

STEPS TO HELP YOU TAKE CHARGE OF YOUR FINANCES

If you are part of a household, your plan must include all participants to be successful. Sit down as a family and determine your goals and each one's role. Think of this as a learning opportunity for your children and together you can celebrate your accomplishments!

- Determine your monthly income by collecting your latest pay stub(s) and other revenue sources. Write it down. Don't forget bonuses, alimony, child support, and interest payments. If you receive money annually, write it down. Remember birthdays, Christmas and other celebrations.
- Write down your monthly and annual bills such as house payment, utility expenses, car payment, insurance, credit cards and medical bills. You need to include grocery bills and miscellaneous items such as eating out, membership dues, school fees, sports activities, etc. You may have to estimate how much you are spending.
- The question you need to ask is: "Do I have more monthly income than monthly expenses?" If the answer is yes, you can make some changes to your spending plan and be better prepared for unexpected events; pay off your credit cards; or take a vacation. You should have an emergency fund for unexpected events such as car repair, medical expense, storm damage, etc.
- If you have less money than expenses, you need to take action immediately! Prioritize your bills with the first bills paid as those needed to survive. For most individuals, the bills include mortgage/rent, food, heat, water, child care, car payment, gas and insurance.

Review the remaining bills and ask yourself, "Do I need this now?" Cable television, cell phone, membership fees and Internet services are some examples of bills you need to think about terminating until you are able to pay all of your bills on time!

- Determine the amount of money to spend for each category. You may want to put the cash in an envelope with the category's name and spend from the appropriate envelope. When the envelope is empty, you quit spending in that category. This is especially helpful to manage expenses for items such as food and entertainment.
- Identify miscellaneous expenses you could reduce or eliminate. Some examples are hair and nail salons; renting DVDs; eating out, and buying popcorn and drink at the movies.
- List your credit cards with their balances. Look at the interest rates, late fees, and minimum payment charged. Develop a plan to pay off your credit cards. Quit using credit cards for unnecessary items such as clothes, eating out, and entertainment.
- Under the Fair and Accurate Credit Transaction Act, you can receive a free copy of your credit report from the three major credit agencies every 12 months. Go to "AnnualCreditReport.com."