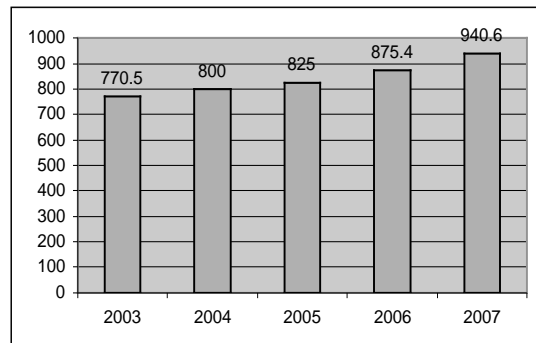


Family Financial Management: Developing a Household Budget & Deleting Debt

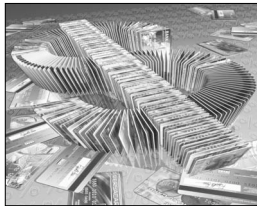
Produced by the Alabama Department of Public Health
Video Communications and Distance Learning Division

American Debt



Financial Stress

- Unhealthy coping behaviors
- Less money for self-care
- Lost sleep
- Unhealthy emotions



Unhealthy Coping Behaviors

- Drinking
- Smoking
- Over eating
- Over spending

Less Money For Self-Care

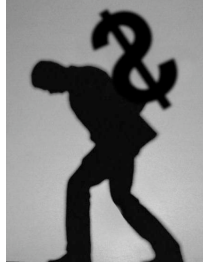
- Grooming
- Health care

Lost Sleep

- Immune functioning
- Cognitive abilities
- Moodiness

Unhealthy Emotions

- Anxiety
- Frustration
- Sense of hopelessness



Goals of Financial Management

- Increase satisfaction in everyday financial life
- Prepare well for a financially successful retirement

Steps to Financial Wellness

- Know your money
- Determine your goals
- Develop and implement strategies for meeting your goals

Budgets: Know Your Money

Family Monthly Budget

Category	Actual	Budget	Variance
Income			
Salary	4,500	4,500	0
Other Income	0	0	0
Total Income	4,500	4,500	0
Expenses			
Food	300	300	0
Utilities	200	200	0
Transportation	150	150	0
Entertainment	100	100	0
Healthcare	50	50	0
Insurance	100	100	0
Other	100	100	0
Total Expenses	1,000	1,000	0
Net Income	3,500	3,500	0

Monthly Cash Flow Form

Monthly Cash Flow Plan (Form 5)

Budgeted Item	Sub Total	TOTAL	Actually Spent	% of Take Home Pay
CHARITABLE GIFTS				
SAVING				
Emergency Fund				
Retirement Fund				
College Fund				
HOUSING				
First Mortgage				
Second Mortgage				
Real Estate Taxes				
Homeowner's Ins.				
Repairs or Mnt. Fee				
Replace Furniture				
Other				
UTILITIES				
Electricity				
Water				
Gas				
Phone				
Trash				
Cable				
FOOD				
*Grocery				
*Restaurants				
TRANSPORTATION				
Car Payment				
*Gas and Oil				
*Repairs and Tires				
Car Insurance				
License and Taxes				
Car Replacement				
PAGE 1 TOTAL				

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Savings

- The 2006 personal saving rate for consumers was a **negative 1%**
- Poorest showing since a negative 1.5% in 1933 during the Depression
- Has been negative for an entire year only four times
 - 2006
 - 2005
 - 1933
 - 1932

The Debt Snowball

- Revolving credit debt
- Smallest to largest

<http://debt-to-dollars.com/forms.htm>



More Month Than Money

- Necessity vs. luxury
- Creative cost cutting
- Revenue generators



Discretionary Income

- Have a plan!
- Seek advice

Keys to Success

- Keep it fun
- Remind yourself of your goals
- Build in rewards