



***SOUTH CAROLINA FAMILY AND COMMUNITY LEADERS***  
Affiliated with National Volunteer Outreach Network, Country Women's Council, U.S.A., Associated Country Women of the World and in partnership with Clemson University Cooperative Extension Service

## **Leader Training Guide**

### **MONEY SMARTS...Managing and Saving Your Money**

#### **Objectives:**

1. Participants will recognize the difference in a need versus a want and set financial goals.
2. Participants will learn the steps in developing a family spending plan.
3. Participants will learn strategies for increased savings.

#### **Lesson Overview/Introduction:**

Financial pressures are disrupting many family spending plans. There is a need for families to plan and watch their family living expenditures. There is also a need for families to realize maximum use of their money. They must work together as a team. Parents must be open and honest in their communication with each other. They must also relate money matters to children as they become old enough to understand. By working together, family members can develop a plan to ensure financial fitness. It pays to know what you are spending. Dollars mean more when you decide where they should go.

#### **Lesson:**

##### **Setting Goals**

One of the best ways to manage your money is to set goals. It is necessary to decide what is important for you and your family today, 5 years from now, and later. It is also important to include all family members in the goals to ensure overall success.

##### **Needs Vs Wants**

Many times we say that we "need" something when we really mean we "want" the item. It is important that we first spend money for needs. Needs are those things essential to a family's livelihood. This means that money for rent or mortgage and utilities is a must. Other needs are food, clothing, and medical care. Transportation is often a need in order to earn an income.

Wants are things we think we cannot live without such as a flat screen television, cell phones, extra cars, a vacation, and so forth. People never get everything they want, but unless they plan for needs first, they will usually have serious money problems.

##### **Know What You Have To Spend**

You can only plan to spend the money you take home. If more than one person in a family or household earns money, then you will need to know the total amount of take-home pay. This is all you have available for your needs, wants and savings.

##### **Know What Goes Out**

The only way to know where your money goes is to track it for an extended period of time. Write down all expenses such as monthly payments. List all other contributions such as church,

recreation, food, clothing and other items. At the end of the month, total all of the expenses. This amount should be less than your total take-home pay.

### **Pay Yourself First**

Make savings a fixed expense in your budget. Pay yourself first, then pay your bills. When you pay your other bills, pay your savings bill by depositing the money into your savings account. It is recommended that you save 5 to 10 percent of your take-home pay each pay period. This can add up to a sizable amount if it is used properly. It is recommended that you save 3 to 6 months of your take-home income for an emergency fund.

### **Develop a Savings Plan**

**Use payroll deduction**—Have your employer deposit your savings directly from your paycheck into a credit union or bank account. If you never see it, you won't miss it. See how quickly even small amounts of money can grow.

**Save “bonus” money**—Save tax refunds, overtime pay, gift money, refunds, and rebates.

**Save coupon money**—Put aside the amount you “save” by using coupons at the grocery store or pharmacy. If you save \$2.00 a week using coupons, put the “savings” into your savings account.

**Collect loose change**—At the end of the day or week, empty out your pockets and wallet and put the change into a jar. Every other week or once a month, deposit the change into your savings account. Don't cheat yourself by “taking” change that has been collected.

**Break a Habit**—Every time you don't have a donut at coffee break, don't spend money in the soft drink machine, don't buy impulse items, save the money you didn't spend. Sometimes we spend small amounts daily without thinking. What are your habits? How much do they cost you each week? Break habits and see how your savings can add up.

**Have a “Nothing Week”**—Once in a while, have a week when you try not to spend any extra money—don't go to the movies, don't go out to eat, don't go shopping, etc. Save the money that you would have spent.

**Avoid the Use of Credit**—Unless credit purchases are paid in full each month, they eat away at your dollars, dollars that you could be saving and using to reach your financial goals.

**Carefully Evaluate all Spending Decisions**—Make every spending decision on the basis of how it will satisfy your goals. Eliminate spending for items that have little or no value relative to your goals.

### **Lesson Summary:**

Everyone wants enough money to live on. Many people feel they need more. Use money to help get what you want by making plans, follow your plans, and change your plans if you need to. Your money can take care of you. It cannot take care of itself. Plan to make your money take care of you.

## **Suggested Activities:**

### **ARE YOU A SAVER?**

Indicate yes or no to the following questions:

\_\_\_\_\_ Do you have money set aside for emergencies?

\_\_\_\_\_ Do you save some money from each paycheck?

\_\_\_\_\_ Do you save money to pay car insurance or taxes?

\_\_\_\_\_ Do you save money during the year to use for Christmas?

\_\_\_\_\_ Do you save money for big ticket items such as furniture or appliances instead of using credit?

If most of your answers to these questions are “yes”, you are probably a wise saver. Any “no” answers can help you identify areas where you could do better.

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