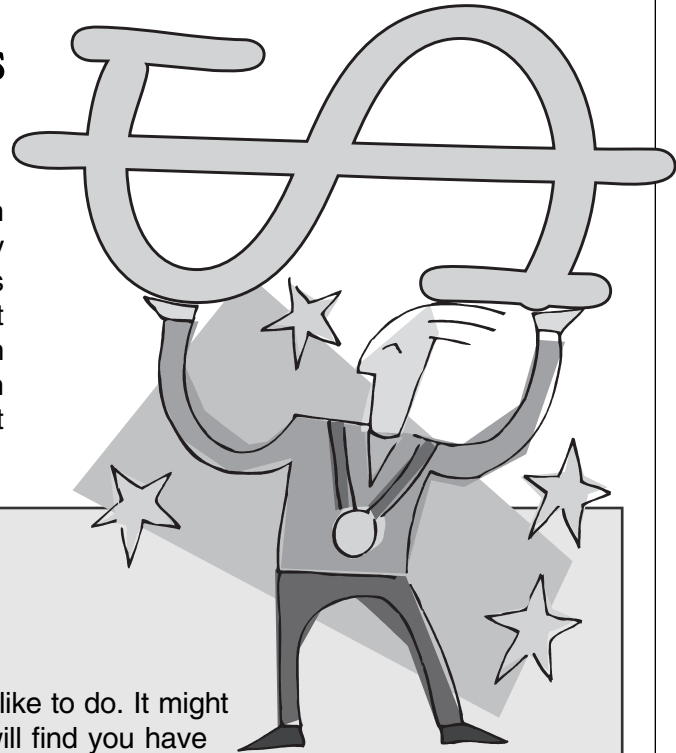




## Take Control of Your Finances

People who are in control of their finances are people who can account for their money. They plan ahead for needed cash, and they reserve money for foreseen as well unforeseen circumstances. They organize their finances in much the same way that businesses do their financial planning. Far too many families live paycheck to paycheck without any plan. One of the greatest benefits of a budget is not financial. It is emotional. There is an enormous psychological lift given to those who think through their financial needs and establish a budget to get where they want to go. ■



### A Simple Way to Start Your Budget

A budget doesn't mean you have to stop doing the things you like to do. It might for a little while, but as you manage your money better, you will find you have more money available to do the things you want.

"I don't need to establish a budget, I only work part time." "I don't need to establish a budget, I don't make enough money." "I don't need to establish a budget, I don't have any extra money." "I'll start budgeting next month."

If you've found yourself saying any of the above, you misunderstand the purpose of a budget. The sooner you get in the habit of budgeting your money, the easier it will be to keep budgeting when your financial health improves. The longer you procrastinate, the harder it will be to get your finances under control. By living from payday to payday, you put a tremendous amount of unnecessary stress on yourself.

**Here are a few steps you can follow to get a simple budget started.**

1. Identify all your consistent sources of income for one month, including your paycheck, overtime pay, child support, stock dividends, etc. Add these together.
2. Write down which day of the month you receive each source of income. This way, you will know which weeks of the month you have the most money and which weeks you have the least.
3. Pay yourself first. It's important to remember that it's not how much money you make every month, but what you do with it that counts. Saving a portion of your income for yourself each month, even if it's only \$10, helps you start to build a reserve.
4. Now write down all the bills you have no control over and the dates they are due. These are bills that have to be paid for you to survive. They would include rent, utilities, telephone, car payment and insurance, and loans.

*Continued on page 2*

# ARTICLES

*Continued from page 1, Start Your Budget*

5. Total up the expenses in #4 and divide them by the number of times you receive income in a month (#2). For instance, if you receive income twice a month, you should divide your total expenses by two. This will tell you how much you need to hold in reserve each time you receive income to pay your bills.
6. If the due dates on your bills conflict with your payment plan, that is, the times of the month you have determined that you receive income, talk to your creditors about getting the due date changed. For example, if you've decided to pay your car payment and insurance out of the income you receive the first week of the month but they are due on the 20th, you don't have to change their due dates because you can save that amount the first week and pay the bills before the due date.

But, if your telephone bill is due on the 7th and you have determined that it should be paid out of the income you receive the third week of the month, you should call the telephone company and ask them if you can change your due date to the third week of the month to coincide with getting paid. Most companies are willing to work with you. This will help you stick to your payment plan and your creditors will receive their payments on time. Everybody's happy!

7. Stick to your payment schedule and only pay your bills at the times you have established. This will help you develop financial consistency and eliminate the stress of not paying your bills on time. You'll also know exactly how much money you have available for other things. To begin with, you may not have any money left for additional expenditures, but that will improve as your bill payments go down.
8. Stop spending more money than you have, even if you know you will have it next month. Do not make purchases until the money is actually in your bank account. You must stick to your budget. Don't spend \$50 this month on something special for yourself if you only have \$25. Instead, put that extra \$25 in a safe place and then next month, when you have the other \$25, go ahead and buy it.
9. Understand that you can take control of your finances by budgeting your money. Being disciplined and willing to make the necessary sacrifices will help you gain financial security.

Your FFEF counselor can help you create a budget that will prevent you from having financial troubles in the future. For a detailed look at how to set up a complete budget, ask your FFEF credit counselor for copies of FFEF Volume 2: Creating a Budget and Volume 3: Implementing Your Budget. ■

## Establishing Change

Genuine changes must be made to replace old financial habits with new ones. These may seem painful at first, but the long-term rewards that happen will far outweigh the pain. Read through these suggestions and then sincerely assess the areas in which you need to create new financial behaviors.

- Stop reckless spending. Only spend money for the items you have allowed for in your budget. This is the first rule of debt-free living. Controlling your spending to reach your budget objectives is possible.
- Lower your level of wants. It's possible that much of what you're buying is satisfying a want and not a need. Learn to recognize the difference and do without the wants. Learn to say no to things that aren't vital or necessary.
- Commit your family. If you're going to succeed, eventually you must get all family members to make the same commitment to be debt free. Schedule regular meetings with your family to review your progress together. Everyone must be committed to the process of eliminating debt. Once they do, they will control their own spending.

*Continued on page 3*

## You Too Can Save

There are loads of ideas for how to live on less. Just type “penny-pinching ideas” into Google and see what happens. You don’t need to make your life miserable to enjoy the euphoria of having money in the bank. Here are some painless ways you can economize. Look online or at your local library for more. Your FFEF counselor has some resources you can check out as well.

- Direct deposit is your best friend because the money is whisked away into your favorite savings plan and you don’t have to do a thing. Drop by your payroll department and/or your bank and fill out the forms today.
- Eat three meatless days a week and you’ll save as much as \$25 a week. Veggies are good for you in more ways than one.
- Whenever you get a \$5 bill, set it aside. Or do the same with quarters, dimes, whatever you choose. You’ll have a nest egg started in no time.
- Never spend unexpected income. Take your income-tax refund, gift money you receive, that cost-of-living pay raise, and any other extras straight to the bank.
- Get better at haggling. You’ll be amazed at who is willing to drop their prices, fees and interest rates: airlines, hotels, credit card companies, salespeople. Give it a try!
- Evaluate your favorite night out. A restaurant dinner could cost you more than you spend on

*Continued from page 2, Establishing Change*

- Get a payment ahead. Through consistent effort it’s possible to save the money necessary for an extra payment. This can be saved as a hedge against an emergency or used as a power payment to apply additional money to your creditors, which lowers both debt and interest.
- Solidify your monthly income. One of the best ways to get a payment ahead is to be certain to perform well at your job to ensure your ability to pay. Part-time income could be considered.
- Reinforce the principles. Make the time to review with family members your combined efforts to get out of debt. Not doing so could limit the success of your plan. ■

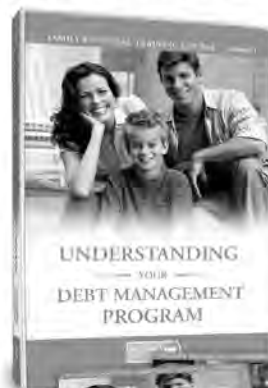
groceries in a week. Develop a relationship with your money and what it’s worth; then you won’t be so quick to spend it.

## The internet is a great resource to visit for money saving ideas.

- Raise your insurance deductibles. Reassess the deductibles for various kinds of insurance policies you hold. If you can raise them, your premiums drop.
- Throw away mail catalogs before you even open them.
- Never pay full price. Explore the online world of discount sites. Ebay, half.com, and craigslist.org are excellent sources of “lightly used” goods—everything from books to jewelry to office furniture. But beware and make sure you know the rules of bidding before you venture out.
- Don’t underestimate the value of the local dollar store. Party supplies, household paper products, children’s toys, bulk snacks, hair clips, kitchen tools, etc. are available at inexpensive prices. ■

## Introducing

The Access Education Financial Training Program



Learn more about:

- Debt management
- Budgets
- Improve your lifestyle
- Retirement planning
- Investments



You will receive one free volume every six months.

### Be Smart about Online Auctions

As more and more people join the internet community the popularity of online auction sites like Ebay.com, Ubid.com, and onlineauction.com continues to grow. Ebay is the equivalent of an international yard sale that you can visit from the comfort of your home computer. The excitement of being the winning bidder of an item can be additing, it can also cause problems as face-to-face disputes across multiple borders is difficult.

The number one rule on eBay regarding bidding policy states that all bids on eBay are potentially binding unless the item you bid on is in a Non-Binding Bid Policy category or unless the transaction is prohibited by the eBay User Agreement, or meets exceptional circumstances.

It's also true, however, that eBay management is aware that humans will make mistakes. If the mistake is yours and you follow the correct guidelines, you should have no problem retracting your bid. Be sure you read the guidelines on the eBay site before participating in the auction.

---

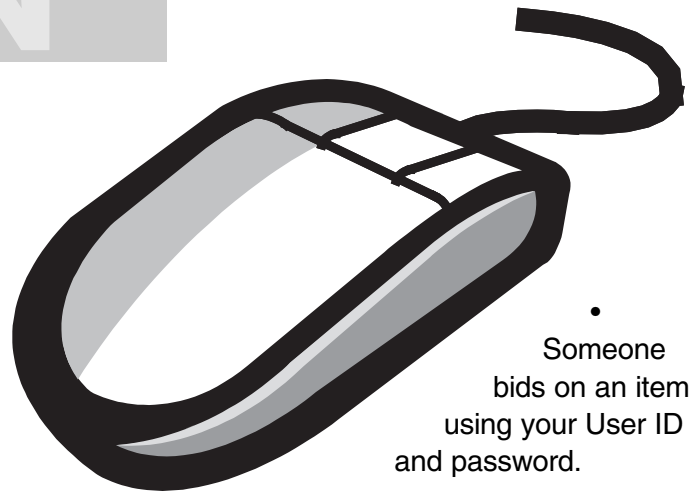
**The only reason a great many American families don't own an elephant is that they have never been offered an elephant for a dollar down and easy weekly payments.**

—Mad Magazine

---

#### When Are You Allowed to Retract Your Bid?

- You accidentally entered the incorrect amount.
- The item description has changed so much that it will affect the value of the item.
- You can't reach the seller: The phone is a non-working number and an email comes back to you as undeliverable.



Someone bids on an item using your User ID and password.

If, for example, you type \$200.25 instead of \$20.25, it is important to make your correction immediately. If you make a bidding error during the last 12 hours on the auction, you have one hour to make a correction, but you will need to complete the Bid Retraction Form available on the site. If you are correcting an error before or after the 12-hour period, you will have to bid again or you risk being suspended from eBay for violating the bidding policies.

#### When Can You NOT Retract Your Bid?

- You realized you really can't afford the item or you don't want to spend that much money.
- You bid on more than one auction site for the same item and don't want to buy all of them.
- You acted impulsively and you regret your bid.

Your bid-retraction history will appear in your Feedback Profile for six months so it's best to write a short explanation for your retraction that the seller and other bidders can read. If you cannot retract your bid, you can try contacting the seller to see if he or she will agree to cancel your bid. If not, you are stuck with the responsibility of making the payment. So BEWARE. Read as much information about site bidding policies as possible before participating ■

#### Family Financial Education Foundation

ACCESS EDUCATION SYSTEMS

Copyright 2006, All rights reserved.

724 Front Street, Suite 340

Evanston, WY 82930

(307) 789-2010, toll-free (888) 292-4333

[www.accesseducation.org](http://www.accesseducation.org)

**ACCESS**  
Education Systems

