

BUDGET, SAVE AND GET OUT OF DEBT!

BUDGET is a financial document used to project future income and expenses. It is a blue print that shows what money you plan on spending. It instantly shows you how money flows in and out of your daily lives. It is like a road map, without it you are driving around lost.

Why should I Budget? You should budget in order to have some level of control over your finances. A budget allows your money to work for you instead of you working for your money.

- **List all sources of monthly income**
- **List all required expenses, like rent / mortgage, utilities, phone**
- **List other possible and variable expenses**

Fact:

Like it or not, money plays a vital role in relationships today. Statistics prove that financial problems play a leading role in divorces today. Mastering a budget today can actually save your relationship tomorrow.

Tips

- **Conserve utilities when possible**
- **Consolidate your debts where possible**
- **Eat out less**
- **Do bulk shopping if possible**
- **Shop around for the best prices**

Monthly and Annual Tracker Example

WEEKLY

ANNUALLY

Eating out	12.00 5 days/wk	60.00	1,200.00
Snacks	5.00 5 days/wk	25.00	500.00

Saving is the conservation of money. Methods of saving include putting money aside in a bank or pension plan. Saving also includes reducing expenditures and recurring costs. There is some disagreement about what counts as saving. For example, a person's income that is spent on mortgage loan repayments is not spent on present consumption and is therefore saving, even though people do not always think of repaying a loan as saving.

"Saving" differs from "savings." The former refers to an increase in one's assets, an increase in net worth, whereas the latter refers to one part of one's assets, usually deposits in savings accounts, or to all of one's assets. Saving refers to an activity occurring over time, whereas savings refers to something that exists at any one time.

If savings are stashed in a mattress and not deposited into a financial institution, there is no chance for those savings to be recycled as investment. The act of *saving* corresponds to *preservation* of money for future use. Deposit account pays interest and is typically used to hold money for future needs.

To help you establish whether an asset is saving(s) or an investment you should ask yourself, "where is my money invested?" If the answer is cash then it is savings, if it is a type of asset which can fluctuate in nominal value then it is investment.

Getting out of Debt

The rich ruleth over the poor, and the borrower is servant to the lender, Proverbs 22:7

Many persons are straining under the weight of their debts. If only I did not have the mortgage or this credit card to clear. This might be wishful thinking for many and for others there is hope Following are tips that may assist you in your quest to reduce your debts or live debt free.

- ✚ Budget and stick to it, do not shop on impulse
- ✚ Pay your bills on time and reduce late fees
- ✚ If you must borrow contribute as much as possible to the project
- ✚ Shop around for rates, fees before you borrow from an institution
- ✚ If you are behind in your payments, do not avoid the institution or lender they can sometimes arrange easier payments
- ✚ Where possible consolidate your debts, you save on interest payment
- ✚ Do not let your spending be dictated by your need to keep up with the Jones'
- ✚ Pay more than your minimum payment on your credit card bill

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Save and Invest Today...Enjoy Tomorrow!

