

Creating a Spending Plan and Setting Financial Goals

Sponsored by Bank On Gaithersburg,
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Academy

Financial Beliefs

- “Money”—What comes to mind?
- Money Memories
- How do you use your \$?
- Influencing Factors —family; social, religious; media



Money Values/Habits

TYPE I: I spend only for what I need. I save for emergencies. I like to have \$\$\$ in my pocket. I shop around for the best deal.

TYPE II: I want nothing but the best! You've got to spend \$\$\$ to get ahead in life. Expensive clothes are important to me. Cheap stuff isn't worth much.

TYPE III: It seems like no one ever has enough money. Credit is necessary. I deserve the best things in life and I like to buy the things I want, NOW.

Money Values/Habits

TYPE IV: I think other things are more important than \$\$\$\$. Money can't buy happiness. You can have fun without spending \$\$\$\$.

TYPE V: Worrying about \$\$\$\$ never helps. The money will come from somewhere. Keeping track of spending can drive people crazy. A person can get along without saving.

Maybe you recognize yourself and other family members?

Source: Utah State University Cooperative Extension

Goal Setting

- Create **short term** financial goals - within 1 year:
 - Emergency savings; new clothes; new appliance; repairs to house
- Create **intermediate goals** - within 1-5 years:
 - Housing; new car; home improvements
- Create **long term goals** - over 5 years:
 - Retirement; college savings; new car; home; vacation

Use time frames and put down on paper!

Goal Setting Exercise

Sort goals by long term, intermediate and short terms:

House; Weekend Vacation; Winter Coat; Paying \$3,000 Credit Card Bill; Car; College for Kids; College for Self; New Pots/Pans; 2-week Vacation; Retirement; New Cell Phone

PB&J - describe steps to make a peanut butter and jelly sandwich

Spending Plan

- Spending log
- Put fixed expenses first
- Identify needs vs. wants
- Put savings/goals in
- Prioritize spending plan



Spending Plan Tools

- Online Budget Sources- Mint.com; Bundle.com, Banks
- Quicken
- Google
- Excel Spreadsheet
- Notebook

Spending Plan Exercise

- Shawn and Ana's Savings
- Muffin Calculator
- Sample Spending Plans
- Bean Game



Organizing Financial Records

- Bill Pay Calendar
- Bill Pay Notebooks
- Envelope System
- Files



Summary

- Recognize your money values/habits
- Track your spending
- Create a spending plan
- Set financial goals
- Look for ways to increase income/reduce expenses
- Keep financial records organized

Questions?