MODULE

02

MANAGING YOUR MONEY

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Life Skills & Employment Success

Module 2 - Managing Your Money

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MODULE 2

MANAGING YOUR MONEY

Module 2
Section 1

BANKING BASICS

Understand how to best manage your money through a bank and all they offer.

IN THIS SECTION YOU WILL:

Learn about the differences between credit and debit cards.

Discover why it is important to build your credit and build your credit score.

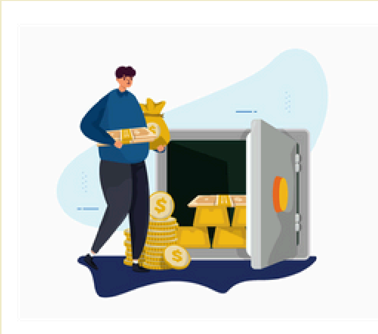
Explore different types of loans and the dangers of fraud.

Find out about checking and savings accounts and how to avoid overdraft fees.

BANKING BASICS

Using your money

As you handle your money, there are some important things to know about banking. First, it's crucial to start saving and pay yourself first to get ready for the future. Having an emergency savings account can save you money when something unexpected happens.



You should also understand the difference between checking and savings accounts. Checking is for your everyday spending, while savings is for your future. And for unexpected things, make a plan to reach your goals. This plan will be different for everyone, depending on their lifestyle and income.

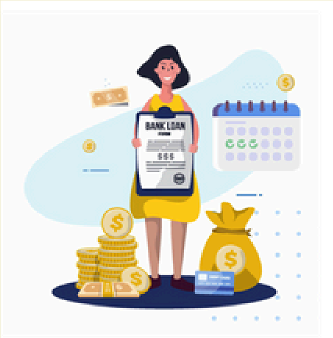
Debit or Credit cards

The next topic is spending. When you think about your monthly spending, it's really important to figure out what you want and what you need. It's a good idea to write it down or use an app to help you stick to your monthly budget. Also, when you spend money, do you use your debit card or your credit card? If you use your debit card, you're using your own money from your checking account. But if you use a credit card, you're using someone else's money. It's important to think about whether you can pay back your debt if you use a credit card. The reason is that when you use a credit card, you have to pay interest, which is often a lot of money. It's really important to understand the terms of a credit card.

Borrowing money and credit scores

The next thing we will talk about is borrowing. This is the first step in borrowing. The first thing you need to do when you want to borrow is find out your credit score. What is a credit score? A credit score can be anywhere between 300 and 850. There are different companies that keep track of your credit score. Banks use these companies to check your credit. It's important to know what factors affect your credit score. One factor is whether you have had credit in the past. For example, have you had a credit card before? Have you had a car loan? Have you had a home mortgage? If you haven't had these things or any credit in the past, your credit score will start at zero. This is because you haven't had a history of having credit. That's why it's important to start building credit early. It helps you when you need to make a big purchase, like a car or a home.

One thing bankers talk about with clients is how to improve their credit score. One way to do that is to take care of any debts you haven't paid. Maybe there are some bills you need to pay. Make sure you take care of those and then start building your credit.



Building your credit

Sometimes you can get a secured credit card. This means you use your own money and put it aside to use with the credit card. Doing this can help you start building credit in as little as six months. You can start building credit when you turn 18 years old. At that age, you can enter into a contract to start building credit.

People often ask if having a checking account for a few years builds credit. The answer is no, it does not. Another question people have is if being on a parent's credit card helps build credit. It does not.

You have to be responsible for the credit yourself in order for it to build and increase your credit score. When you're ready to buy a car and have good credit, there are some things to think about. You need to figure out how much your monthly payments will be. This will help you budget and know what you can afford. The term of the loan is how long you have to pay it back. It's important to know your payments, the term, and the interest you'll be paying. You'll have to pay back the initial loan amount plus interest.

It's important to consider all of these things when deciding if you should take out a loan. Lenders look at certain things to decide if you can get a loan. One thing they look at is your debt-to-income ratio. This means they want to see if you can pay back the loan based on your income and other debts you have. They want to make sure you can afford to pay it back.

What is considered a good credit score to get a loan?

When banks look at your credit score, they want to see if it is good. A good credit score for many loans is around **640**. This means you need to have a credit score of at least 640 in order to get a loan. Banks also look at your ability to pay back the loan and how long you have had credit. All of these things together determine your credit score. If you are getting a loan that is secured by something like a car, make sure the car is worth enough to cover the loan amount.

There are many things to think about when getting a loan. If you have questions, talk to your banker. They can help you with any lending questions you have, even if you are just starting to think about borrowing money. It all depends on your income and your ability to pay it back.

Two types of loans

There are two types of loans: installment loans and lines of credit. An installment loan has a fixed rate, and you make the same monthly payments every month. These loans are usually for things like cars or homes.

A line of credit is like a credit card. With a line of credit, you only have topay the interest. This can change depending on how much money you borrow. The big difference between the two is that an installment loan has collateral, like your car or home, while a line of credit does not.

Credit cards and lines of credit are usually revolving loans. The interest rates for these loans are higher because the bank takes on more risk without collateral.

Beware of fraud

The next thing to think about is keeping your account safe. Right now, banks are seeing a big increase in fraud. Fraud can happen in many different ways. It can be when someone uses your check card without permission, when someone tries to steal your checks, or when someone takes money out of your account without you knowing.

It's important to protect yourself. Try to lower your chances of having your identity stolen and be careful with your personal information. If something doesn't feel right, don't give your information to a website. Don't answer every request. Keep your mail and personal information safe. Check your accounts regularly. This means looking at your checking account, checking your online statements, looking at how much money you have, and looking at your transactions.

If something doesn't look right, contact your bank right away. Stay informed and learn about how to protect yourself. If something seems wrong, call your bankdirectly. Don't call the number on the screen but call the number you already have for your bank. They can help you figure out what's happening. If you have already given your information to someone; the bank can take steps to close your account and open a new one. You might also want to clean out your computer.

It's also a good idea to check your credit report every year. You can do this for free at annualcreditreport.com. This report looks at information from three different credit agencies. You can see if there's anything you need to argue or if there's anything that doesn't look right.

Fraud is a big problem in the banking world right now. It's not just affecting older people, but also younger people and middle-aged people. It's affecting everyone in different ways. Make sure to protect yourself and your information.

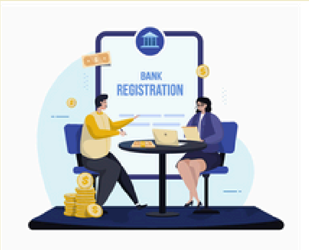
Again, remember not to call the number you see on the screen or in an email. Call your local bank instead. In this fraud situation, they are even tricking people with fake numbers. The number might look like it's from your bank, but it's not. Hang up the phone and call the local branch using the number you know. If something doesn't look right, don't do it. If something seems too good to be true, it probably is.

Savings vs. checking accounts

accounts. Checking accounts are for things you buy every day, like food, gas, and bills. The last thing we're looking at is accounts. Banks have different kinds of accounts. The two main ones are checking and savings. Savings accounts are for saving money for things you'll need in the future.

So how do you open an account? One way is to go to a bank or one of its branches. It's a good idea to make an appointment so they can spend time with you and understand your goals and what's important to you.

What do you need to open an account? Usually, the bank will want to see a picture ID, like a driver's license or passport. You'll also need to know your social security number, birth date, current address, and phone number. And you'll need some money to put in the account to start it. You can use cash or a check.



Overdrafts

One question people often ask the bank is "What happens if I spend more money than I have in my account? What do I do?" First, it's important to talk to your banker. If you spend more money than you have and the bank pays for it, you'll need to pay the bank back. You'll also have to pay a fee called an overdraft charge. Some banks let you return the item you bought and you won't have to pay the fee if the money goes back into your account. Most banks won't let you spend more money than you have if you're using a debit card. You need to make sure you have enough money in your account before you buy things.

Realistic Ways to Save Money

When money is tight and it's hard enough to simply pay the bills every month, the thought of starting a savings account seem impossible. It's not if you follow some money saving tips.

1. **Keep Track of Your Money**
The first thing you need to do to save more money is to know how you spend it. Keep track of every dollar you spend during the month and put them into different categories based on what you spent the money on. Once you know how much you spend in each category, it will be easy to see where you can make improvements.

2. **Make a Budget**
It's hard to avoid spending too much money if you don't have a plan. That's why you need to make a budget. A budget is a plan for how you will use your money. One common rule for budgeting is the 50-30-20 rule. This means you should spend half of your money on things you need, like food and clothes. You should spend 30% on things you want, like toys or games. And you should save 20% of your money. But you can also start with a smaller amount of money to save or have a specific goal in mind.

3. **Don't Waste Your Money**
Try not to spend money on things that don't really matter or don't give you much value. For example, if you have an expensive cellphone plan or eat out at restaurants a lot, you could try finding cheaper options. This way, you can have more money to spend on things that are really important to you.

4. **Have Goals**
It's important to have goals when you are trying to save money. Goals can help you stay motivated and keep track of your progress. When you set goals, it's a good idea to use the SMART model. SMART stands for Specific, Measurable, Achievable, Relevant, and Time-bound. This model can help you make clear and achievable goals.

5. **Save Automatically**
To make sure you always save money, set up a system that automatically puts money into your savings account. Many banks already have this option, so it should be easy to set up. This way, you won't forget to save money and it will happen automatically.

6. **Cancel Subscriptions You Don't Need**
Check your subscriptions regularly and cancel any that you haven't used in a while. This can save you money without much effort. And if you ever want to subscribe to the same service again, you can always do it later.

7. **Pay Off Your Debts Quickly**
If you have debts, it's important to pay them off as soon as possible. The longer you take to pay off your debts, the more money you will give to the banks instead of saving it. Look for strategies to help you pay off your debts faster.

8. **Save Any Extra Money**
Your budget, which is the money you have to spend, needs to already be enough to cover what you need. So, when you get unexpected money, like gifts or extra earnings, think about putting it into your savings.

9. **Buy Generic Brands**
Most of the time, the store brand items at the grocery store are just as good as the well-known brands. If you do some research, you can find no-brand items that are just as healthy and tasty as the ones you usually buy, but they cost less.

10. **Pack Your Lunch**
Eating lunch out might be easy, but it costs a lot of money. So, try to pack your lunch as much as you can to save even more money on food. If you're short on time, you can prepare multiple lunches at once by meal prepping.

11. **Sell Anything You Don't Need**
Sell things you don't need any more to clean up your home and make some extra money. You can have a garage sale or sell your used stuff online on websites like Facebook Marketplace or eBay.

12. **Use Cash-Back Apps**
Cash-back apps can help you save money, and many of them work with your debit or credit cards. All you have to do is set up the app once, and then you can get money back when you use your card.

13. **Avoid Impulse Purchases**
One of the biggest mistakes you can make with your money is buying things or services that you don't really want or need. Before you decide to buy something, it's a good idea to wait a few days first. Use this time to research the product and think about whether it's worth spending your money on.

14. **Reduce Your Household Bills**
You can't avoid paying your household bills, but you can try to lower them like you do with other expenses. Look for cheaper options for bills that you have to pay every month, like your internet or cable. For bills that are based on how much you use, try to use as little as possible.

15. **Use The Cash Envelope Budgeting System**
The cash envelope budgeting system is a great way to stop yourself from spending too much and save more money. It limits how much money you can spend on different things. Put the cash needed for each area of expense in separate envelopes. Only use what is in the envelope and when it's empty, you can't spend more. The traditional way to do this is by using physical cash and envelopes, but there are also apps like YNAB that let you do it digitally.

NOTES

DISCUSSION QUESTIONS

1

How do you currently save money and plan for the future?

2

What are some ways you can improve your credit score?

3

Have you ever borrowed money or bought something big? How did you decide how much you could afford to pay back?

4

What are some strategies you use to protect your personal information and prevent fraud?

5

Have you ever had to dispute a charge or incorrect information on your credit report? How did you handle it?

6

What are some advantages and disadvantages of having a checking account versus a savings account?

7

How do you determine if taking out a loan is the right decision for you? What factors do you consider?

8

What are some things you really need versus things you just want? How do you decide what to spend your money on?

MORE TO CONSIDER

1 Money tip: Consider doing the 52-week money challenge.

Deposit an increasing amount of money into your savings each week for a year.

- Save $1 the first week,
- $2 the second week,
- $3 the third week and so on until you put away $52 in week 52.

If you're consistent, you'll save $1,378 by the end of 52 weeks.

2 Saving isn't just about covering expenses when the unexpected happens. It's also about financially securing your future.

The easiest way to save for your future self is through a retirement savings account. If you want to put money away for your future but think you don't have enough money to do so, think again. You can invest with as little as a few dollars a week in a retirement account. What matters more is getting started as early as possible. The more time your investments have to grow in the stock market, the more your retirement savings will be worth decades from now — thanks to compound interest.

How compound interest works: Compound interest is essentially the interest you earn on interest. You earn interest on the principal (the initial amount deposited) and on the interest that accumulates over time.

Investing $25 a month in a retirement account could grow to nearly $300,000 over 45 years.

Investing $100 a month in a retirement account could grow to $975,000 over 45 years!

Module 2
Section 2

STRETCHING YOUR DOLLARS

Making Your Money Go Farther

IN THIS SECTION YOU WILL:

Explore the difference between needs and wants.

Find out ways to cut out unnecessary expenses to save you money.

Discover how small lifestyle changes can make a big difference in helping you save money.

Learn tricks, tips, and resources to help you stretch your dollars.

STRETCHING YOUR DOLLARS

How can I make my money go farther?

There really are ways we can learn how to live with less money... and likely need to. Going to the store keeps getting more expensive, and it's getting harder to live on the income that used to be enough. Here are some ideas to help you have more money each month.

First priority is to get out of debt.

The first thing to focus on is getting out of debt. Start with those car payments or extra credit card payments that you have to make each month. If you can pay them off, you will have more money in your pocket. Dave Ramsey has a great program called Financial Peace University that can help with this. You can find more information about it with a quick Google search. You can also borrow his books from the library for free, or some local churches offer the program at no cost. Use any extra money you have each month to pay off your debts. Now, let's talk about how to get this extra money.

How do I get this extra money? Trim the fat.

The first thing we need to do is think about **wants versus needs**. For example, think about any subscriptions you have, like subscription boxes, gaming subscriptions, or music subscriptions. Include streaming subscriptions like Netflix or Hulu. These are all for entertainment and not really necessary in our daily lives. You can easily cancel them.

Cancel subscriptions.

Instead, you can use a local antenna for TV if you live in an urban apartment, or if you live in the country, you can use a rabbit ear TV antenna. You can watch local news channels or local broadcasting channels for free, even without the internet. You can also listen to the radio or use subscription services that offer discounts or are free but have commercials. Another option is to go back to using CDs or DVDs. You can rent current DVDs from the library. Lastly, if you really need a subscription service, I suggest rotating between services. For example, you can use Netflix for two months to watch a new series, and then switch to Hulu for the next two months. You can save money by only paying for one service at a time and canceling it before starting another.

Another way to cut expenses is to cancel your gym membership if you're not using it. Working out is good for our mental and physical health, but you don't have to go to a gym and spend extra money each month. Instead, you can run in your neighborhood, exercise at a park with equipment, or work out at home using a workout DVD or your own home gym. Some big corporations and health insurance plans may even help pay for your gym membership. If going to the gym is really important to you, you could consider working there to get a free membership.

Some people waste a lot of money on extra treats. It can be difficult to give up things like coffee, smoothies, ice cream, and protein shakes because they are tasty. However, they can be expensive, costing about $8 to $12 each. They only give you a short amount of satisfaction. Instead of spending money on these extras, you could use it for something more beneficial, like feeding your family for a whole day. You can easily make coffee and shakes at home or buy a big container of ice cream from the store for less than the price of a DQ Blizzard.

Another way to save money is by reducing your phone and Internet plans. You can switch to different companies to find savings. If you work for a big company, check if they have discounts with certain carriers. Switching to paying for the amount of data used instead of paying for unlimited Internet can cut your costs. Just remember to connect to Wi-Fi whenever possible. Another option is to cancel your home internet if you don't need it for work. You can do emails and other things on your phone. Consider going to a coffee shop or library with free Wi-Fi to do your work. This can save you around $60 to $80 per month on Internet costs.

Cook meals at home.

Eating out is another big expense. It is much cheaper to cook meals at home instead of eating out at restaurants or picking up fast food. Let's say you order Chicken Alfredo Pasta at an average restaurant which is about $16. You can decide to eat half and save the leftovers for lunch, which helps. Or you can make a similar meal at home for $13, and it can feed 14 people with leftovers. That's 16 servings for $13, compared to two servings for $16! That's a lot of food for your money.
If you do eat out, choose to only order water and avoid soda or alcohol. Save money also by looking for deals like kids eating free on Tuesdays or buy one get one free deals.

Another way to not waste your money is to consider not dyeing or treating your hair. You might think it looks beautiful, but you have to pay to maintain it every six to eight weeks. Go back to your natural hair color and take a break from the salon. Even home hair color kits still cost money and fall in the want versus need category.

Cut back on necessities.

Some home saving tips include saving money by recycling. Instead of paying someone to pick up your garbage, recycling, or yard waste, you can bring it to the recycling center yourself. Heating and cooling costs can be expensive too. If there are rooms in your house that you don't use, consider closing them off. When it gets really cold, baking can help warm up the house. Also, remember to turn off the lights when you're not using them. Some appliances still use electricity even when they're not turned on, so unplug them if you're not using them. If you have an electric dryer, try line drying your clothes instead of using the dryer. You can also save money on electricity by using it during off-peak hours when the rates are cheaper.

To lower housing costs, see if you can temporarily move to a smaller apartment or consider living with roommates to share the expenses.

If you need to go to a laundromat, try washing your clothes in your bathtub as a cheaper option. If you don't have a bathtub, you can make your own washing machine using a 5-gallon bucket and a clean plunger.

When it comes to your car, consider downgrading to a cheaper car with lower payments which will also lower insurance rates - or try not having a car at all for a while. Instead, you can try biking, walking, taking public transportation, or carpooling. Try to consolidate all your errands to one day so you're not making multiple trips. It costs a lot to fill up a car with gas so avoid driving unnecessarily so you don't waste money.

It used to be common knowledge to change your own oil, wiper blades, and headlights. Today, many people just find it easier to have someone else do it all. Instead, try learning how to do these things yourself and have more money in your pocket.

Clothing can be another big expense when it doesn't have to be. Before shopping for new clothes or other items, clean out your closets. You might find extra shirts, pants, or dresses that you forgot about. Shop at thrift stores, garage sales, or on Facebook marketplace. Keep your nice clothes separate from your comfy clothes so they last longer. Look for hand-me-downs for kids. Cloth diapers can be a good option because they save money in the long run, especially if you have more than one child.

On Facebook, you can join groups in your town where people offer things for free or ask for things they need. Instead of donating your extra stuff to a store, you can give it to people in your community.

Don't throw - repurpose.

Find ways to reuse items like old towels, T-shirts, and socks as cleaning rags instead of buying paper towels. Save gift bags and bows to use again. Wash and reuse Ziploc bags. Use grocery bags as trash liners.

When it comes to activities, consider free or low-cost options like going to the park, walking trails, or festivals. If you go to the movies, try going to a matinee or look for discounted days, and avoid buying drinks and snacks while there. Having drinks and food at home can help you avoid spending money on snacks at the grocery store or fast food for your kids. Plan cheaper activities with friends like game nights or potluck dinners instead of going to clubs or concerts. Take turns babysitting with friends if you need childcare for a date night out.

If you have something to offer, you can think about exchanging it for goods or services. Do you like to cook or bake? Are you good at cleaning houses? Do you have skills with vehicles? Using your skills in exchange for someone else's skills can really save money. For example, you could offer to babysit in exchange for getting your car fixed.

As much as possible, try to reduce your shopping. For gift giving, try to make homemade gifts. It can save you money in the long run. The library is a great resource for books, board games, or audio books that you can borrow or rent instead of buying at a store. Also, look for free options and events in your community. Just spending time with people is all you really need. You don't have to spend money to do that.

It's doesn't take much to go through a paycheck these days or pile up debt. Spending a little here and a little there really adds up. Be purposeful about your choices. You really can stretch your dollars by being willing to sacrifice and shop smart. Every penny saved is one step closer to being debt-free!

NOTES

DISCUSSION QUESTIONS

1

How can you apply the money-saving tips mentioned in the text to your own life?

2

What are some ways you can be mindful of your energy use at home?

3

What are some low-cost activities you can do with your friends or family?

4

What areas are the hardest for you - that you have the most trouble with spending or wasting money?

5

What are some creative ways you can reuse items instead of buying new ones? How can this help you save money?

6

How can you incorporate free or low-cost activities into your leisure time to save money?

7

What are some strategies you can use to avoid unnecessary spending and impulse purchases?

8

In what ways can you involve your friends or community in saving money together?

Module 2
Section 3

LIVING ON LESS

Reduce your monthly bills
and reduce your stress!

IN THIS SECTION YOU WILL:

Learn how to reduce your grocery bill.

Discover types of meal planning and the benefits.

Find out ways to change your lifestyle to help you get out of debt.

Explore the benefits of a savings mindset.

LIVING ON LESS

Cutting Grocery Costs

This section will focus mainly on how to save money on groceries and household items. It's cheaper to make food at home instead of eating out. One way to do this is by meal planning. Meal planning means buying all your food for the week at one time. This way, you don't have to go to the grocery store as often and you waste less food. For example, if you buy a big bag of carrots, you can use them for multiple meals instead of letting them go bad in the fridge. Meal planning makes shopping easier and reduces waste.

Meal Planning

There are different types of meal planning. Choose what works best for you and your family. One simple way is to write out a plan each week. For example, you can plan to make spaghetti on Monday and tacos on Tuesday, etc. Then, you go to the store on Sunday and buy all the ingredients. Each night, you cook a different meal. Some people like to make double portions, so they have leftovers for the next day or week. Another option is to meal prep. This means making a big salad or other meals ahead of time and storing them in the fridge. You can also make a big pot of chili or gumbo and freeze it in individual portions. This way, you can quickly grab a meal before work and it will be thawed by the time you get home. Another idea is to make a big batch of pancakes or French toast and eat it for breakfast throughout the week. You can switch it up each week to keep things interesting and save time in the mornings.

Prepare a month’s worth of freezer meals in one day.

One option for main meals is called freezer meals. You can find a lot of information on the Internet about it. They even have some plans already made for you or you can choose some of your favorite recipes. Here's how it works: Choose about eight to ten recipes for the whole month and then double each recipe. After that, make a big shopping list and go shopping just once for the whole month. When prepping the meals, chop up the veggies and brown some meat. Then put everything into zip lock bags or disposable pans and freeze them. When it's time to eat, all you have to do is take it out of the freezer and either put it in the oven or dump it in the crock pot. It's a lot less messy and much easier for mealtime. This way, you get a fresh cooked meal every day. You can add fresh salads or vegetables of you want.

Other ways to save money include shopping at multiple stores. The more you shop, the more you will get to know the prices at each store. Online shopping makes it easy to compare prices and find the cheaper option. By doing this a lot, you learn where to go for each item. You can get all your shopping for the month done in one day, except for a few things here and there. Stock up on special buys when the prices are cut low.

Skip the chips and prepackaged foods.

It's a good idea to stop buying snacks like chips. They taste good, but they don't fill you up or give you the nutrition you need for the day. They only satisfy your hunger for a short time. So, think about whether it's worth spending money on a bag of chips that doesn't provide much nutrition. There are healthier options that are also cheaper.

Another way to save money is to stop buying prepackaged foods. We pay extra for the convenience of having them already prepared. Instead, buy in bulk and put the food in your own zip lock bags. For example, you can easily make peanut butter sandwich crackers at home. The same goes for cheese. Buying a brick of cheese and slicing or shredding it yourself is about $2 or $3 cheaper than buying pre-sliced or shredded cheese.

When it comes to baked goods like muffins, pancakes, waffles, or even frozen ones, it's better to make them at home. Homemade baked goods are more nutritious and delicious, and they save you money, too. Making your own bread at home is also significantly cheaper. You can make a loaf for around $1, depending on the recipe. Homemade food is more filling and nutritious compared to store-bought food, which often contains extra additives.

Another money saving tip is to buy things in bulk or when they're in season. Fresh produce can often be frozen or learn how to can your food. For example, learn how to make salsa using tomatoes from people who grow extra. With one big batch you can have salsa for the whole year! It's also important to stretch our food, like using less meat and more rice and beans. Have a vegetarian night each week to save money. And when you go grocery shopping, make a list and stick to it. Growing your own garden can also help you save money on fresh produce.

Buy generic.

Many generic products are the same as ones with labels. With medicine, Acetaminophen = Tylenol; Ibuprofen = Advil or Motrin; Naproxen = Aleve; Diphenhydramine = Benadryl, ZzzQuil. Purchasing generic products can save you money.

More cleaning, less spending.

Cleaning products are another area where we can save money. Instead of buying different products for each thing we clean, we can use vinegar and dish soap for most cleaning tasks. Vinegar can even be used in the washing machine and dishwasher. We can make our own scented cleaners by adding pine needles or lemons to vinegar water.

And instead of buying chip clips and paper towels, we can use clothes pins and rags. Learning how to use coupons can also save us money, but it takes time to learn. It's important to focus on what we're gaining by saving money, rather than what we're missing out on.

Don’t buy on impulse.

When we want to buy something big, like a phone or a TV, we need to think about more than just the cost. We should consider how many hours or shifts we would need to work to buy it. Is it worth working extra just for a new phone? Sometimes our current phone might be cracked, but is it really worth all that extra work? Some people find it helpful to question if there’s something else, they’d rather do with the money. For example, if they want to buy something that costs $50, they ask themselves - if someone gave me $50, is this really what I'd want to do with it? If you shop online, it can help to put items in your online cart and wait a few days before buying. This gives you time to cool off and think if you really need it or if it was just a spur of the moment thing.

Taking breaks from social media can also help you avoid feeling like you need to buy more things. Saving money can even be a fun game if you set goals for yourselves each week and try to save more each time.

Earn extra income.

When you are cutting as much as you can and still feel like you’re not making enough headway to reduce your debt, try increasing your income. This may mean volunteering to work extra hours if that is an option. Some people rent out a room in their house, or if they love animals, will work pet-sitting with companies like Rover or Wag. Delivery and driving jobs such as Uber or Lyft, or Door Dash or Instacart can help pay those extra bills. Find a need and fill it - rake leaves, shovel snow, clean up yards, babysit, etc. These side jobs can add up. Some people have created their own businesses by hauling away unwanted items, refinishing and selling used furniture, or selling homemade crafts, jams, and baked goods.

By following some or all of these tips, you will save and earn extra money. Small steps can eventually lead to big results of more financial freedom.

Do it Yourself Recipes

Laundry Detergent

Make your own laundry detergent with this money saving recipe. This recipe makes 9 pounds and in 2024, costs about $20 to $25 dollars. It's enough to last up to a year for a family of 4.

2 lbs Borax
2 lbs baking soda
2 lbs washing soda
1 ½ bars Fels- Naphtha or Castile bar soap
1 small container of Oxyclean

Mix together in a large container.
Use 1 - 1 ½ Tablespoons per load.

Laundry Stain Remover

With this recipe, an 8-ounce bottle only costs $0.62 to make.

Hydrogen peroxide, ¾ bottle (6 oz.)
Dawn dish soap, remaining ¼ bottle (2 oz.)
Spray bottle

Dawn Powerwash

Instead of paying $4 or $5 dollars, you can make your own for $0.44 per bottle.

Use empty bottle or a 16 oz. glass bottle.
Fill with:
2 oz. dawn dish soap
1 oz. rubbing alcohol
Fill the rest with water.

All Purpose Cleaner

This recipe costs only $0.24 to make an 8 oz. bottle.

Add 1 cup Vinegar and 1 cup water to a spray bottle.

a) Use everywhere except on granite
b) Add essential oils for scent
c) Infuse citrus or pine into vinegar for scent, leave in bottle for 6 weeks

Use 1 to 2 cups of vinegar/water solution or vinegar infusion in hot water to mop floors.

Shower/ Tub/ Toilet Cleaner

Costs $0.63 to make an 8 oz. bottle.
⅓ cup Dawn dish soap
⅔ cup white vinegar

Spray in tub let sit 5 to 30 minutes then scrub clean

Homemade Playdough

$0.44 makes the equivalent of 3 containers.

1 cup flour
½ cup salt
½ cup water
2 teaspoons vegetable oil

Mix all together until playdough consistency; store in airtight container.

More Do it Yourself Recipes

Pancake or Waffle Mix

For $2 you can make the equivalent of 3 boxes of pancake mix.

Bulk mix:
6 cups All-purpose flour
2 teaspoons salt
1 ⅓ cup sugar
4 Tablespoon baking powder

To make pancakes:
1 to 1½ cup pancake mix
1 egg
1 cup milk

Coffee Creamer

Costs between $2.23 and $3.15 to make 28 oz (compared to $4.00 on sale at store).

In a large mason jar add:
1 can sweet condensed milk
½ cup heavy cream or half and half
Fill with milk to the top of the jar.
Add flavor of choice:

a) Vanilla extract
b) Peppermint extract
c) ⅓ cup pumpkin and pumpkin spice, or pumpkin extract
d) Chocolate syrup and mint
e) Carmel
f) Almond

Muffin Mix

It costs $1.40 to make this mix, which equals to about $0.50 a batch.

Bulk Mix:
6 cups All-purpose flour (or gluten free flour)
3 Tablespoons baking powder
1 ½ teaspoon salt
½ cup sugar

To make muffins:
2 ¼ cups muffin mix
2 eggs
1 cup milk
¼ cup butter
Add in (suggestions below)
Mix ingredients and scoop into muffin tins, Bake at 400 degrees for 15 minutes.

Add ins:

- ¼ cup crumbled, cooked bacon
- 1 mashed banana
- ½ cup blueberries, raspberries, or strawberries
- ½ cup shredded carrots, ½ teaspoon cinnamon, ¼ teaspoon nutmeg
- ½ cup mini chocolate chips
- ¼ cup raisins, 1 teaspoon cinnamon
- ½ cup diced peaches and replace ½ cup milk with sour cream
- ½ cup diced strawberries, ¼ cup diced rhubarb, additional ¼ cup sugar
- 1 cup shredded zucchini and ½ teaspoon cinnamon

NOTES

DISCUSSION QUESTIONS

1

How can you save money on groceries and household items at home?

2

Why is it important to plan your meals for the whole week?

3

What are some ways you can make your own snacks and baked goods at home?

4

What are some things you can do to avoid impulse buying and save money?

5

What are some other ways you can save money on cleaning products?

6

How do you decide if a big purchase is worth the cost?

7

What are some strategies you can use to resist the temptation of buying unnecessary items?

8

How can setting financial goals help you save money and stay motivated?

RESOURCES

For further reading:

Little House Living by Merissa A. Alink

Bree The Coupon Queen
https://www.youtube.com/@BreeTheCouponQueen
Learn how to use rebate apps and get started couponing at Walmart, CVS, and Walgreen
$10 challenge

See Mindy Mom
https://www.youtube.com/@SeeMindyMom
Great easy cheap meal ideas and more money savings tips

Fun Cheap or Free
https://www.youtube.com/@JordanPageFunCheapOrFree
More money saving tips
Frugal Living

Christ-centered Corner

Extra encouragement from a Christian perspective.

The way we manage our money has a lot to do with our relationship with God and how we show respect to God for the things He has given us. The Bible speaks much about money and the place it has in our lives.

Stewardship: The Bible teaches us that everything belongs to God, and we are responsible for taking care of what He has given us (Psalm 24:1). Managing our money wisely is part of this responsibility. In the Parable of the Talents, in Matthew 25:14-30, Jesus tells a story about the importance of using our resources wisely.

Debt: Proverbs 22:7 warns us that if we borrow money, we become like servants to the people we owe. It is important to avoid unnecessary debt.

Preparing for the Future: Proverbs 21:20 says, "The wise store up choice food and olive oil, but fools gulp theirs down." This means that it is smart to save money for future needs and emergencies.

Generosity: By saving money, we can be in a better position to help others who are in need. Acts 20:35 teaches us that it is more blessed to give than to receive.

Avoiding Waste: By budgeting, we can make sure that we don't waste our resources and use them in ways that honor God (Proverbs 21:5).

Contentment: 1 Timothy 6:6-10 teaches us that being happy with what we have is very valuable. Managing our money well helps us avoid loving money too much, which can lead to many problems.

Trust in God: Managing our money wisely shows that we trust in God to provide for us, instead of relying only on our own wealth (Matthew 6:19-21).

By following these practices, we can take care of our finances in a way that honors God, meets our needs, and allows us to help others.

Module 2
Section 4

BUDGETING FOR SUCCESS

Take control of your money and reach your financial goals.

IN THIS SECTION YOU WILL:

Learn how to handle money well.

Understand the importance of keeping track of what your earn and spend.

Discover how to create a budget and set financial goals.

Find out to start saving after debts are paid off.

BUDGETING FOR SUCCESS

Take control of your money

Learn how to take control of your money and reach your financial goals.

Maybe you're feeling a little lost and don't know where to start. Don't worry, you're not alone! We're going to go through all the steps together, starting from the very beginning.

First, we're going to focus on getting our finances in order. Then, we'll learn how to manage our money wisely. Finally, we'll create a plan for how we spend our money each month.

Step 1: Gather Your Information

The first step is to gather all your important financial documents. This includes things like:

- Bank statements: These show how much money you have in your bank accounts.
- Credit card statements: These show how much you owe on your credit cards.
- Pay stubs: These show how much money you earn from your job.
- Loan documents: These show how much you owe on loans, like car loans or student loans.
- Tax statements: These show how much you paid in taxes.
- Any other documents that show your income or expenses.

It's helpful to have all this information in one place, either printed out or saved on your computer. It's also a good idea to write down all your important passwords so you can easily access your accounts.

Step 2: Create a Budget

Now that you have all your information, it's time to create a budget. A budget is like a plan for your money. It shows how much money you're bringing in and how much you're spending.

Don't be afraid of budgets! They're not about judging yourself or letting others tell you how to spend your money. Budgets are just a way to track your money so you can make smart choices.

When you create your budget, you'll want to include both your current spending and your projected spending.

Current spending: This is how much you're typically spending each month right now. Look at your recent bank statements and credit card statements to see how much you've been spending on things like groceries, gas, and entertainment.

Projected spending: This is how much you expect to spend in the next few months. If you think your spending will change, like if you're moving or getting a new job, you'll want to adjust your projected spending.

Step 3: Set Your Goals

Now that you know where your money is going, it's time to think about where you want your money to go. What are your financial goals?

Some common financial goals include:

- Saving for a rainy day: Having some extra money saved up can help you handle unexpected expenses.
- Paying off debt: Getting rid of debt can save you a lot of money in interest charges.
- Saving for a big purchase: Maybe you want to buy a new car, go on a vacation, or put a down payment on a house.

Step 4: Make Adjustments

Once you have your goals in mind, you can start making adjustments to your budget. There are two main ways to change your financial situation:

Increase your income: You could get a second job, ask for a raise, or find ways to earn extra money.

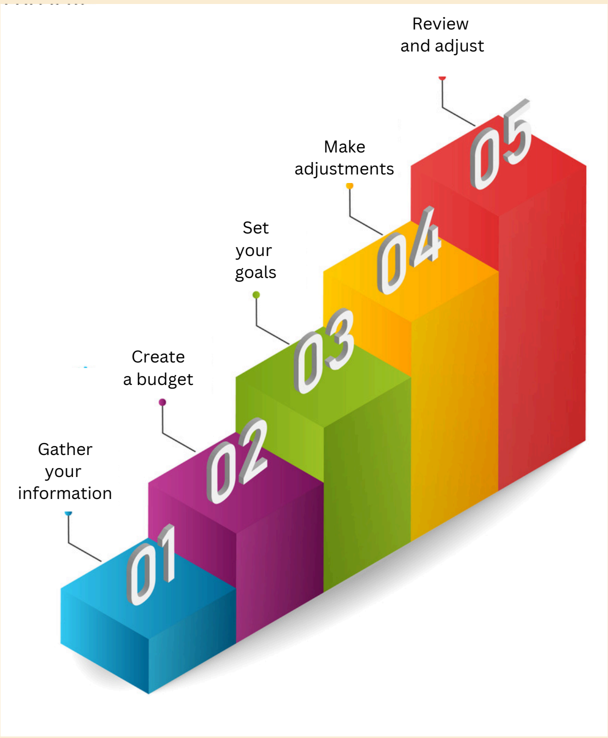
Decrease your expenses: You could cut back on unnecessary spending, find cheaper alternatives, or negotiate lower bills.

Step 5: Review and Adjust

Financial planning isn't a one-time thing. It's important to review your budget, savings, and goals regularly. You might need to make adjustments as your life changes.

It's also a good idea to go back and review all the steps from time to time to make sure you're still on track.

Remember: Taking control of your finances can be a journey, but it's a journey worth taking! By following these steps, you can set yourself up for a brighter financial future.



Five steps to manage your money

Okay, let's talk about money! We're going to learn five steps to help you manage your money.

You've probably heard that you should save money for things like retirement, your kids' college, or a house. Those are great goals! But they take a long time to reach. It's hard to save for the future if you're struggling to pay your bills each month.

These five steps will help you decide where to spend your money first and then how to save for your goals.

Step 1: Cover the Basics

First, we need to make sure you have enough money to cover your basic needs. This means things like:

- Food: Think about how much you spend on groceries each month.
- Toiletries: This includes things like soap, shampoo, and toothpaste.
- Rent or Mortgage: How much do you pay for your home each month?

Utilities: This includes things like electricity, gas, water, and trash service.

- Transportation: Do you drive a car? How much do you spend on gas and car insurance?
- Communication: This includes your cell phone bill and internet service.
- Health Expenses: Do you have any medical bills or co-pays?

We want to create a budget that covers these basic needs.

Step 2: Pay Off Your Debts

Once you're able to pay for your basic needs without using credit cards or taking out loans, you can move on to step two: paying off your debts.

We'll talk more about different kinds of debt later. But once you know how much you owe on each debt, the interest rate, and the minimum payment, you can figure out which debt to pay off first.

Highest Interest Rate: The debt with the highest interest rate will cost you the most money in the long run. It's usually a good idea to pay this one off first.

Highest Minimum Payment: The debt with the highest minimum payment can be a big drain on your budget. Paying this one off can free up more money for other things.

Fastest to Pay Off: Sometimes, it's easier to pay off a smaller debt quickly. This can give you a sense of accomplishment and motivate you to keep going.

The best way to pay off debt is to focus on one debt at a time. Pay as much extra as you can on that debt until it's gone. Then, use that extra money to pay off your next debt.

Steps 3 - 5: Saving for your goals

Step 3: Emergency Savings

Before you start saving for retirement or other big goals, it's important to have some money set aside for emergencies. This could be for things like:

- Car Repairs: Cars can break down unexpectedly.
- Medical Expenses: You might need to go to the doctor or the hospital.
- Job Loss: If you lose your job, you'll need money to cover your expenses until you find a new one.
- Family Emergencies: Unexpected things can happen to your family.

A good rule of thumb is to save enough money to cover two months of your expenses.

Step 4: Short-Term Goals

Once you have some emergency savings, you can start saving for short-term goals. These are goals that you want to reach within a year or two. Some examples include:

- Rental Deposit: If you're planning to move, you'll need to pay a security deposit.
- Vehicle Purchase: If you're buying a car, you might want to save up for a down payment.
- Education Expenses: If you're going to school, you might need to save for tuition or books.
- Furniture or Household Items: You might want to save up to buy new furniture or appliances.

Step 5: Long-Term Goals

Finally, you can start saving for your long-term goals. These are goals that you want to reach in five years or more. Some examples include:

- Purchasing a Home: Saving for a down payment on a house can take a long time.
- Traveling Abroad: A trip to another country can be expensive.
- Retirement: You'll need to save money for your retirement years.
- Children's Education: You might want to save for your children's college education.

It's important to remember that you should save for your retirement before you save for your children's education. This is because of tax laws.

Using the 5 steps

These five steps can help you make smart decisions about your money. They can also help you decide if you're ready to make a purchase.

For example, if you're thinking about buying a new car, ask yourself:

Have I paid off my debts?
Do I have enough emergency savings?
Can I afford the monthly payments?

If you can answer "yes" to these questions, then you might be ready to buy a new car. But if you're still struggling to pay your bills or you don't have enough emergency savings, then it might be better to wait.

Creating your budget

Now that you understand the five steps, let's talk about creating your budget.

1. Income

First, you need to figure out how much money you earn each month. This includes:

- Jobs: How much do you earn from your job(s)?
- Unemployment Insurance: Are you receiving unemployment benefits?
- Social Security: Are you receiving Social Security payments?
- Disability Benefits: Are you receiving disability benefits?
- Veterans Affairs (VA) Entitlements: Do you receive any benefits from the VA?
- Assistance Programs: Are you receiving any government assistance, like SNAP or WIC?
- Child Support or Spousal Support: Are you receiving child support or spousal support?
- Family or Friends: Are you receiving any financial help from family or friends?

2. Expenses

Next, you need to list all of your expenses. Remember, we're starting with your basic needs.

- Groceries: How much do you spend on food each month?
- Toiletries: How much do you spend on personal care items?
- Rent or Mortgage: How much do you pay for your home each month?
- Utilities: How much do you pay for electricity, gas, water, and trash service?
- Transportation: How much do you spend on gas, car insurance, public transportation, or ride-sharing services?

- Communication: How much do you pay for your cell phone and internet service?
- Health Expenses: How much do you spend on medical bills, co-pays, medications, and medical equipment?

3. Surplus or Deficit

Once you've listed your income and expenses, subtract your expenses from your income. This will tell you if you have a surplus or a deficit.

Surplus: This means you have money left over at the end of the month.

Deficit: This means you're spending more money than you earn each month.

4. Debt

Finally, you need to list all of your debts. This includes:

- Credit Cards: How much do you owe on each credit card?
- Loans: Do you have any personal loans, car loans, or student loans?
- Collections: Do you have any bills that are in collections?
- Fines or Legal Expenses: Do you owe any fines or legal expenses?
- Money Owed to Family or Friends: Do you owe any money to family or friends?

Feeling confident

Once you've completed your budget and gathered all of your information, you should feel proud of yourself! Even if your finances aren't perfect right now, you have the tools you need to improve your situation.

Remember to review your budget and goals regularly. This will help you stay on track and make any necessary changes.

NOTES

DISCUSSION QUESTIONS

1

Think about your own spending habits. What are some things you spend money on? How could you use a budget to help you make better choices about your money?

2

What are some financial goals you might have? How could you use the information in the text to help you reach your goals?

3

The text talks about paying off debts. Have you ever borrowed money from someone? How did you feel about paying it back?

4

What are some things you would like to save up for? How could you use the steps in the text to help you reach your goals?

5

How could you use a budget to help you make better choices about your money?

6

The first step to financial success is to gather all your financial information. Why do you think it's important to know where your money is going?

Income Sources

Income Sources	Current Income	Projected Income
Job #1		
Job #2		
Unemployment Insurance		
Supplemental Security Income (SSI)		
Social Security Disability Income (SSDI)		
VA (Service Connected Disability)		
VA (Non-service Connected Disability		
Private Disability Insurance		
Worker's Compensation		
General Assistance		
Social Security Retirement		
Job/Pension Retirement		
Child Support		
Alimony/Spousal Support		
SNAP (Food Assistance)		
WIC		
Section 8, Public Housing		
Other On-going Rental Assistance		
Other (please list)		
Other (please list)		
TOTAL INCOME	$	$

BASIC LIVING EXPENSES

Bare Minimum Basic Living Expenses	Current	Projected
Groceries		
Toiletries		
Rent		
Electricity/ Gas		
Water/Sewer		
Garbage		
Medical Appointments		
Medications		
Medical Supplies/Equipment		
Vehicle/Car Insurance		
Gasoline and/or Rides		
Cell phone		
Other (please list)		
Other (please list)		
Total Minimum Debt Payments		
TOTAL EXPENSES		

Debt & Payments on Debt

Debtors - Anyone you owe money to. (credit cards, banks, collections, old bills,	Reason for the Loan	Debt Balance	Interest Rate	Minimum Payment	Projected Payment
TOTAL DEBTS		$		$	$

RESOURCES

- How to Budget & Manage Your Money: Financial Planning Book for Beginners. How to Save Money Faster, Pay Off Debt and Control Your Finances (Smart Personal Money Management Series), Rachel Mercer (Author), May 4, 2020

- You Need a Budget: The Proven System for Breaking the Paycheck-to-Paycheck Cycle, Getting Out of Debt, and Living the Life You Want, Jesse Mecham (Author), December 26, 2017,

- How to Manage Your Money: An In-Depth Bible Study On Personal Finances, Larry Burkett (author), Moody Publishers / 2000

- https://www.ramseysolutions.com

Christ-centered Corner

Extra encouragement from a Christian perspective.

It's very important to be smart with your money! The Bible tells us that everything we have belongs to God, so we should use it wisely.

Proverbs 21:5 says, "If you plan ahead and work hard, you'll have plenty. But if you rush into things, you'll end up poor." This means that planning and being careful with our money is really important.

A budget is like a roadmap for our money. It helps us decide how to spend our money, so we don't waste it on things we don't need. A budget also helps us make sure we have enough money for important things like giving to others, saving for the future, and paying our bills.

Setting financial goals is another way to be a good steward of our money. It's like planning a big project. Luke 14:28-30 tells us to think ahead before we start something big. We should do the same with our money. Setting goals helps us avoid getting into trouble with money and makes us feel more secure. Some good goals could be saving for a rainy day, paying off debt, or planning for the future. When we ask God for guidance and pray about our goals, they become more than just money goals – they become a way to show God that we trust Him and want to live a life that honors Him.

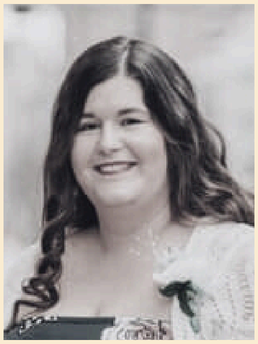
Being good with money also shows that we are content and trust God to provide for us. Philippians 4:11-13 says that true happiness doesn't come from having a lot of money, but from trusting God, whether we have a lot or a little. By managing our money well and setting realistic goals, we can avoid wanting more and more stuff. This helps us give generously to others, support our church, and be kind to those around us. It's like showing God's love to others!

So, a budget that follows God's word and is based on goals that honor Him is a powerful way to show our faith. It shows that we trust God to provide for us and that we want to live a life that glorifies Him.

MODULE PRESENTERS & CONTENT PROVIDERS

Sarah Adams has been with Bremer Bank for the past 8 years. She helped with this project because of her passion to watch others succeed in their everyday lives. She hopes her presentation can help someone find their way in the area of financial literacy.

Katie Bellos has worked for Bremer Bank for the past 26 years. She loves to see people strive for financial freedom and also have a better understanding of the banking world. When not at work, Katie loves to travel and go on cruises.



Allison Straumann is a Registered Nurse, wife, mother of both adopted and foster children, and a sourdough bread baker. Alli excels in finding ways to save money for her family and practices what she teaches.

Kelli Foss is new to the Brainerd Lakes Area and hit the ground running. She coaches volleyball, is a remote bookkeeper, and volunteers for several organizations. Kelli has two amazing kids, three dogs, and a husband serving in the US Navy.

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