

# Best Kept Secrets for Financial Success

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Consumer Economics Educator




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## Objectives

- Know your financial goals
- Be conscious of spending decisions
- Balance short-term and long-term goals
- Understand how to comparison shop
- Watch for “too-good-to-be true”
- Ask for help



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What's the one thing you're not willing to buy cheap?

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## Polling Time

Who am I talking to?

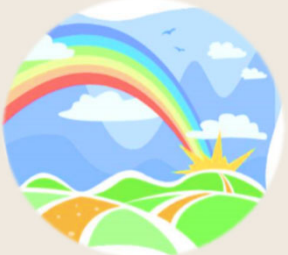
Please choose the answer that describes your age.

**Your answers are anonymous!**

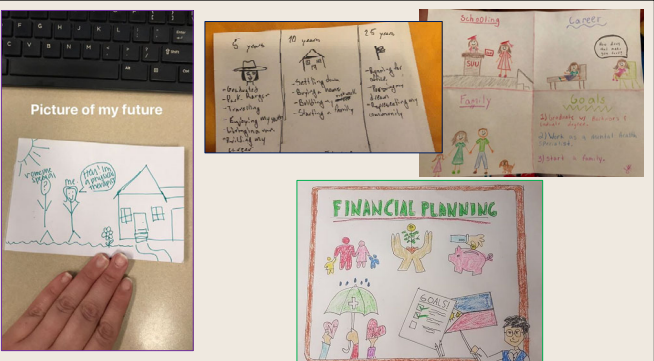
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## Financial Goals

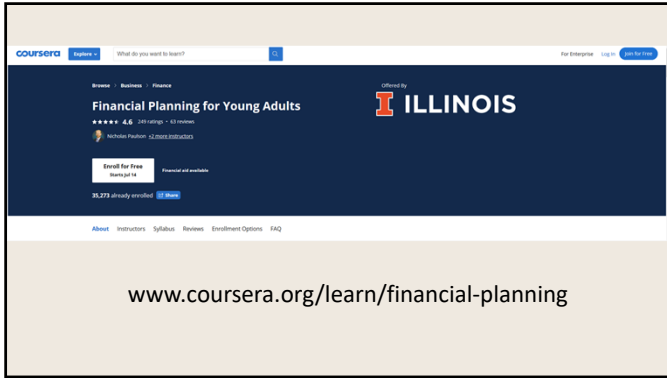
Dream Big!  
Where do you want to be down the road?



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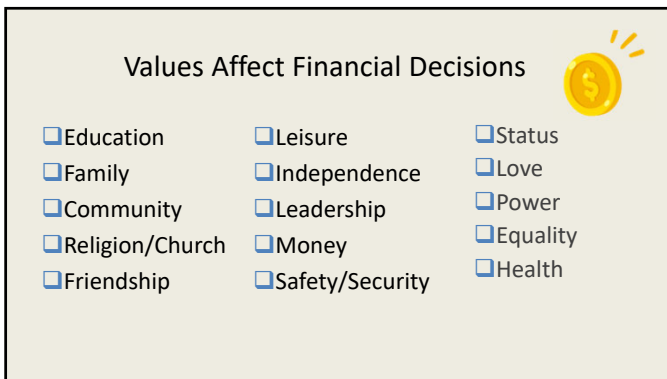
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Date	Goal	Total Amount Needed	Target Date	Amount Needed Monthly or Weekly
January 2021	Build emergency savings	\$1200	Jan 2022	\$100 / month
January 2021	Pay down credit card debt	\$750	Jan 2022	\$50 / month
January 2021	Check credit report		Feb 15, 2021	

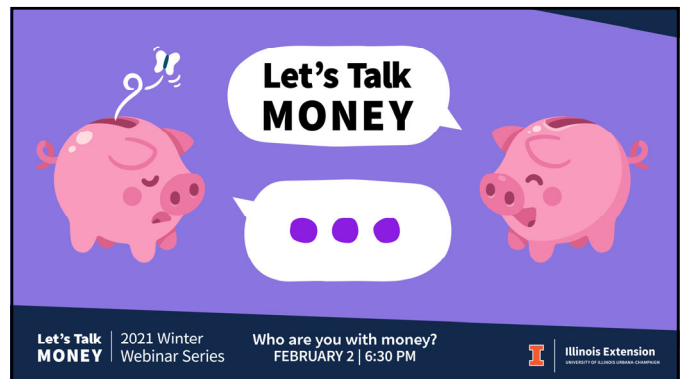
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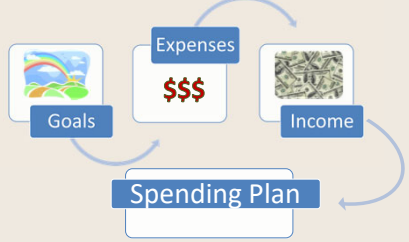


### Five Steps to Spending Plans

1. Know what's important to you
2. Set financial goals
3. Know your income and expenses
4. Make a spending plan
5. Evaluate your plan

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### Be Conscious of Spending Decisions




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    graph TD
      Goals[Goals] --> Expenses[Expenses]
      Expenses --> Income[Income]
      Income --> SpendingPlan[Spending Plan]
      SpendingPlan --> Goals
  
```

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### Let's Talk MONEY

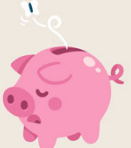
What is a tool or way to track expenses?



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### Tracking Expenses Tools

- Phone apps such as: Mint, YNAB, EveryDollar, Make a List, Spending, etc.
- Many of these apps (such as mint.com and youneedabudget.com) also are websites.
- Spreadsheets are also popular: Excel, Google
- Tried and true methods like paper transaction registers, index cards, notebook and pencil, bank statements.
- Financial institutions like banks and credit unions often have tools on their websites.



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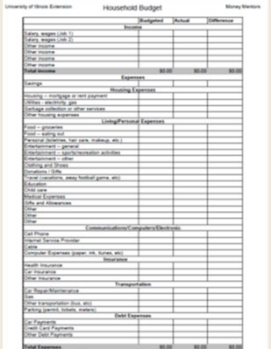
### Monthly Spending Plan

SMART goal: \_\_\_\_\_

Category	Tracked Spending for Month 1:	Planned Spending for Month 2:	Tracked Spending for Month 2:	Differences +/- Notes
<b>SPENDING</b>				
Savings				
Housing				
Utilities				
Phone, Internet, TV				
Transportation				
Insurance				

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### Build a Spending Plan (aka Budget)



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## Spending Plan Challenge: Occasional Expenses


- Also known as seasonal expenses
- Significant expenses
- Do not occur regularly for each of your budget time periods – may occur randomly or once/twice a year



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## Let's Talk MONEY

What occasional expenses do you have in your life?



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## Budget Buster Trick!

### Occasional Expenses for the Year: EXAMPLE

List the expenses that come up at different times of year, and how much you expect to spend. Include estimates for emergencies. At the bottom, add up all the occasional expenses for the year. Divide by 12 to see how much you need to set aside each month.

If a lot of bills come at the same time, try to save ahead for them. Maybe you can move items such as weddings or vacations to a different month to spread out expenses.

These are expenses (or if empty, write without age children)	January	February	March
Winter clothes	\$100	Oil change	\$20
School expenses	\$30	Income tax prep	\$80
Holiday meals and gifts	\$400	Electric bills	\$100
Car repair	\$200	Spring break	\$225
Total	\$800	Total	\$200
April	May	June	July
Birthday gifts	\$60	Graduation gifts	\$25
Phone bills	\$200	Mother's Day	\$20
Other expenses	\$100	Gas bill	\$50
Total	\$400	Total	\$100
August	September	October	November
Summer day care	\$400	Summer day care	\$200
School supplies	\$100	School clothes	\$200
School fees	\$500	School fees	\$200
Total	\$1000	Total	\$600
December	December	December	December
Car insurance	\$200	Thanksgiving	\$40
Gifts	\$300	Holiday gifts	\$200
House rent	\$200	Holiday meals	\$80
Total	\$700	Total	\$280
<b>Total occasional expenses</b>	<b>\$5,500</b>	<b>Divide by 12</b>	<b>= Amount to save per month</b>
			<b>\$458.33</b>



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## Budget Buster Trick!

### ILLINOIS EXTENSION FINANCIAL CALENDAR

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MONTH: \_\_\_\_\_ YEAR: \_\_\_\_\_


SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY

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## Income Sources

University of Illinois Extension Household Budget Money Mentors

	Budgeted	Actual	Difference
<b>Income</b>			
Salary, wages (Job 1)			
Salary, wages (Job 2)			
Other income			
Other income			
Other income			
<b>Total income</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>



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## Track & Plan

- Income last year
- Estimate for next few months
- Plan for changes

### Track Your Income

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What month's income varies from month to month. Understanding your income flow will help you plan. Which of these describes your income sources? Do you have wages from a job, second job or gig income, Social Security, SSI/Disability, or other government aid, monthly pension, assistance from family, child support or alimony, or seasonal work? How much does your income change from one month to the next? How can you plan so that you aren't short of money before the next month?

Income Source	January	February	March	April
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Income Source	May	June	July	August
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Income Source	September	October	November	December
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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Food	Clothing
School Supplies	Fun

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Income – Expenses = ??

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- What to do when your income doesn't cover expenses?
  - Increase income
  - Decrease expenses



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**Let's Talk MONEY**

What are ways to increase income?




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Fixed versus Flexible Expenses

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- **Fixed** are the same amount each month (or time period); often involve a **contract**.
- **Flexible** vary in costs. Can be a need, like food.
- **Flexible** – easier to change in short-term. Place to start changes.
- **Fixed** – often more significant amounts and may need to change during tough financial times.



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Small Amounts Add Up

Item	How Often	Price	Cost/Year	Your Savings
Soft drink	1/day	\$1.50	\$547.50	
Candy bar/chips	1/day	\$1.25	\$456.25	
Cigarettes	1 pack/day	\$7.50	\$2737.50	
Lottery ticket	2/week	\$2.00	\$208.00	
Lunch out	5 days/week	\$8.00	\$2080.00	
Specialty coffee	1/day	\$4.50	\$1642.50	
Music/book downloads	3/week	\$4.00	\$624.00	
Game subscription	1/month	\$15.00	\$180.00	
Other				

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Step Down Costs

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1 cappuccino per day • \$1643/year


2 cappuccino per week • \$545/year

Bring coffee from home • \$109/year

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### Mental Fatigue

- Making decisions makes your brain tired.
  - Act impulsively
  - Do nothing
  - Make mistakes
  - Lose self-control / will-power



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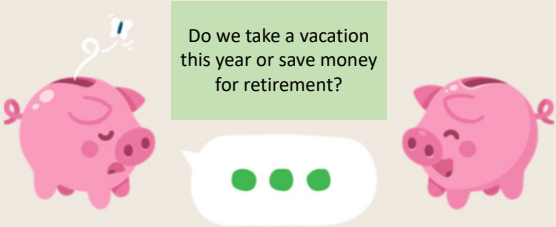
### Five Steps to Spending Plans



1. Know what's important to you
2. Set financial goals
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4. Make a spending plan
5. **Evaluate your plan**

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### Balance Short-term and Long-term Goals



Do we take a vacation this year or save money for retirement?

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### Comparison Shop




- Identify important variables to you
- Gather data
- Compare two or three choices, or more
- Make a decision

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### Explore Online or In-Town Bank/Credit Union

Questions to ask:

- What services do you want?
- Are there fees?
- Where are branches located?

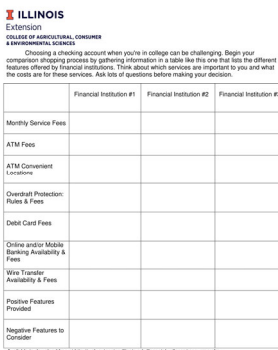


Checking account? ATM locations? Fees? Savings account?

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### Financial Account Comparison

Available on Financial Wellness for College Students' website



	Financial Institution #1	Financial Institution #2	Financial Institution #3
Monthly Service Fees			
ATM Fees			
ATM Government Locations			
Overdraft Protection Rules & Fees			
Debit Card Fees			
Online and/or Mobile Banking Availability & Fees			
Wire Transfer Availability & Fees			
Positive Features Provided			
Negative Features to Consider			

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**“Too Good to be True”**

Red warning flags:

- Pressure to buy. Urgency.
- Is it a secret?
- Too good to be true!

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**Ask for Help. Keep Learning.**

**Let's Talk MONEY**

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How can I pay down debt?  
How can I stretch my income?  
How can I save for my goals?  
How can I organize my finances?

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Would having a financial plan help you feel more secure? Do you wonder if you'll have enough money to retire?  
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<https://web.extension.illinois.edu/financialpro>

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**Secrets to Financial Success**

- #1: Match your values with your financial decisions.
- #2: Tracking expenses gives you good data so that you can choose how to spend your money.
- #3: Comparison shop for big dollar items.
- #4: If it's too good to be true, be wary!
- #5: Ask questions and continue to grow your knowledge.
- #6: Build a savings habit.

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**Let's Talk MONEY**

Recorded & on YouTube

<https://go.illinois.edu/TalkMoneyPlaylist>

July 30 @ 6:30 pm CDT  
Make Your Savings Grow

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**Let's Talk MONEY** **Polling Time**

Gender

To receive federal funding, I need to ask you for specific demographic data. You do not have to reply but it does help us continue providing educational programming.

**Your answers are anonymous!**

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*You Check All My Subscription Boxes!*

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- Adult Literacy
- Animal Health & Welfare
- Financial Wellness for College Students
- Money Mentors
- Energy and Environment
- Family Life
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- Illinois Nutrition Education Programs
- Small Farms & Small Farms

**Money Mentors**  
The most overlooked asset you have is your money. Money Mentors will help you understand your money and how to manage it.

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Family money can become an enemy. Money can be stressful. Family Financial Feuds is a podcast that helps you understand your money and how to manage it.

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