

# MONEY MANAGEMENT

## *How to Make Your Money Go Further*

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*What do you have to show for the money you make each month? Do you have good health, two cars, a home, a large savings account? Or do you have a pile of debts and zero assets?*

The way you spend your money today will determine what you have six months from now, a year from now, five years from now, and in your lifetime. You control your financial destiny. You are responsible for the amount of money you earn and for the amount of money you spend. Successful money managers control the way they spend their money. They use money to accomplish the things that are important to them. Good money managers manage their money rather than letting it dribble away from them.

Do you have control of the way you spend your money? Do you live within your income, or do you have to borrow money or use savings to meet your regular monthly expenses? Living within your income requires careful planning. It requires self-discipline and the ability to say no to unnecessary spending.

The ability to manage money has to be learned, developed, and practiced on a daily basis. There are eight steps to successful money management:

1. Get organized.
2. Decide what you want to do with your money.
3. Look at all available resources.
4. Decide how much money you are worth.
5. Find out how much money you make.
6. Find out how much money you spend.
7. Set up a plan for spending your money and stick to it.
8. Evaluate your spending plan.

Following these eight steps will help you get control of your spending habits.

### **1. Get organized.**

Do you keep all of your bills and important papers in one location in your home? An organized business center will help you manage your family financial matters. Keep all of your family records and business correspondence in one location. When you receive any bill or important letter from a creditor, put the correspondence in its proper place in your business center. If you and a creditor disagree about how much you owe or the way you pay your bills, you'll have your own records to prove what has happened to date.

Your business center may be elaborate or simple. The type of system doesn't matter as long as you have some way to organize your financial papers. Papers may be separated by using large envelopes or individual file folders in a box or cabinet. Another alternative would be to use a three-ring notebook with dividers. Dividers with pockets can be used to store loose paper.

Label your files or the dividers for your notebook according to the types of records you keep. For example, labels might be tabbed as follows:

- Net worth statement
- Record of earnings
- Record of expenditures
- Location of legal records
- Health records
- Real estate records
- Family papers
- Household inventory
- Employment records
- Automobile
- Housing
- Utilities
- Clothing care and information
- Credit card and installment payments
- Insurance
- Tax records
- General household information

Keep supplies needed for handling your business transactions in your business center. Keeping envelopes, stamps, pens, pencils, checks, a calculator, and a calendar at your fingertips will speed your monthly bill paying. If you have a computer, you may want to use a record keeping program. (You will still need to keep your paper receipts.)

## 2. Determine your goals.

Good money management begins with goal setting. Goals give you direction. They give you a purpose for the way you spend your money. Goals motivate and encourage you as you work toward doing things that are important to you. What are some of the things you want to accomplish during your lifetime? Which of these cost money? Set up a plan for how you want to achieve these goals.

How do you set goals for spending your money? First you need to think about the things that are important to you and your family. Read over the list below. Pick out the things you and your family think are most important and place a “1” beside them. Place a “2” beside the things that are somewhat important. Place a “3” beside the things that are not very important to you and your family.

- \_\_\_ Religion
- \_\_\_ Education
- \_\_\_ Family vacation
- \_\_\_ Making lots of money
- \_\_\_ Saving money
- \_\_\_ Starting a new business
- \_\_\_ Personal appearance (*clothes, shoes, makeup, hair*)
- \_\_\_ Culture (theater, movies, dance, recitals)
- \_\_\_ Job success
- \_\_\_ Prestige
- \_\_\_ Food
- \_\_\_ Insurance
- \_\_\_ Recreation
- \_\_\_ Boat, fishing equipment
- \_\_\_ Household furnishings
- \_\_\_ Transportation (car, truck, cycle)
- \_\_\_ New house/condominium, apartment)
- \_\_\_ Health
- \_\_\_ Family activities
- \_\_\_ Friends
- \_\_\_ Paying off debts
- \_\_\_ Jewelry
- \_\_\_ Attracting opposite sex
- \_\_\_ Entertainment
- \_\_\_ Other

As an individual, you may have trouble deciding which item is more important than another. It’s even more difficult when two or more people live together as a family unit and share money. They may not agree on what is important. Because of this lack of agreement, it is sometimes difficult to decide where money will be spent.

Once you decide what is important to you, this list will help you see what you want to work toward. For example, if you placed a “1” beside a new car, your goal may be to buy a new car.

Goal setting involves more than deciding what’s important to you. To help identify goals, ask yourself the following questions:

- ◆ What do I want to do with my money?
- ◆ How much will it cost?
- ◆ How long will it take to get that much money?

When setting your goals, make a list. Write down what you want to do with your money.

- ◆ Make your goals specific. Don’t say, “I want financial security.” Financial security is not very specific. Instead, ask yourself what it takes to be financially secure. Your answer might be to have \$20,000 in savings when you retire in 20 years. If so, then you need to put \$44.30 a month in a 5 ¾% savings account each month for 20 years. Your specific goal then is to save \$44.30 a month from now until you retire. This is a clearly defined goal.
- ◆ Your goal should be realistic, challenging, and achievable. Is it possible for you to take \$44.30 out of your monthly budget and still meet your necessary living expenses? If you can afford \$44 a month, your goal is realistic, challenging, and achievable. If you can only afford to save about \$20 a month then you might have to reduce your long-term goal from \$20,000 to \$10,000.
- ◆ Goals should be measurable and reachable within a given time period. Specify the date when you want to reach your goal. You can’t put a date on reaching financial security, but you can save \$20,000 if you put \$44.30 in savings for 20 years.

Your goals should be yours. Don’t let someone else set your goals for you. You will be much more likely to reach your goal if it is something you really want to do. Goals are different for each individual

and family. They change as you go through the different stages of life.

Once you set your goals, picture your goals in your mind. See yourself living in that apartment, for example, or on the beach enjoying your dream vacation. Creative daydreaming puts your goals into your subconscious mind. Once your dream is in your mind, you start thinking of reaching that dream in ways you don't even realize. You automatically see ways to make your dream become a reality. Fix in your mind the exact things you want.

As you decide your goals, write down your short-term, intermediate, and long-term goals. (Use Worksheet A.)

- ◆ **Short-term goals:** the things you want to get done in the next week, next month, in six months, or a year.
- ◆ **Intermediate goals:** the things you want to get done in the next one to five years.
- ◆ **Long-term goals:** the things you want to do in the next five or more years.

As you list your goals, decide which goals you want to use your money for first. As you set dates for reaching your goals, ask yourself which goals are the most important and which are the least important. Ask yourself the following questions as you decide which goals you will work toward.

- ◆ How important is this to me and my family members?
- ◆ How urgent is this? If today is April 14 and you owe \$1,000 worth of taxes, paying your taxes is more urgent than paying off a \$950 charge-card debt.
- ◆ What will happen if I don't work on this goal? If you owe a \$700 credit card bill, paying it off \$100 a month will cost you less money in interest than paying \$35 for 20 months. It may squeeze your budget to pay it off in seven months, but it won't cost you as much money.
- ◆ What will I need to reach this goal in terms of money, time, energy, skills, knowledge, and ability?

Goals are important keys to successful money management. They can help you make your dreams come true within a specific period of time. Goals guide you so you use your money to do the things that are important to you.

If you added up everything you own and subtracted everything you owe, would you own more than you owe? Or would you owe more than you own?

### 3. Look at all available resources.

To reach your goals, you'll need to look at all the resources available to you. This will include your own skills and income, as well as other community resources. They may include time, energy, interests, knowledge, community service, or material goods. Many times, community resources offer financial help and/or free or low-cost alternatives for expenditures.

Such things as the library, cultural events, health department, parks, and transportation facilities provide services and recreation for the whole family at little or no cost.

### 4. Know how much you are worth.

How much money are you worth? If you added up everything you own and subtracted everything you owe, would you own more than you owe? Or would you owe more than you own?

Your financial net worth is determined by subtracting all you owe (your debts) from the current market value of all you own (your assets). This information will be useful when determining your insurance needs and when applying for loans, settling a divorce, or planning your financial future. If you need to sell some assets to get cash to pay debts, your net worth statement will let you see what assets you have and how much they are worth. Use Worksheet B to calculate your net worth.

Listed below are some guidelines to assist you in calculating your net worth:

- ◆ Have a real estate agent estimate the current market value of your home or make note of the sale value of houses in your neighborhood.

Your net worth gives you an overview of your overall financial future. Use it to help you identify financial goals you would like to work toward.

- ◆ Have an expert appraise current market value of your furniture, antiques, art, jewelry, and other valuables.
- ◆ Use a general merchandise catalog to estimate the value of other household items if you have lost the original sales receipts.
- ◆ Check the financial page in a newspaper to estimate the current value of any stocks and bonds that you own.
- ◆ Read your life insurance policy to determine the cash value.
- ◆ Determine the cash value of your retirement plan(s). Remember to include IRA accounts, as well as employer plans.
- ◆ Include the value of savings accounts and certificates of deposit.

Get the appraised value of valuables in writing and ask the expert to sign the appraisal letter. For insurance purposes, these values need to be updated regularly. There may be a charge for the appraisal, but it will be worth it if you need to file an insurance claim or when you settle an estate.

Your net worth gives you an overview of your overall financial future. Use it to help you identify financial goals you would like to work toward.

## 5. Know how much you make.

How much money do you have to spend each month to meet basic living expenses and help you reach your goals? The money spent each month comes from various places. Money is usually obtained from one or more of the following sources:

- ◆ Earnings from wages, salary, tips, commission, rent, interest, dividends, Social Security, retirement benefits

- ◆ Money received from relatives, friends, or the government in the form of transfer payments such as Social Security

Use Worksheet C to help you list your sources of income.

## Find Out Your Monthly Spendable Income

Find out how much money you have available each month by completing the following steps.

- ◆ Find your most recent pay stub.
- ◆ Look at the amount of gross pay. Gross pay is the amount of money you earn before deductions.
- ◆ Look at the amount of money going to each deduction. How much of your gross pay goes to each deduction (what percentage)?
- ◆ Look at the amount of your take-home pay. Your take-home pay is your gross income minus your deductions.
- ◆ Look for your total spendable income. Total spendable income is your take-home pay plus money from other sources. (Use Worksheet D to figure your spendable income.)

If you have an irregular income, estimate the total you expect to make for the entire year and divide by 12. Keep your estimate low. Workers such as salesmen, farmers, artists, and writers have irregular incomes.

Make a spending plan for each month. Then when you get a check, spend it according to your budget. If you get a larger-than-expected check, stick with the original spending plan and put the extra in savings.

## 6. Know how much you spend.

How much money do you spend for food, housing, transportation, clothing, personal care, and other things? If you don't know how much you spend each month for these items, keep a record of your spending. Write down everything you spend every day for a month. When you make a purchase, write the amount down. The amount doesn't have to be exact, but close enough to help you see where your money is going. Use Worksheet E to help you see where you are spending your money.

After you have a written record of where all of your money is going, divide your spending into categories: fixed, flexible, and miscellaneous expenses. Spending can also be divided into daily, weekly,

monthly, seasonal, or yearly expenses. Know what type of expenses you have. Know when and where you spend money so you can build a sound money management program.

- ◆ **Fixed expenses.** The expense items you pay a specific amount of money for every month for a certain period of time. These obligations are usually enforced through a signed contract. Some examples are rent or mortgage payments, life insurance, long-term care insurance, home insurance, and installment payments such as your car note. For most of these items, you cannot change the amount of the monthly payment.
- ◆ **Flexible expenses.** The expense items you have more control over. You decide how much you will buy and how much you will spend. Flexible expenses include food, clothing, gas, electricity, water, phone, transportation, gasoline, car maintenance, car insurance, personal care, medical expenses, furnishings, household expenses, education, and professional expenses.
- ◆ **Miscellaneous expenses.** The extra items you purchase that may not be absolutely needed. Some examples are music CDs, reading materials such as magazines, and recreational activities such as theater or movie tickets.

We're lucky that all our expenses don't have to be paid at the same time. We spend some money on a daily basis. We spend some on a monthly, quarterly, semiannual, or annual basis. Using Worksheet F, write down when these expenses are due. Then set aside enough money so you can cover the expenses when the bills come due.

Some examples of seasonal expenses are property taxes; car, home, life and health insurance; license plate renewal fees; and vacations. Monthly expenses may include house payment, car note, and

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utility payments. Daily expenses include transportation and snacks.

## 7. Plan your spending.

Do you have a written plan to guide your spending? If not, use Worksheet G to help you plan your monthly spending.

First, write down the amount of money you have to spend each payday.

Use your information from Worksheet E to find out your monthly expenses. Compare them to the average annual expenditures of Americans according to the most recent Consumer Expenditure Survey Results in Table 1. This table plus your record of expenses can help you decide how much to spend each month. Use Worksheet H to identify some ways to adjust your spending.

On Worksheet G, record how much you would like to spend for each item. As you develop your plan, see if you have allowed money for the following items:

- ◆ **Major expenses and future goals**, such as adding rooms to your home, buying a car, getting braces for your children's teeth, paying for your child's education, and buying a boat, gifts, or furniture
- ◆ **Emergencies**, such as replacing a flat tire, medical expenses, car accident, unemployment, car repairs, dental bills, house repairs, and appliance repairs
- ◆ **Seasonal expenses**, such as school supplies and clothes; house, car, health, life, and disability insurance; real estate taxes; registration fees for children such as for sports activities; family vacation; birthday and Christmas gifts; and taxes
- ◆ **Debts or past-due bills**, such as credit card balances, installment loans, and mortgage
- ◆ **Monthly expenses**, such as savings or investments, rent or mortgage, utilities, household supplies, food, contributions, installment payments, and medications
- ◆ **Daily expenses**, such as school lunches and supplies, tobacco, snacks, and meals out
- ◆ **Miscellaneous expenses**, such as civic club dues; newspaper or magazine subscriptions; laundry; clothing purchases and repairs; theater tickets, movie tickets, and other recreational activities; and personal care

# Do you control where your money goes, or does it go here, there, and everywhere?

Write down how much you plan to spend throughout the pay period, and try to stick with your plan. Remember to write down how much you spend and what you buy. Use those figures to calculate how much you actually spend. When you start the next pay period you can compare what you planned to spend and how much you actually spent. That will help you decide how you will spend your next pay check.

## **Stick to Your Spending Plan**

Once you have put a dollar figure on what you will spend each pay period, what can you do to stick to your spending plan? Before you spend your next dollar, ask yourself these questions:

- ◆ **Will this purchase help me reach my financial goals?** If your goals are important enough to you, they will motivate you to stick with your plan.
- ◆ **Is this purchase listed on my spending plan?**
- ◆ **What will I have to give up if I spend my money on this purchase?** Do I really need this new pair of shoes, or do I need this money to buy groceries or gas for the car?

Make your new spending plan a part of your daily life. Use it as a guide to help decide where you can cut your expenses. For example, you may want to save \$50 on clothing expenses and put that money in savings. Look for ways you can spend less money. Start using your spending plan today. Don't put it off until tomorrow. Tell others what you're trying to do, so they can encourage you along the way. Write down your new plan so it will be firmly planted in your mind.

Don't let an exception get in the way of your new spending habits. If you start taking your lunch to work so you can cut food expenses, eating out one day will discourage your new habit and keep you from reducing your food bill. Stay away from tempting situations.

Take advantage of every opportunity to break your old buying habits and encourage the new ones.

Continually look for ways to reduce your spending.

Do something every day that will help you save money. You may cut one coffee break at work. You may take your own instant coffee to work rather than buying coffee at the company cafeteria.

Finally, develop a reward system for successfully following your spending plan. If you save \$600 by the end of six months, then put most of the money in a savings account and keep a small amount to buy yourself a special treat.

## **8. Evaluate your spending plan.**

After you live with your spending plan a while, look it over. If you put \$100 in savings at the first of the month and took out \$50 before the end of the month, then maybe you can afford to save only \$50 a month. That's OK. At least you know what you are able to save. Reviewing your spending helps you decide exactly how much you can spend or save. Review your spending plan regularly and revise it so that it works for you. Ask yourself the following questions when you decide to spend your money:

- ◆ Is this the best use of my money right now?
- ◆ Will this purchase help me reach my financial goals?
- ◆ Is there something else I need to use this money for?

If you have trouble reaching your goals, work on disciplining yourself to follow your spending plan. A sincere commitment and dedication to your spending plan can help you manage your money better.

## **Summary**

Do you control where your money goes, or does it go here, there, and everywhere? Guide your money so it goes where you want it to go by using a spending plan.

You can build a sound money management program if you complete the following steps.

1. Get organized.
2. Know what you want to do with your money.
3. Look at all available resources.
4. Know how much money you are worth.
5. Know how much money you make.
6. Know how much money you spend.
7. Plan your spending and stick to it.
8. Evaluate your spending plan.

Remember, what you have in the future will depend on what you do with your money today.

**Table1. Average annual expenditures and percent of income by category.**

<b>Income</b>						
Annual	\$9,974		\$44,933		\$149,963	
Monthly	\$831		\$3,744		\$12,497	
<b>Category</b>	<b>Income</b>	<b>Percent</b>	<b>Income</b>	<b>Percent</b>	<b>Income</b>	<b>Percent</b>
Food	3,193	32	5,614	12	10,243	7
Food at home	2,138		3,210		5,186	
-Cereals and bakery products	276		413		673	
-Meats, poultry, fish, and eggs	532		749		1,172	
-Dairy Products	227		358		540	
-Fruits and vegetables	370		547		933	
-Other food at home	733		1,144		1,867	
Food away from home	1,055		2,404		5,058	
<b>Housing</b>	8,128	81	14,204	32	30,071	20
Shelter	4,805		8,269		18,025	
-Owned Dwelling	1,719		4,928		14,968	
-Rented Dwelling	2,946		3,032		1,363	
-Other Lodging	140		310		1,694	
Utilities, fuels, and public services	2,090		3,307		4,902	
Household Operations	310		668		2,398	
Household supplies	331		552		1,097	
Household furnishings and equipment	591		1,406		3,649	
<b>Apparel and Services</b>	845	8	1,680	4	3,548	2
<b>Transportation</b>	3,038	30	7,662	17	16,426	11
Vehicle purchases (net outlay)	987		2,940		7,442	
Gasoline and motor oil	991		2,182		3,508	
Other vehicle expenses	879		2,188		4,248	
Public transportation	182		352		1,228	
<b>Health Care</b>	1,485	15	2,647	6	4,086	3
<b>Personal Insurance and Pensions</b>	517	5	3,712	8	13,800	9
Life and other personal insurance	97		227		752	
Pensions and Social Security	420		3,485		13,048	
<b>All Other</b>	3,203	32	5,913	13	15,976	11
Alcoholic beverages	213		474		971	
Entertainment	879		1,898		5,105	
Personal care products and services	262		513		1,050	
Reading	51		98		232	
Education	505		477		2,281	
Tobacco products and smoking supplies	266		367		282	
Miscellaneous	454		674		1,652	
Cash contributions	573		1,412		4,403	
<b>Total Expenditures</b>	<b>\$20,409</b>	<b>203<sup>a</sup></b>	<b>\$41,431</b>	<b>92</b>	<b>\$94,150</b>	<b>63</b>

Source: The 2006 Consumer Expenditure Survey, Bureau of Labor Statistics, U.S. Department of Labor, Table1. Quintiles of income before taxes.

Notes: Annual income and expenses are shown for the lowest, middle, and highest 20% segments of consumer income.

<sup>a</sup> Indicates monetary assistance in the form of food stamps, subsidized housing, and other sources beyond actual income; use of equity; or indebtedness.



**Worksheet B**

**Net Worth Statements for Three Years**

Assets Owned	20_____	20_____	20_____
Cash on hand	_____	_____	_____
Cash in checking accounts	_____	_____	_____
Cash in savings accounts	_____	_____	_____
Cash value of life insurance	_____	_____	_____
Savings bonds*	_____	_____	_____
Money other people owe you	_____	_____	_____
Furniture and appliances	_____	_____	_____
Miscellaneous personal property (furs, jewelry, antiques, heirlooms, boats, art, etc.)	_____	_____	_____
Cars*	_____	_____	_____
Home*	_____	_____	_____
Other real estate*	_____	_____	_____
Stocks*	_____	_____	_____
Bonds*	_____	_____	_____
Mutual funds*	_____	_____	_____
Government securities*	_____	_____	_____
Annuities and other retirement plans	_____	_____	_____
Other assets*	_____	_____	_____
<b>Total Assets</b>	<b>\$_____</b>	<b>\$_____</b>	<b>\$_____</b>

Liabilities Owed			
Mortgage and liens	_____	_____	_____
Car loan	_____	_____	_____
Installment debts	_____	_____	_____
Personal loans	_____	_____	_____
Life insurance loans	_____	_____	_____
Charge accounts	_____	_____	_____
Other unpaid bills	_____	_____	_____
<b>Total Debts</b>	<b>\$_____</b>	<b>\$_____</b>	<b>\$_____</b>

**YOUR TOTAL NET WORTH**

	20_____	20_____	20_____
Total Liabilities	_____	_____	_____
Net Worth=Assets minus Liabilities	_____	_____	_____

\*Current market value

**Worksheet C**  
**Determine Income**

	AMOUNT							
	Per Week		Biweekly		Per Month		Per Year	
	gross	net	gross	net	gross	net	gross	net
Paycheck #1								
Paycheck #2								
Paycheck #3								
Paycheck #4								
Tips								
Commission								
Interest								
Dividends								
Gifts								
Annuities								
Social Security								
Retirement benefits								
Child support								
Alimony								
Public assistance								
Veterans benefits								
Other								
<b>Totals</b>								

**Worksheet D**  
**Determine Income**

	Paycheck #1		Paycheck #2		Paycheck #3		Paycheck #4	
	\$ Amount	%						
<b>Gross Pay</b>								
<b>Deductions:</b>								
Federal taxes								
State taxes								
Social Security (FICA)								
<b>Retirement</b>								
Plan #1								
Plan #2								
Plan #3								
<b>Insurance:</b>								
Hospitalization								
Accident								
Disability								
Life								
Other								
<b>Miscellaneous</b>								
Savings								
Credit Union								
Union dues								
Uniforms								
<b>Total Deductions</b>								

$$\text{\$ } \underline{\hspace{2cm}} \text{ (gross pay)} - \text{\$ } \underline{\hspace{2cm}} \text{ (total deductions)} = \text{\$ } \underline{\hspace{2cm}} \text{ (net pay)}$$

*\*To find out what portion of gross pay is used for deductions, divide your deductions by gross pay and multiply by 100.*

$$\text{\$529.85 (total deductions)} \div \text{\$1541.67 (gross income)} = 4.4\% (.344 \times 100)$$

$$\text{\$1011.82 (spendable income)} \div \text{\$1541.67 (gross income)} = 65.66\% (.656 \times 100)$$

If your total deductions are \$529.85 and your gross pay is \$1541.67, then 34.4% of your income goes to deductions and you get to keep 65.6%, or \$1011.82 to spend.

**Worksheet E**  
**EXPENSES**

Date Due	Item	AMOUNT		
		Week	*Month	Year
	Savings, investments			
	Housing – rent or mortgage			
	<b>Utilities</b>			
	Electricity			
	Gas or other fuel			
	Water			
	Telephone			
	Garbage			
	Home furnishings and equipment			
	Household maintenance and repair			
	Child care			
	Household help			
	<b>Transportation</b>			
	Automobile payments			
	Gas			
	Maintenance			
	Bus, taxi, etc.			
	<b>Food and groceries</b>			
	Meals eaten out			
	Alcohol and tobacco			
	<b>Clothing</b>			
	<b>Personal care</b>			
	Laundry/dry cleaning			
	Hair care			
	Spa or health club			
	<b>Insurance</b>			
	Automobile			
	Property			
	Home			
	Medical			
	Disability			
	Other			
	<b>Medical</b>			
	Doctor			
	Dentist			
	Medications			
	Other			
	<b>Recreation or entertainment</b>			
	Cable or satellite television			
	<b>Business expenses</b>			
	Taxes			
	Gifts			
	Contributions			
	Education or self-improvement			
	<b>Monthly installments</b>			
	Department stores			
	Bank charge cards			
	Oil companies			
	Loans			
	Other			
	<b>Miscellaneous</b>			

**TOTAL** \_\_\_\_\_

**Worksheet F**  
**Seasonal Expenses**

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<b>January</b>	<b>February</b>	<b>March</b>
<b>April</b>	<b>May</b>	<b>June</b>
<b>July</b>	<b>August</b>	<b>September</b>
<b>October</b>	<b>November</b>	<b>December</b>

**Worksheet G**  
**Paycheck and Planning Sheet**

Date of check \_\_\_\_\_

Amount of check \_\_\_\_\_

Item	Plan	Spent	Plan	Spent	Plan	Spent	Plan	Spent
Savings, investments								
Housing – rent or mortgage								
<b>Utilities</b>								
Electricity								
Gas or other fuel								
Water								
Telephone								
Garbage								
Home furnishings and equipment								
Household maintenance and repair								
Child care								
Household help								
<b>Transportation</b>								
Automobile payments								
Gas								
Maintenance								
Bus, taxi, etc.								
<b>Food and groceries</b>								
Meals eaten out								
Alcohol and tobacco								
<b>Clothing</b>								
<b>Personal care</b>								
Laundry/dry cleaning								
Hair care								
Spa or health club								
<b>Insurance</b>								
Automobile								
Property								
Home								
Medical								
Disability								
Other								
<b>Medical</b>								
Doctor								
Dentist								
Medications								
Other								
<b>Recreation or entertainment</b>								
Cable or satellite television								
<b>Business expenses</b>								
<b>Taxes</b>								
<b>Gifts</b>								
<b>Contributions</b>								
<b>Education or self-improvement</b>								
<b>Monthly installments</b>								
Department stores								
Bank charge cards								
Oil companies								
Loans								
Other								
<b>Miscellaneous</b>								

**Worksheet H**

**The Balancing Act**

Family spending must often be adjusted to stay within income limits.  
Take a few minutes to complete the exercise below.

<b>Can your family:</b>	<b>YES</b>	<b>NO</b>
Reduce grocery expenses		
Cut down on meals eaten out		
Cut consumption of non-nutritious beverages		
Maintain current home		
Find more economical living quarters		
Take on more home maintenance and repair jobs yourself		
Eliminate hired help inside or out		
Use utilities and household supplies more carefully		
Avoid buying new home furnishings unless needed		
Consider buying used furniture		
Select easy-care household fabrics and appliances		
Spend less for clothing and personal care		
Cut down on trips to beauty shop or barber shop		
Purchase a more economical car		
Cut down on vacation travel		
Use public transportation more		
Cut down on expensive hobbies or activities		
Take advantage of free activities		
Make use of the public library instead of subscriptions and purchased books		
Use public recreational facilities		
Reduce contributions or make them proportionate to income		
Give fewer gifts or spend less on gifts		
Cut back on face value of life insurance		
Convert some life insurance into annuity		
Know what income is not taxed		
Keep present group health insurance		

List some of your own ideas for cutting expenses:

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Approved for use in Kentucky by Suzanne Badenhop, Family Resource Management Specialist.

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