
| Other ___________ | | | | | | | | |
| Other ___________ | | | | | | | | |

| MEDICAL/HEALTH | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Medications | | | | | | | | |
| Doctor Bills | | | | | | | | |
| Dentist | | | | | | | | |
| Optometrist | | | | | | | | |
| Vitamins | | | | | | | | |
| Other ___________ | | | | | | | | |
| Other ___________ | | | | | | | | |
| Other ___________ | | | | | | | | |
| Other ___________ | | | | | | | | |

# Allocated Spending Plan

Don't let this one scare you. Managing your money week to week happens here!

| Pay Period Dates | TO | TO | TO | TO |
|---|---|---|---|---|

| INSURANCE | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Life Insurance | | | | | | | | |
| Health Insurance | | | | | | | | |
| Homeowner/Renter | | | | | | | | |
| Auto Insurance | | | | | | | | |
| Disability Insurance | | | | | | | | |
| Identity Theft | | | | | | | | |
| Long-Term Care | | | | | | | | |

| PERSONAL | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Child Care/Sitter | | | | | | | | |
| Toiletries | | | | | | | | |
| Cosmetics | | | | | | | | |
| Education/Tuition | | | | | | | | |
| Books/Supplies | | | | | | | | |
| Child Support | | | | | | | | |
| Alimony | | | | | | | | |
| Subscriptions | | | | | | | | |
| Org. Dues | | | | | | | | |
| Gifts (incl. Christmas) | | | | | | | | |
| Replace Furniture | | | | | | | | |
| Pocket Money (His) | | | | | | | | |
| Pocket Money (Hers) | | | | | | | | |
| Baby Supplies | | | | | | | | |
| Pet Supplies | | | | | | | | |
| Music/Technology | | | | | | | | |
| Miscellaneous | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |

# Allocated Spending Plan

Don't let this one scare you. Managing your money week to week happens here!

| RECREATION | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Entertainment | | | | | | | | |
| Vacation | | | | | | | | |

| DEBTS | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining | Budgeted | Remaining |
|---|---|---|---|---|---|---|---|---|
| Car Payment 1 | | | | | | | | |
| Car Payment 2 | | | | | | | | |
| Credit Card 1 ______ | | | | | | | | |
| Credit Card 2 ______ | | | | | | | | |
| Credit Card 3 ______ | | | | | | | | |
| Credit Card 4 ______ | | | | | | | | |
| Credit Card 5 ______ | | | | | | | | |
| Student Loan 1 | | | | | | | | |
| Student Loan 2 | | | | | | | | |
| Student Loan 3 | | | | | | | | |
| Student Loan 4 | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |
| Other ______________ | | | | | | | | |

# Quick-Start Budget

Taking control of your money starts here!

**IT'S TIME TO GET YOUR FEET WET WITH BUDGETING.**

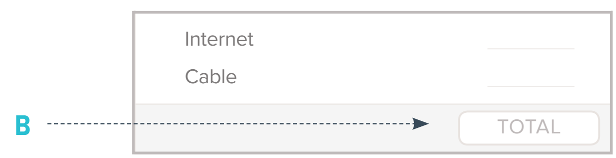
This form is only one page, but it will show you how much money you need each month to cover necessities. While your mortgage or rent is listed here, we won't get into the details of your credit card bills, student loans, car payments, and any other debt yet. The Quick-Start Budget is just your starting point.

## STEP 1

Write down what you're spending for the month in each of the categories listed (**A**). If you don't know exactly, just make your best guess. We're keeping it simple for now.


## STEP 2

Write the total for each category in the Total box (**B**) and move on to the next category. See? Easy!




## STEP 3

Add up all eight of your total boxes and enter that number at the bottom in the Category Totals box (**C**). This shows you how much you're spending in a month for your basic necessities, not including any kind of debt. We'll get to all that later.

# Quick-Start Budget

Taking control of your money starts here!

Add up budgeted column & enter here

These icons represent good options for cash envelopes

## GIVING

| | Budgeted |
|---|---|
| Giving | |
| | TOTAL |

## SAVING

| | Budgeted |
|---|---|
| Emergency Fund | |
| Other ________________ | |
| | TOTAL |

## HOUSING

| | Budgeted |
|---|---|
| First Mortgage/Rent | |
| Second Mortgage | |
| Real Estate Taxes | |
| Repairs/Maint. | |
| Homeowner/Renter Ins. | |
| | TOTAL |

## UTILITIES

| | Budgeted |
|---|---|
| Electricity | |
| Gas | |
| Water | |
| Trash | |
| Phone/Mobile | |
| Internet | |
| Cable | |
| | TOTAL |

## FOOD

| | Budgeted |
|---|---|
| Groceries | |
| | TOTAL |

## CLOTHING

| | Budgeted |
|---|---|
| Adults | |
| Children | |
| | TOTAL |

## TRANSPORTATION

| | Budgeted |
|---|---|
| Car Payment | |
| Car Payment | |
| Gas & Oil | |
| Repairs & Tires | |
| Auto Insurance | |
| | TOTAL |

## PERSONAL

| | Budgeted |
|---|---|
| Life Insurance | |
| Health Insurance | |
| Disability Insurance | |
| Child Care/Sitter | |
| Entertainment | |
| Other ________________ | |
| Other ________________ | |
| | TOTAL |

Add up totals from all categories

CATEGORY TOTALS

# Irregular Income Planning

If you have an irregular income, this form just became your best friend!

**SOME PEOPLE'S PAYCHECKS ALL LOOK THE SAME, AND SOME PEOPLE'S DON'T.**

If you're self-employed or in sales, you really understand this! But you're not free from filling out budgets. As a matter of fact, this form is vital for just that reason! It can be easy for debts and expenses to overtake what you're bringing in. Stay on top of your money here.

## STEP 1

Fill in the **Monthly Cash Flow Plan** form based on what you reasonably expect to bring home for the month. If you aren't sure, use last year's lowest income month as your starting point.

## STEP 2

List anything that didn't make it in your Monthly Cash Flow Plan in the Items column (**A**). These are the things that you couldn't budget for but need to be funded.

A

| ITEMS |
|---|
| Hospital Bill - Snowball |
| Home Depot - Snowball |
| Extra Entertainment |

## STEP 3

Rewrite your expenses in priority order and keep a running total. Setting good priorities is crucial here. For instance, a beach trip is not more important than putting food on the table!

| BUDGETED | | RUNNING TOTAL |
|---|---|---|
| 460 | + | 460 |
| 1,000 | = | 1,460 |
| 50 | | 1,510 |

## STEP 4

When you get paid, write any additional income in the box (**B**). "Additional" means anything above and beyond what you budgeted on the Monthly Cash Flow Plan form.

| | |
|---|---|
| Additional Irregular Income | 1,500 |

B

## STEP 5

Spend your money right down the list until it's all gone. You most likely won't make it all the way down the list. That's okay! That's why it's important to prioritize.

| BUDGETED | | RUNNING TOTAL |
|---|---|---|
| 460 | + | 460 |
| 1,000 | = | 1,460 |
| ~~50~~ 40 | | ~~1,510~~ 1,500 |

# Irregular Income Planning

If you have an irregular income, this form just became your best friend!

Any additional irregular income goes here

**Additional Irregular Income** ______

List, in priority order, anything that didn't make it in your monthly cash flow plan

Work back & forth, adding each budgeted item to the running total

| ITEMS | BUDGETED | RUNNING TOTAL |
|---|---|---|
| | | + |
| | | = |
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# Debt Snowball

Get the ball rolling and start attacking your debt!

**YOU'VE GOT YOUR EMERGENCY FUND TAKEN CARE OF. NOW IT'S TIME TO DUMP THE DEBT!**

The Debt Snowball form will help you get some quick wins and develop some serious momentum! You'll make minimum payments on all of your debts except for the smallest one. Then, attack that one with gazelle intensity! Throw every dollar at it that you can!

## STEP 1

List your debts in order from the smallest Total Payoff balance to the largest. Don't be concerned with interest rates unless two debts have a similar payoff balance. In that case, list the one with the higher interest rate first.

| DEBTS | TOTAL PAYOFF |
|---|---|
| Diagnostic | 50 |
| Hospital Bill | 460 |
| Home Depot | 770 |

## STEP 2

Attack that smallest debt by paying as much on it as you possibly can. Once you pay one debt off, take what you were paying on that one and add it to the minimum payment of the next debt. As the snowball rolls over, it picks up more snow. Get it?

| MIN. PAYMENT | NEW PAYMENT |
|---|---|
| ~~10~~ | ~~10~~ |
| ~~38~~ | ~~48~~ |
| 45 | 93 |

## STEP 3

Every time you pay off a debt, cross the debt off. This will show you how close you're getting to becoming debt-free!

~~Hospital Bill~~
~~Home Depot~~
~~Chase VISA~~
~~Car Loan~~

I'M DEBT-FREE!!!!!

# Debt Snowball

Get the ball rolling and start attacking your debt!

| DEBTS | TOTAL PAYOFF | MIN. PAYMENT | NEW PAYMENT |
|---|---|---|---|
| | | | |
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