



**MIND YOUR
FINANCES**

**DEVELOPING A SAVINGS STRATEGY
FOR YOU & YOUR HOME**

Participant Guide



ACQUIRE IDEAS – NOT THINGS

Be Wired to the world around you



craigslist

amazon.com



THE BEST THINGS IN LIFE ARE FREE

(and many of them are in Florida)

A family trip to the beach would cost most Americans over \$1000 in airfare and hotel fees.

You can go for the cost of a ¼ tank of gas: \$10.



HOW TO MAKE THE SAVINGS HABIT STICK

1. Commit to a month
2. Find an accountability partner (could be someone in this class) – call them if you are on the verge of making an unnecessary purchase
3. Find a savings role model (someone who you know or someone you can learn about through reading) who is successful with their money, through tried and true savings
4. Write your goal down – track it.
5. Avoid tempting situations (don't go to the mall to "hang out").

ADDITIONAL READING: DIFFERENT TYPES OF SAVINGS FUNDS

When you start a personal savings fund, you should have a clear understanding of what you are saving for. Understanding your saving goals will help provide the drive and motivation to save. For example, your goal may be to save for a home, for emergencies, or for college.

There are many reasons why people have savings funds. Three of the most common reasons are:

- *Emergencies*
- *Investments/Retirement*
- *Special Occasions*

Emergency Fund: One of the most important types of saving funds is the emergency fund. You should save money for emergencies to avoid going into debt to pay for them. This could involve any number of unexpected issues: a job layoff and sudden loss of income, an accident resulting in out-of-pocket medical expenses, or other costly issue you can't avoid. Ideally, every family should have enough money saved in their emergency fund to last six months. This money is to cover the basics: rent/mortgage, food, utilities, etc.

Investment/Retirement Funds: Once your emergency fund is set, you should begin saving for retirement and long-term investing within a separate account. As you accumulate savings funds in your retirement/investment account, you can begin to look for ways to invest your money. A good way to start is to invest in a certificate of deposit (CD) at the bank. The interest rate paid on a CD is generally a little higher than on a savings account.

Special Savings Accounts: Special savings accounts are often considered “fun” accounts. These accounts are set up with a specific goal in mind, such as to save for a birthday present, an anniversary, or a family reunion. You can use an envelope if the amount you plan to save is not too large, or to be safer you could open an account at a local bank for this purpose. One of the best benefits of special savings accounts is that they keep you from using credit cards or having to borrow for these special occasions.

SAVING MONEY

Saving money can be difficult if spending on immediate needs always seems to take priority over saving. However, if you are serious about saving money, you must make a commitment to doing so.

There are two ways to save money:

- *The first is to save before you spend.*
- *The second is to save after you spend wisely.*

Both ways require your dedication and commitment.

TWO WAYS TO SAVE

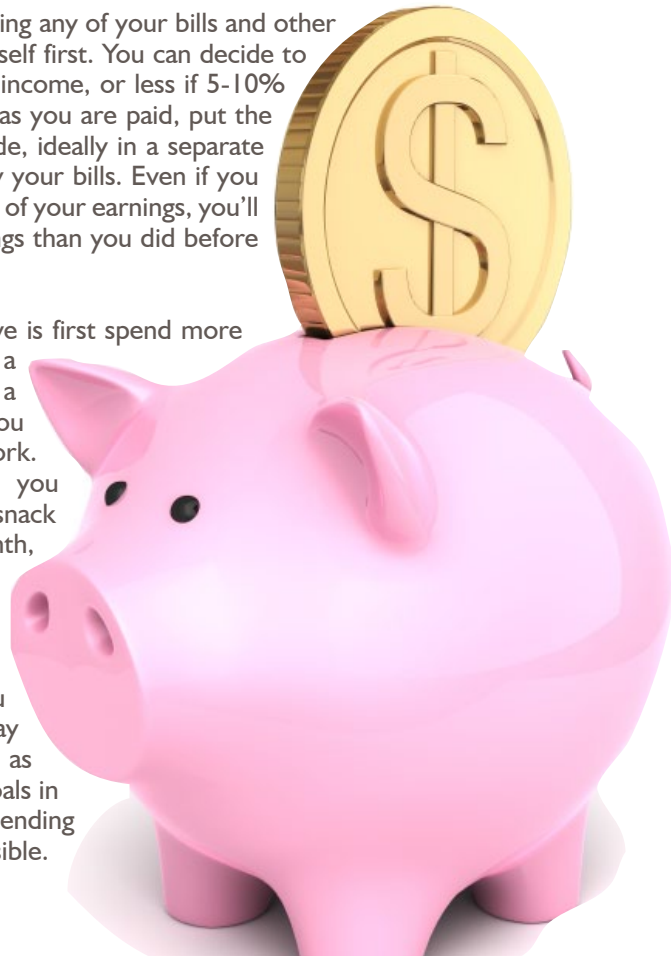
Both ways of saving money require you to have a spending plan and to budget effectively. The first method of savings is to pay yourself first.

Paying yourself first is a method that goes back many years. Farmers would keep a certain percentage of their harvest to feed their family before selling or trading the rest of the harvest. Paying yourself first requires that you deposit a certain percentage of your paycheck (your harvest) into your savings account.

How does it work? Prior to paying any of your bills and other expenses, you literally pay yourself first. You can decide to pay yourself 5 or 10% of your income, or less if 5-10% is simply not possible. As soon as you are paid, put the pre-determined percentage aside, ideally in a separate savings account, before you pay your bills. Even if you can only “pay yourself” 3 or 4% of your earnings, you’ll still have more to put into savings than you did before you began the process.

The second method way to save is first spend more wisely. For example, you take a look at your spending plan for a first month and you see that you spent \$60 on snacks during work. Ouch! For the next month, you budget to spend only \$30 on snack food. At the end of the month, you’ll have \$30 extra you didn’t spend that can go into savings!

Effectively managing your spending plan helps save you money. Some months you may not be able to save as much as other months, but keep your goals in mind and try to adjust your spending so you can save as much as possible.



GETTING STARTED ON YOUR SAVING STRATEGY

For many, the hardest part about creating an effective savings strategy is getting started. You may think “I just don’t make enough money” or “I have too many expenses to put any money into savings.” But you can prove to yourself these things aren’t true. Let’s examine ways to get you started on savings.

Paying off credit cards: Paying off credit cards is not impossible, but it does require setting a goal that makes paying off your credit cards a priority. This begins with taking inventory of all your credit cards and how much you owe on each card. The next step is deciding which credit card you will stop using first. Once that is decided, take that card and cut it up. Send as much money as you can each month to pay off the card. You are now rid of one card. Repeat the process until all the cards are paid in full. Sure, it won’t happen overnight but it will happen if it is your goal!

Price comparison shopping: In the Budgeting module we discussed ways to comparison shop and also using the 24 hour rule to keep us from impulse buying.

Save your change: Have a place (a jar works well) in your home where you can put your pocket change. When the jar is full, deposit the funds into your savings account.

Be a smarter food shopper: Always shop with a list so you only buy what you need and avoid impulse purchases. Take advantage of “buy one, get one free” offers but only on items you already buy – the same goes for coupons. Buy generic/store brands – they are usually made by the same companies as the name brands, just sold with different packaging for less.

WHY IT'S SO IMPORTANT TO SAVE

No one can predict the future with certainty. If we could, we would know precisely how much money we would need for the things we want and need in the future. But because we can't do this, it is critically important to save money.

Here are some of the main reasons why saving is important:

EMERGENCY CUSHION. You should save money for emergencies to avoid going into debt to pay for them. This could involve any number of needs: a new roof for the house, unexpected out-of-pocket medical expenses, or a job layoff and sudden loss of income.

RETIREMENT. If you intend to retire someday, you'll almost certainly need savings and/or investments to take the place of the income you'll no longer receive from your job.

AVERAGE LIFE EXPECTANCY. With more advances in medicine and public health, people are living longer, and that requires more savings.

VOLATILITY OF SOCIAL SECURITY. Social Security never was intended to be the primary source of retirement income. Instead, you should treat it as a supplemental source of income.

A LITTLE GOES A LONG WAY. You may ask yourself, "How can I save money when I barely make ends meet?" This is a common reaction of many people when considering the idea of planning for their financial future.



EDUCATION. The costs for educating your children are rising every year, and it's getting tougher to meet these demands.

But remember: The journey of a thousand miles begins with a single step.

In other words, just get started! The amount you can afford to save may seem small at first. You may think, "What's the use? This little bit never will add up to anything." But that attitude is plain wrong.

When you save money in an interest-bearing account at the bank or invest it in a retirement account at work, your money grows – not only because you will keep those dollars for future use but also because you will earn additional income, such as interest or dividends, on the dollars you save.

So, what are YOU waiting for?

THE JONES FAMILY

Maria knows she needs to save for emergencies and her retirement, but at the end of each month she has no money left over. After attending a personal finance course, she made a goal to save \$1200 in one year (\$100/month). Here is her monthly budget:

Income: \$1800 per month

Expenses:

Rent: \$750

Cell Phone: \$60

Cable: \$45

Food: \$150

Daycare: \$650

Utilities: \$75

Transportation: \$70

Based on her budget above, list three ways Maria could save:

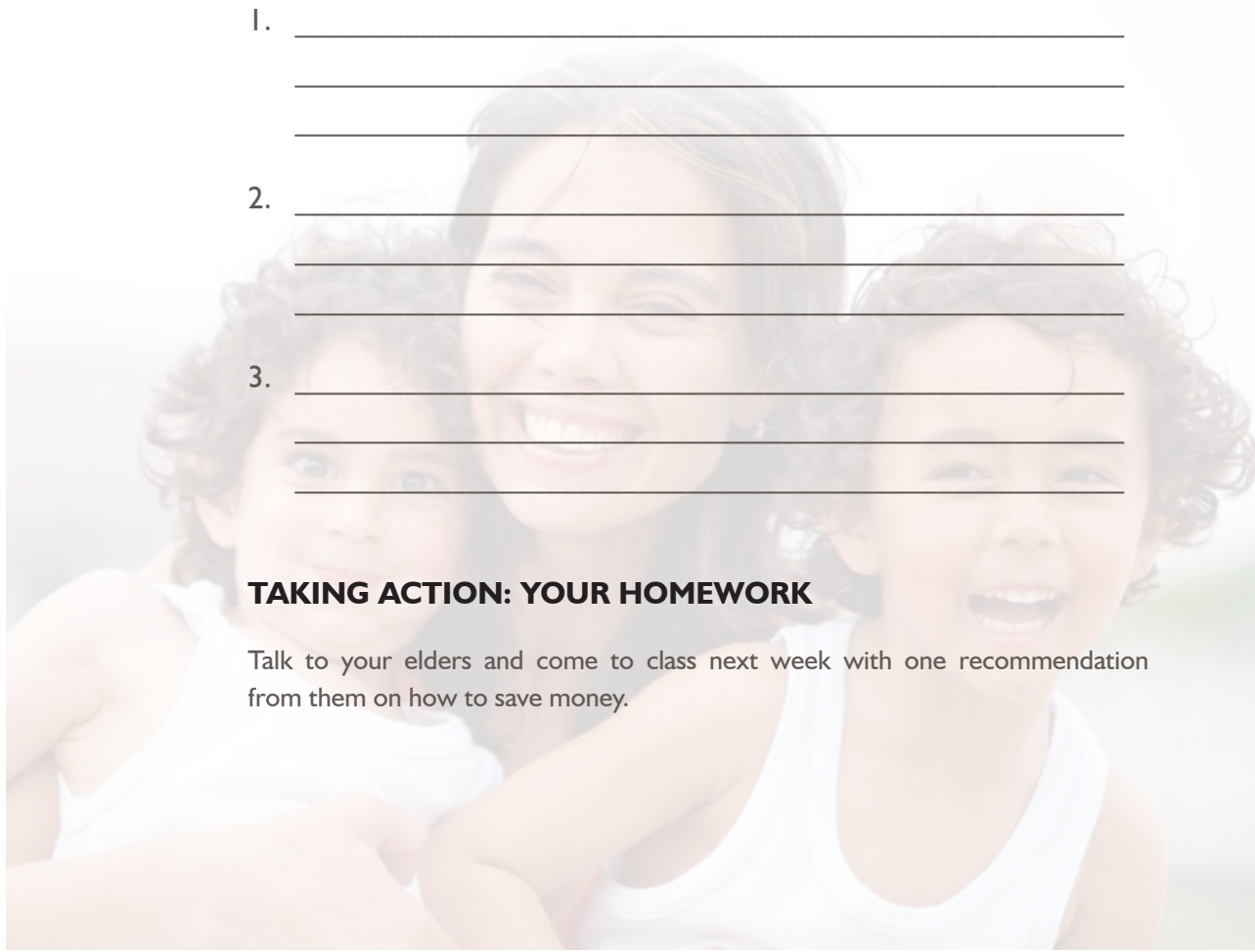
1. _____

2. _____

3. _____

TAKING ACTION: YOUR HOMEWORK

Talk to your elders and come to class next week with one recommendation from them on how to save money.



HOUSE KEEPING 101: SAVING TO MAINTAIN YOUR HOME

“LOVE YOUR HOME AND IT WILL LOVE YOU BACK”



ICE BREAKER:

1. What are some ways you can “love” your home?
2. What are consequences of not loving your home?

RESPONSIBILITIES OF A NEW HOMEOWNER

Now that we have discussed having savings goals and the different types of savings funds, let's take a look at one of the most important funds you need to keep in mind as you get ready to become a new homeowner. So many times people purchase a home and before long they find it falling apart due to lack of care. In order to take care of your investment, you need to think a bit ahead by following a maintenance schedule. This will help you hold your repair and replacement costs to a minimum.

Some activities like mowing the lawn and picking up litter should be done as frequently as needed in order to keep your property attractive. However, there are many important tasks that call for advance planning to make sure that you'll have the resources you need to get them done. Many jobs can become household projects and some will require outside help. By developing a list, you'll see the difference. You'll also give yourself lead time for setting aside the money you'll need to get them done.

Your goal should be to do the maintenance that will keep your home safe, secure, comfortable and attractive. You'll need to look out for weather and water damage, fire, electrical, safety hazards and problems in major systems such as plumbing, heating and cooling.

MY MAINTENANCE CALENDAR

Brainstorm seasonal & annual maintenance that will keep your home in good shape.

Fall: _____

Winter: _____

Spring: _____

Summer: _____

Annually: _____

SAVING BIG MONEY BY SPENDING LITTLE MONEY

Below is a list of common maintenance tasks.

How can these tasks help you save money over time?

- Check & clean A/C system, filters and vents
- Clean kitchen appliances inside and out
- Clean dust off of refrigerator coils
- Replace batteries in smoke detectors
- Power wash fences and other outdoor spaces
- Keep bathroom tile free from mold
- Repair leaky faucets and toilets as soon as leaks present themselves

What major systems need to be monitored?

You'll need to pay attention to how your electrical, plumbing, and heating/cooling systems function. Not only is their efficient operation vital to your safety and comfort, but any malfunctions that aren't quickly corrected can be costly.

It's important to know where your water cut-off valves are located. Your main valve is usually located where the water supply enters your home. If a pipe cracks or bursts, you'll be able to shut off the incoming water supply and avoid possible water damage to your property and possessions. There should also be separate cut-off valves for each sink, bathtub or shower, toilet, water heater and appliance that uses water. That way, if any of these develops a leak, you can turn off the water supply at a specific location and make repairs without having to turn off the water supply for the entire house. You'll want to look out for minor problems such as dripping faucets, low water pressure and slow flowing drains that you can fix inexpensively yourself. Otherwise, they may become major problems that require expensive plumbing repairs.

YOU: THE 'SUPER' OF YOUR NEW HOME

It's important to do what you can to keep your home in clean, working order. However, some tasks are better left to the professionals, especially those involving electricity, major construction, and heavy plumbing. But how do you find a repair person you can trust?

- Get references from your friends & neighbors
- Shop around, always get quotes in writing
- Never hire someone who knocks on your door offering a service for cash in advance
- Check with the Better Business Bureau to see if the company you are hiring has a history of complaints

Better Business Bureau: Who would you choose to work on your home?

BBB BUSINESS REVIEW

Overview **Complaints** Directions What is a BBB Business Review?

BBB ACCREDITED BUSINESS SINCE 09/08/2010

Top Notch Plumbing Services, LLC

Find a Location

Phone: (407) 888-0031

Fax: (321) 445-5385
[View Additional Phone Numbers](#)
 424 E. Central Blvd # 151, Orlando, FL 32801-1923
cthrs@topnotchplumbing.com
<http://www.topnotchplumbing.com>

ACCREDITED BUSINESS On a scale of A+ to F
Reason for Rating
BBB Ratings System Overview

[Share](#) [Print](#)

BBB Accreditation

A BBB Accredited Business since 09/08/2010

BBB has determined that Top Notch Plumbing Services, LLC meets BBB accreditation standards, which include a commitment to make a good faith effort to resolve any consumer complaints. BBB Accredited Businesses pay a fee for accreditation review/monitoring and for support of BBB services to the public.

BBB accreditation does not mean that the business' products or services have been evaluated or endorsed by BBB, or that BBB has made a determination as to the business' product quality or competency in performing services.

BBB BUSINESS REVIEW

Overview **Complaints** Directions What is a BBB Business Review?

THIS BUSINESS IS NOT BBB ACCREDITED

Nextown Technologies LLC

(888) 467-4217

[View Additional Phone Numbers](#)
 7300 Sand Lake Rd Ste 500, Orlando, FL 32819-5257
<http://www.grabswag.com>

[There is an alert for this business.]

On a scale of A+ to F
Reason for Rating
BBB Ratings System Overview

[Share](#) [Print](#)

BBB Accreditation

Nextown Technologies LLC is not BBB Accredited.

Businesses are under no obligation to seek BBB accreditation, and some businesses are not accredited because they have not sought BBB accreditation.

To be accredited by BBB, a business must apply for accreditation and BBB must determine that the business meets BBB accreditation standards, which include a commitment to make a good faith effort to resolve any consumer complaints. BBB Accredited Businesses must pay a fee for accreditation review/monitoring and for support of BBB services to the public.

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Reason for Rating

BBB rating is based on 10 factors. Get the details about the factors considered.

Factors that lowered Nextown Technologies LLC's rating include:

- BBB concerns with the industry in which this business operates.
- Length of time business has been operating.
- 45 complaints filed against business.
- Failure to respond to 11 complaints filed against business.
- 5 complaints filed against business that were not resolved.
- 39 serious complaints filed against business.
- BBB does not have a clear understanding of this business.
- Business has failed to resolve underlying cause(s) of a pattern of complaints.
- BBB does not have sufficient background information on this business. BBB made two or more requests for background information from the business. BBB has not received a response from this business and/or has not been able to verify information received from the business.
- BBB does not have sufficient information to determine size of business. BBB evaluation of business is based on rating formula's smallest size classification.

The name and logo of the Better Business Bureau is a federally registered trademark owned and controlled by the Council of Better Business Bureaus, Inc. (CBBB). The CBBB does not allow any company to use the name or logo without first signing a use agreement form and never as an implied endorsement. The BBB of Central Florida has written to this company requesting they remove all mention of membership in the BBB from their advertising as the company is not an accredited business of the Better Business Bureau.

Customer Complaints Summary

[Read complaint details](#)

45 complaints closed with BBB in last 3 years | 45 closed in last 12 months

Complaint Type	Total Closed Complaints
Advertising / Sales Issues	21
Billing / Collection Issues	9
Delivery Issues	3
Problems with Product / Service	12
Guarantee / Warranty Issues	0
Total Closed Complaints	45

[Complaint Details](#) | [Definitions](#) | [BBB Complaint Process](#) | [File a Complaint](#)

Government Actions

BBB knows of no significant government actions involving Nextown Technologies LLC.

DISCUSSION QUESTIONS:

Take a look at “Reason for Rating” for Top Notch Plumbing. Why is length of time business has been operating important?

What red flags do you see associated with Nextown Technologies?

BBB reviews can be found by going to www.bbb.org

BUDGET TO REPLACE MAJOR APPLIANCES

Major appliances won't last forever, and when they wear out, you'll want to have money set aside to replace them. Here's a guide to how long you can expect major appliances to last.

APPLIANCE/ITEM	USEFUL LIFE	ESTIMATED REPLACEMENT COST
Clothes washer or dryer	10	\$500
Water heater	11-14	\$600
Heat/AC	18	\$6000-\$12,000
Dishwasher	10	\$400
Range	18-20	\$500
Refrigerator	16	\$800-\$1000
Disposal	10	\$200
Paint – Interior	5-10	\$100/room
Carpeting	8-12	\$200-\$500/room

EMERGENCY FUND CHALLENGE:

Spend five minutes brainstorming how you can form an emergency replacement fund of \$1000. Here are some “fill in the blank” ideas to get your creative juices flowing. Share your savings strategies with the class.

I will build a \$1000 emergency fund by doing the following:

Setting aside \$_____ each month for _____ months

Giving up _____ for _____ months

Selling _____ in a garage sale

BUILDING YOUR TOOL CHEST

Having a well stocked tool chest should be included in your savings fund for the home. Your basic set of hand tools for most small home repair and maintenance tasks should include the following:

- Flashlight & batteries
- Electric hand drill
- Claw hammer
- Pliers
- Adjustable wrench
- Socket wrench set
- Work gloves & safety goggles
- Flat-head screwdriver
- Phillips screwdrivers
- Plunger
- Sanding block & sandpaper
- Handsaw
- Nails, screws, bolts

If you're more than a weekend handy person, you may have a selection of power and other specialized tools to make your work faster and easier. Whatever your skill level, make sure you have a basic first aid kit to take care of minor accidents in your home and garage.

Keep in mind the need to have working smoke alarms and fire extinguishers in your home. If your home has gas or oil heat, a fireplace or a wood-burning stove, you may also want to install a carbon monoxide detector.

Tip #1

A great place to look for useful and inexpensive tools is garage and estate sales.

Tip #2

Did you know that you can attend free repair and decorating classes at retailers like Lowe's & Home Depot?



HOUSE KEEPING 102: PREVENTING FORECLOSURE

Your home is a big investment, and not just a financial one. You will invest time, energy, and emotion there too. With any major milestone in life, it is important to learn how to protect this investment against loss. One way that people lose their homes is through foreclosure. During a foreclosure, the mortgage-holder (typically a bank) takes back the home from the homeowner. After a home has been foreclosed upon, the mortgage-holder can sell the home to someone else. The original homeowner has lost the property. Having a three to six month emergency fund is a good idea for those times you may experience a real emergency such as: loss of a job, reduction of hours, illness, death in the family, etc. Having this fund could make the difference between being able to keep your home or losing it to foreclosure.

Understanding the Consequences of Foreclosure

- You will find it difficult to get a new mortgage for several years
- Your credit score will go down by 200-300 points
- Feelings of grief, failure and depression
- Financial insecurity
- With poor finances and a low credit score, your rental options may be limited

Recognizing the Signs that May Lead to Foreclosure

It is important to understand that Foreclosure is a symptom of a larger financial problem. The following is a list of signs that may indicate you are at risk of foreclosure. If these apply to you, start now by working to correct them. Be proactive, not reactive.

- Are you living from paycheck to paycheck?
- Are you unsure or unaware of the total amount of debt you owe?
- Have you paid late fees and/or over the limit fees at least twice in the past year?
- Do you have debt payments (other than your mortgage) that are more than 20 percent of your pre-tax income?
- Have you received telephone calls from creditors about overdue bills more than once during the past six months?
- Are you struggling to pay more than the minimum payment on your credit card accounts?
- Would you be unable to meet your financial obligations for three months following a decrease in income or a costly emergency purchase?
- Do you have money problems that cause distress or conflict at work or at home?
- Are you at or near your credit card limits?
- Have you borrowed from one credit card or taken a cash advance to help pay off another credit card at least once in the past year?

Discussion Questions:

Have you known anyone that has experienced a foreclosure?

What were the financial and emotional consequences?

WHAT IF I'M HAVING PROBLEMS MAKING MY PAYMENT?

If you are in danger of being late on a payment, you should:

- *Call your lender, call your lender, call your lender. Some lenders allow 1-2 late payments/year without a late fee. You'll never get this benefit if you don't ask for it.*

If you can no longer make your payments, you should:

- *Call InCharge Housing Counseling: 1-877-712-6040. A certified financial counselor will help you evaluate your options.*

DON'T FALL FOR A FORECLOSURE SCAM.

THE PROMISE	THE REALITY	THE RESULT
Sign this paper and I'll pay your past-due mortgage payments	The paper is a deed that transfers ownership from you to the scam artist who never pays your lender a cent.	You lose the home and any equity you've built up AND you'll still owe the unpaid balance on the mortgage.
Sign this paper and I'll get you a new loan.	The paper is a deed and the new loan has a much higher interest rate than the one you're already having trouble paying.	You lose the home and get saddled with debt for a first AND second mortgage loan.
I'll sell your home fast for a great price.	The "great price" turns out to be far less than you'd earn on a short sale arranged by your lender.	You lose the home and still have to pay off the unpaid balance of the mortgage loan.
I'll rent your house and pay your lender directly instead of paying you.	Your "renter" lives rent-free and never pays your lender.	You lose the home and end up in foreclosure AND bankruptcy because of the accumulated non-payment.

Discussion Questions:

Why are people more likely to fall prey to a scam during a personal financial crisis?

If you're in a bad financial situation, no one can guarantee that you will avoid foreclosure, but you can avoid making your situation worse by contacting 501(c)(3) nonprofit InCharge Housing Counseling: 1-877-712-6040.

THE FRUGAL KITCHEN CHILI CON CARNE

INGREDIENTS:

- 2 cans (15 ounces each) red kidney beans, rinsed and drained
- 1 can (15 ounce) corn, rinsed and drained
- 1 tablespoon vegetable oil
- 1 large onion, quartered, sliced
- 1 green bell pepper, chopped
- 1 pound ground round
- 1 can (14.5 ounces) tomatoes
- 1 (8 ounce) can tomato sauce
- 1 can mild green Chile peppers
- 2 teaspoons finely chopped jalapeno Chile pepper, optional
- 1 tablespoon chili powder
- 1 1/2 teaspoons salt
- dash cayenne pepper, or to taste
- dash ground cloves
- 1 small bay leaf
- 1/4 cup chopped cilantro

DIRECTIONS:

1. In a large pot brown the ground beef in the oil for 5 minutes.
2. Add the onion and pepper and cook for 3 to 4 minutes.
3. Add the tomatoes, tomato sauce, peppers, chili powder, salt, cayenne, cloves and bay leaf. Cover and simmer for 1 1/2 hours, adding a little water if needed to keep from sticking and burning on the bottom. Check and stir frequently.
4. Add the beans and corn, heat through for 10 minutes. Add in the cilantro and serve. Serves 6.

