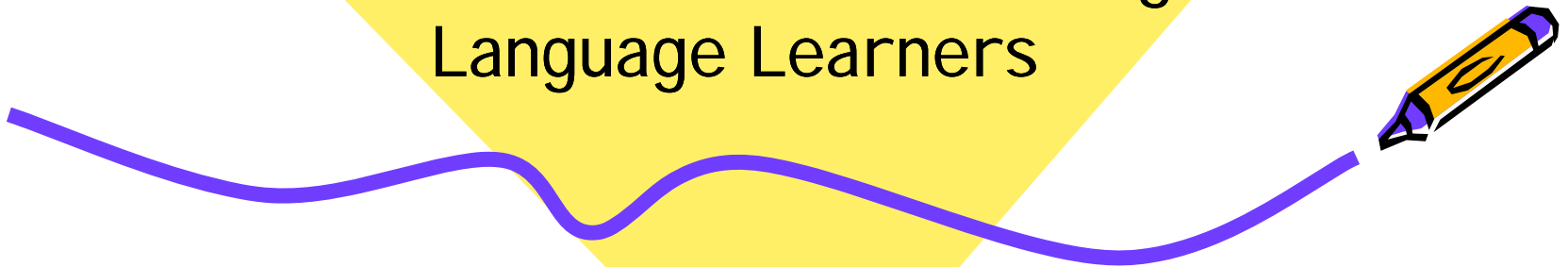


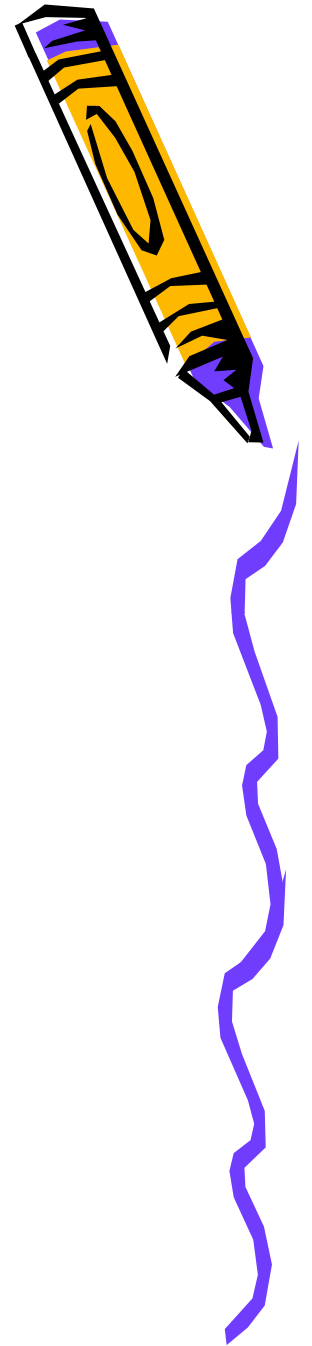
Budgeting and Money Management

A Financial Curriculum for English Language Learners



What will I learn?

- **What** is a budget?
- **Why** should I make a budget?
- **How** do I make a budget?

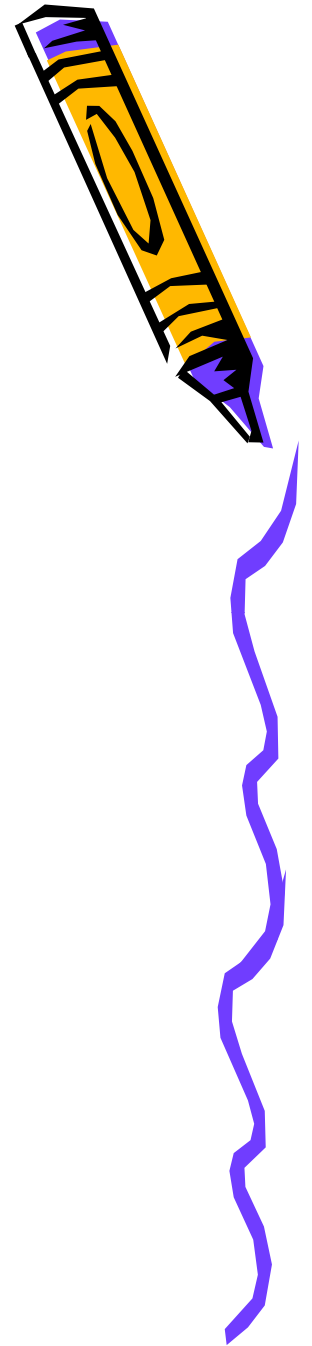


What is a budget?

- A budget is a **plan** for using money over a certain amount of time

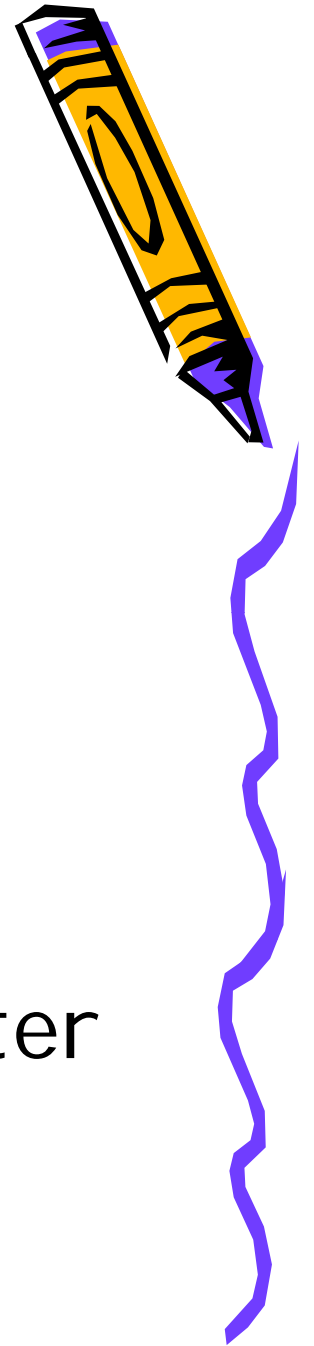
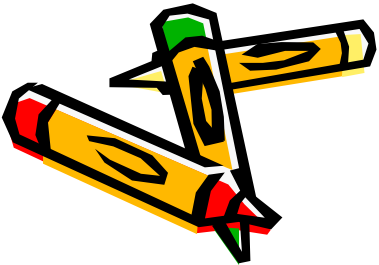
How much will you save?

How much will you spend? On what?



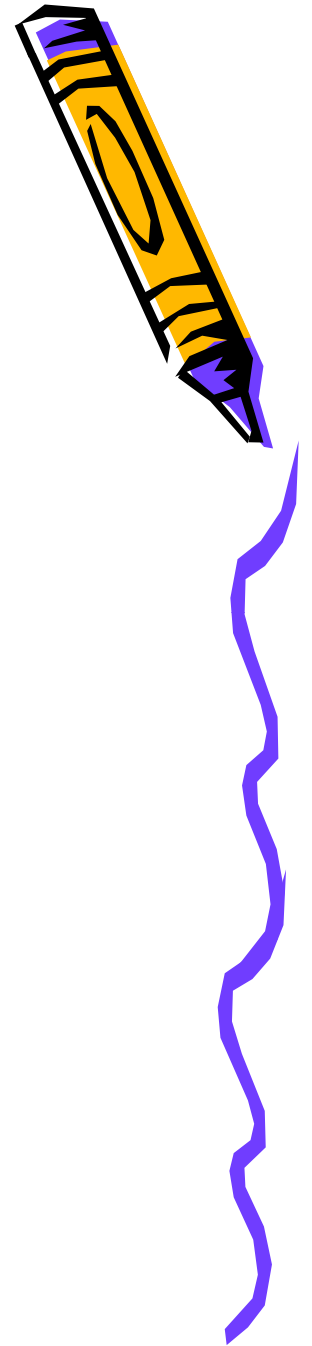
Why should I make a budget?

- Relax about money
- Be in control
- Build assets to make your life better



Get Set Up!

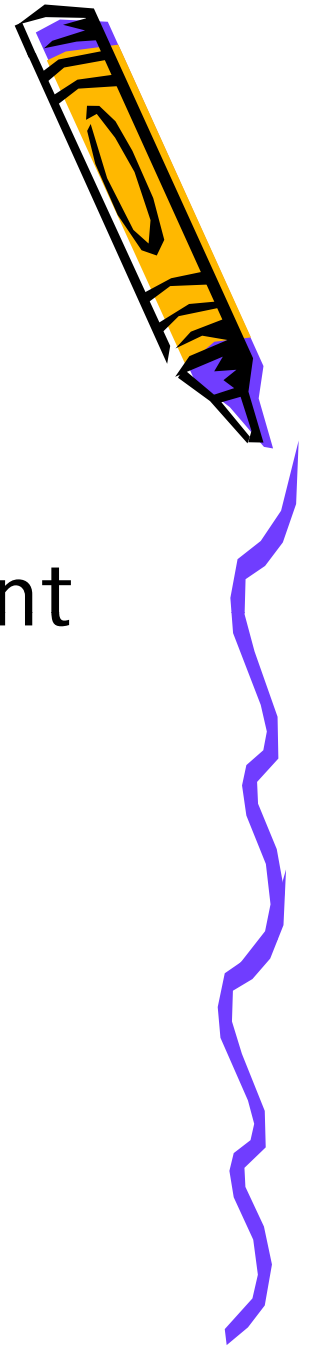
- Step 1: Budget Basics
- Step 2: Credit Cards
- Step 3: Pay Up!



Get Set Up

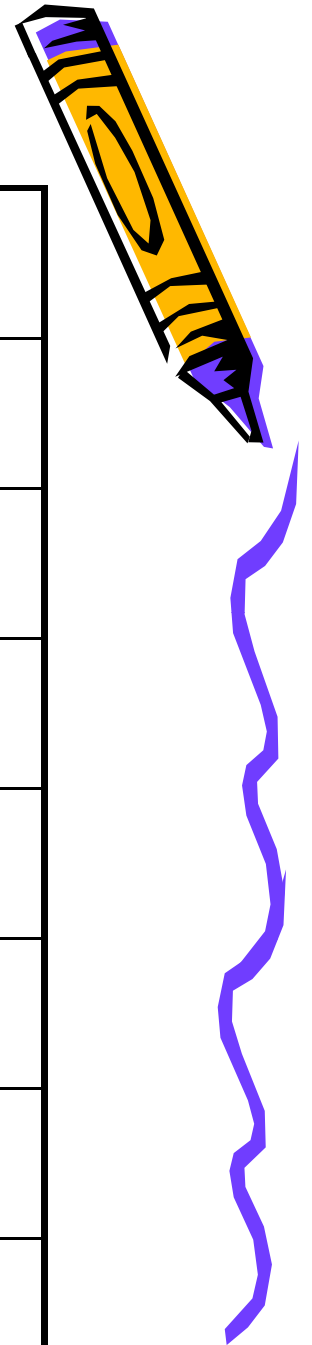
Step 1: The Basics

- Make a budget and stick to it!
- Open a checking and savings account

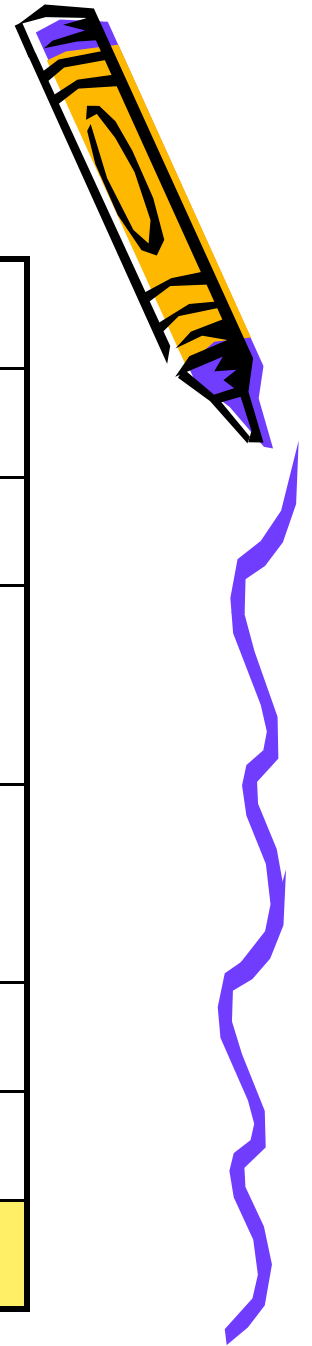


Spending Diary

Day	What did I spend money on?
Sunday	
Monday	
Tuesday	
Wednesday	
Thursday	
Friday	
Saturday	



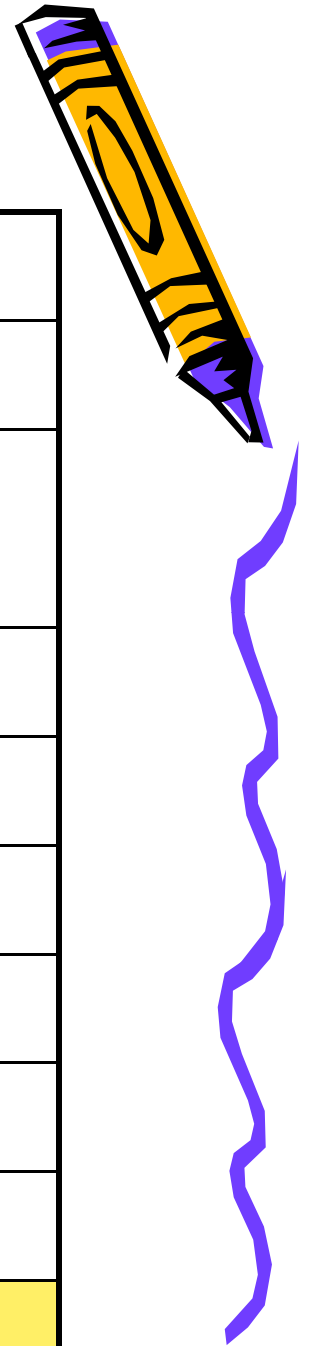
Income Worksheet



	Amount
Wages	
Benefits	
Child Support/ Alimony	
Interest/ Dividends	
Social Security	
Other	
TOTAL	



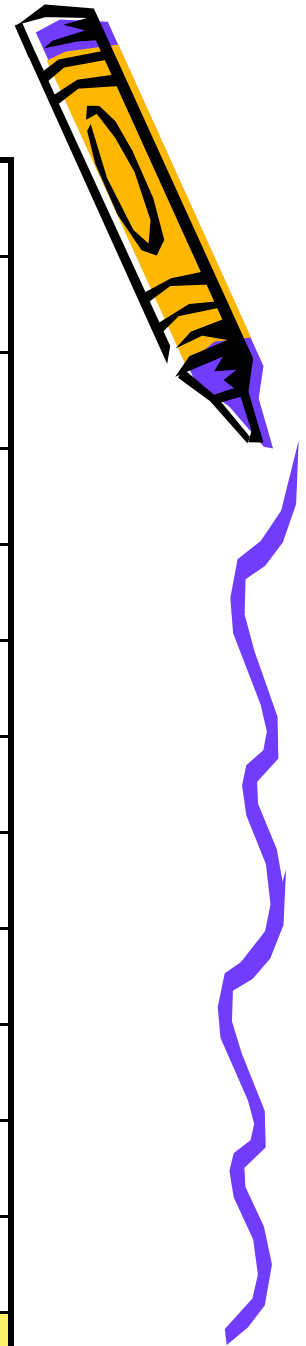
Fixed Expenses Worksheet



	Amount
Rent/ Mortgage	
Property Tax/ Insurance	
Trash Collection	
Car Payment	
Car Insurance	
Other Loans	
Health Insurance	
Day Care/ Elder Care	
TOTAL	



Flexible Expenses Worksheet



	Amount
Savings	
Gas/ Oil	
Electricity	
Water	
Telephone	
Food	
Transportation/ Gas	
Car Repair	
Education	
Personal	
Other	
TOTAL	



Monthly Payments

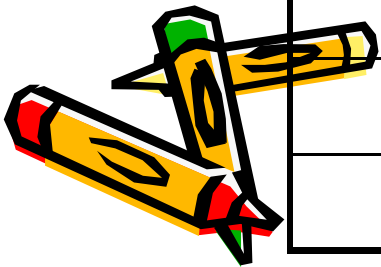
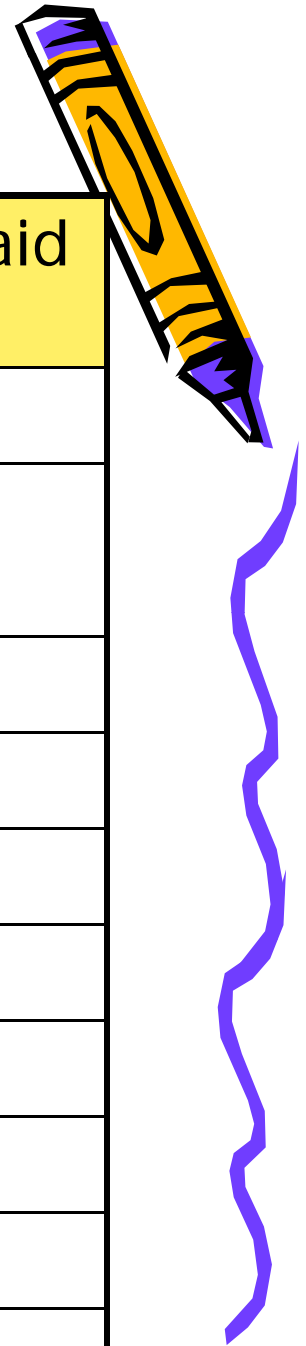
Month _____

Income	Expense	Due Date	Amount	Paid



Example

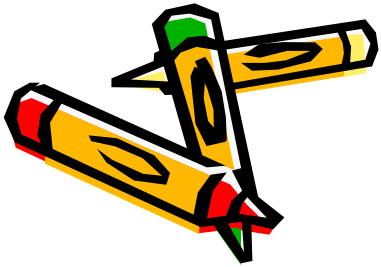
Income	Expense	Due Date	Amount	Paid
Wages		4/2	\$1,000	
Child Support		4/3	\$300	
	Savings	4/2	\$25	
	Rent	4/6	\$500	
	Telephone	4/16	\$25	
	Credit Card	4/20	\$50	
	Food	4/20	\$250	
	Transportation	4/23	\$50	
	Personal	4/27	\$50	
	Other	4/28	\$250	



Spend Less!

When you shop...

- Wait 24 hours before you buy
- Don't shop for fun
- Buy only what you need—make a list!
- Only buy food you will eat soon
- Use coupons
- Buy things on sale



Spend Less!

On a car...



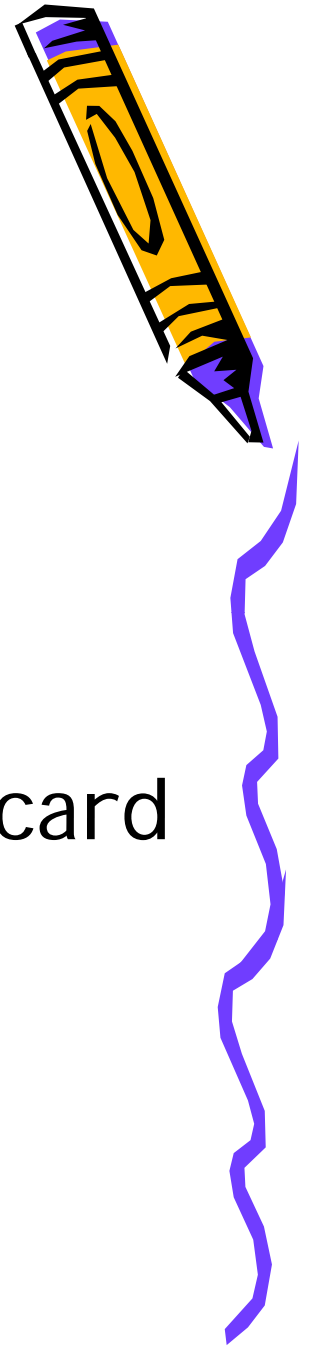
- Shop around
- Make as big a down payment as you can
- Lease only if it makes sense
- Buy a used car
- Check the car's condition and value



Spend Less!

On money...

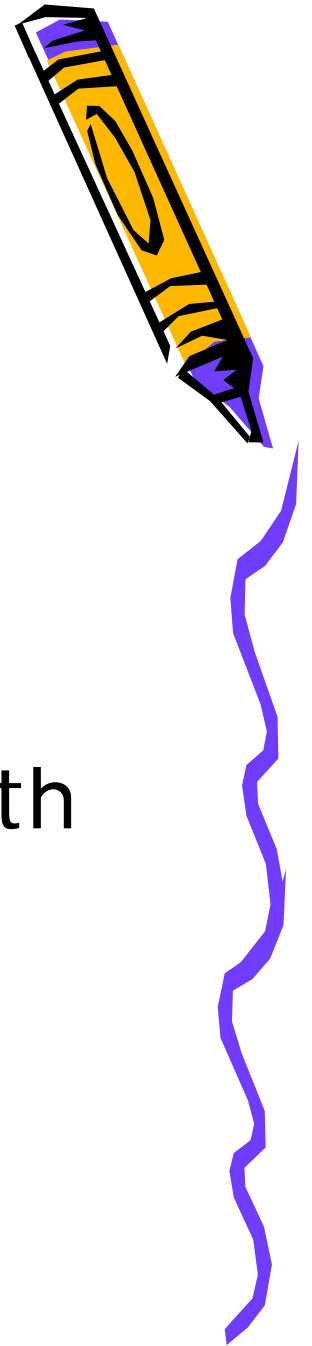
- Direct Deposit
- Pay bills on time
- Get a no or low-cost bank account
- Don't pay annual fees for a credit card
- Control credit card use



Spend Less!

More tips...

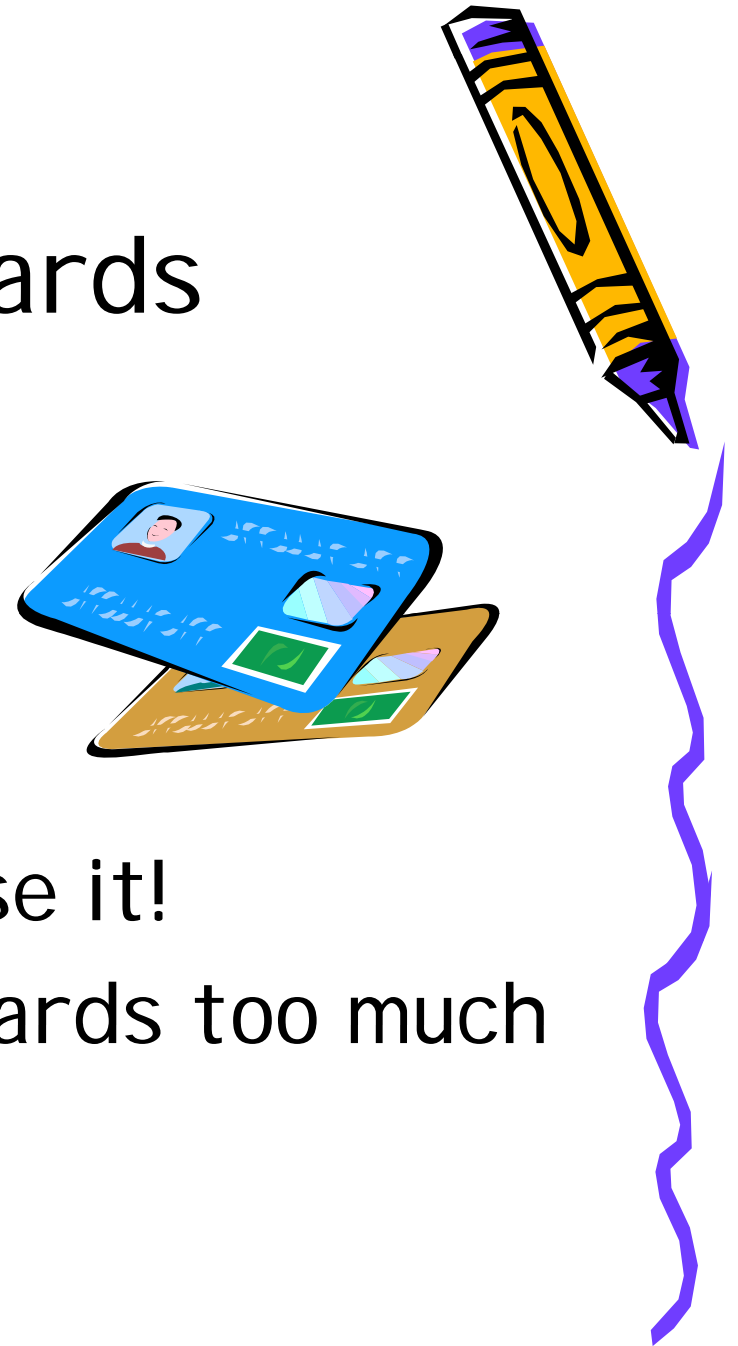
- Carry only a little cash
- Take lunch to work
- Carry your savings goals around with you



Get Set Up

Step 2: Credit Cards

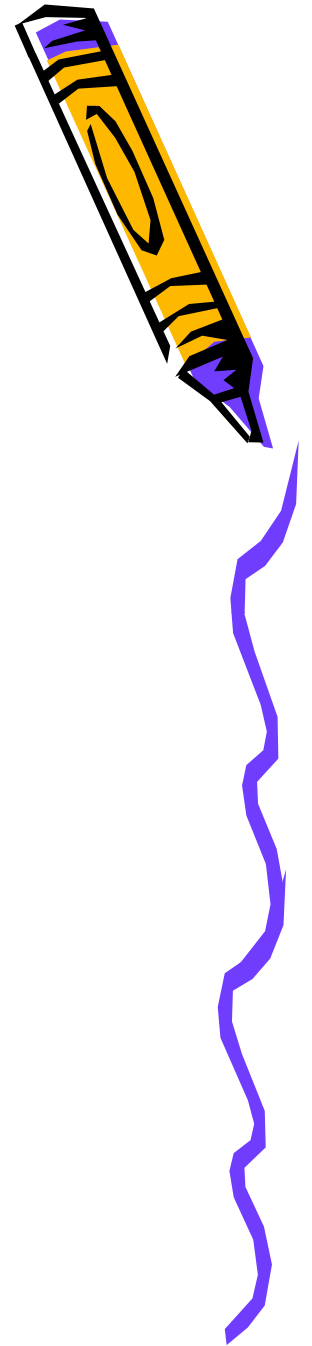
- Shop around first
- Sign your card
- Don't leave it around
- Don't let your friends use it!
- Don't use gas or retail cards too much



Get Set Up

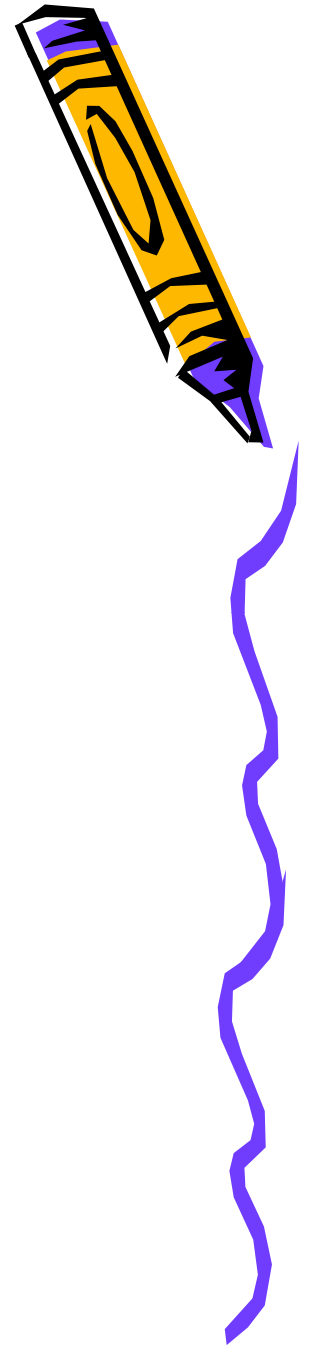
Step 3: Pay Up

- Pay on time!
- Never skip a payment
- If things are bad, get help!



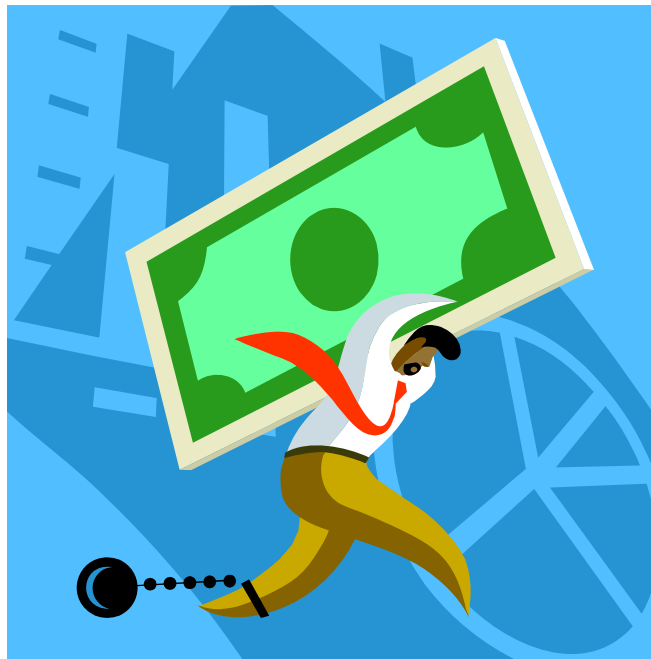
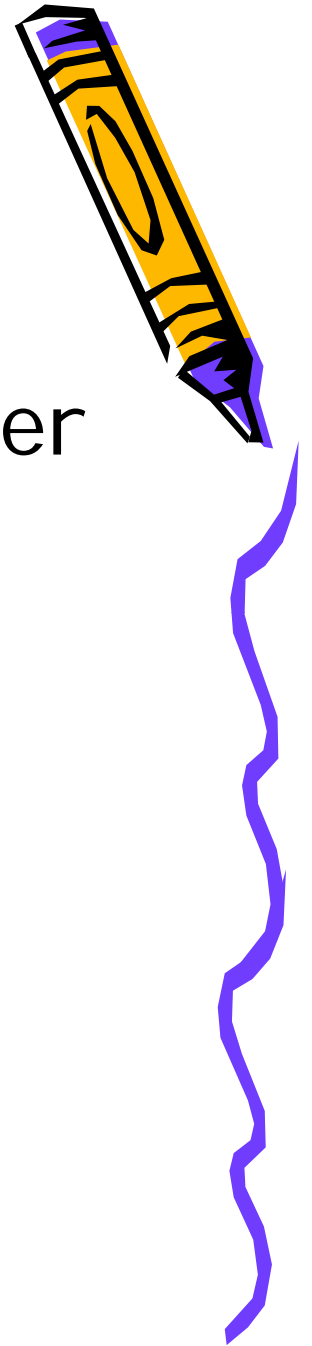
Paying Bills

- Check the due date
- Pay bills as soon as you can
- Pay before they are due
- Keep a record



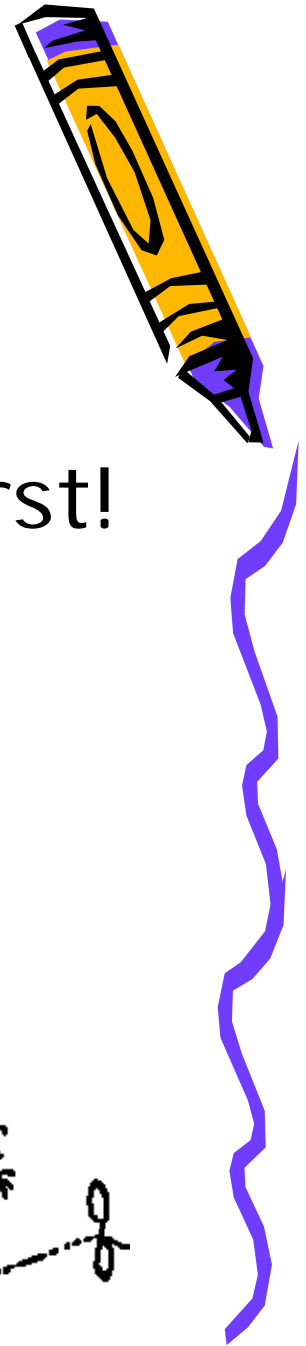
Universal Default

- If you pay just 1 bill late, your other credit card rates can go up!



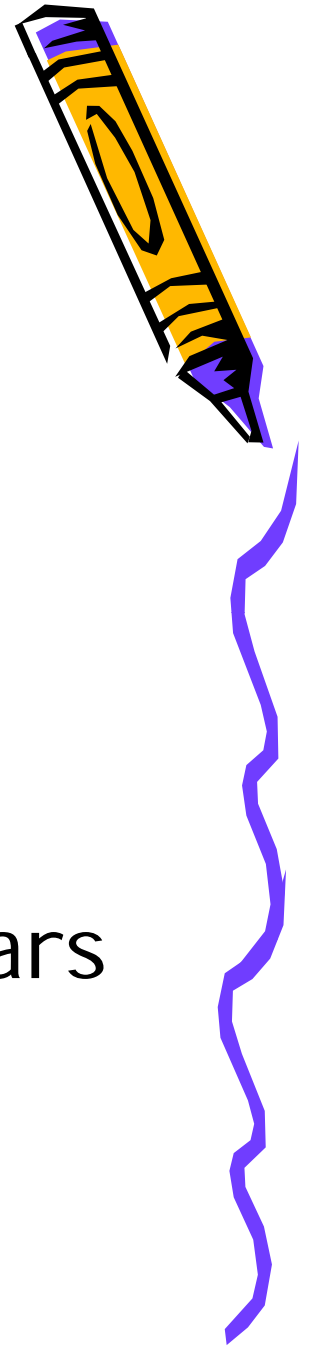
Paying Loans

- Pay off loans with high interest first!
- Talk to your creditor
- Think about consolidation
- Get help



Keep Good Records

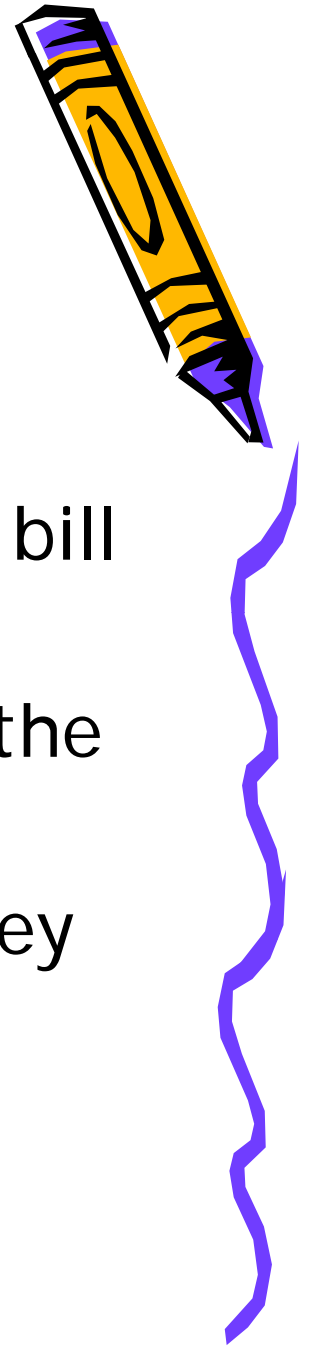
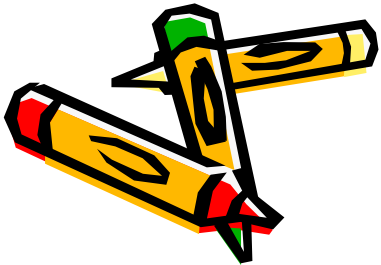
- Put everything in a safe place
- Organize
- Keep tax records for at least 3 years



Budget Tools: Envelopes

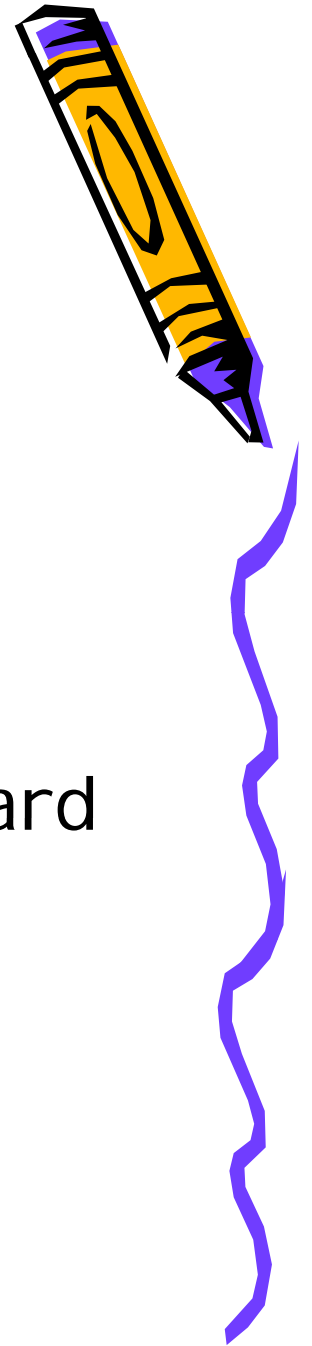
Do you pay in cash?

1. Make an envelope for every kind of bill (rent, utilities, food)
2. Write the amount and due date on the envelopes
3. When you get paid, divide your money between the envelopes
4. Pay right away



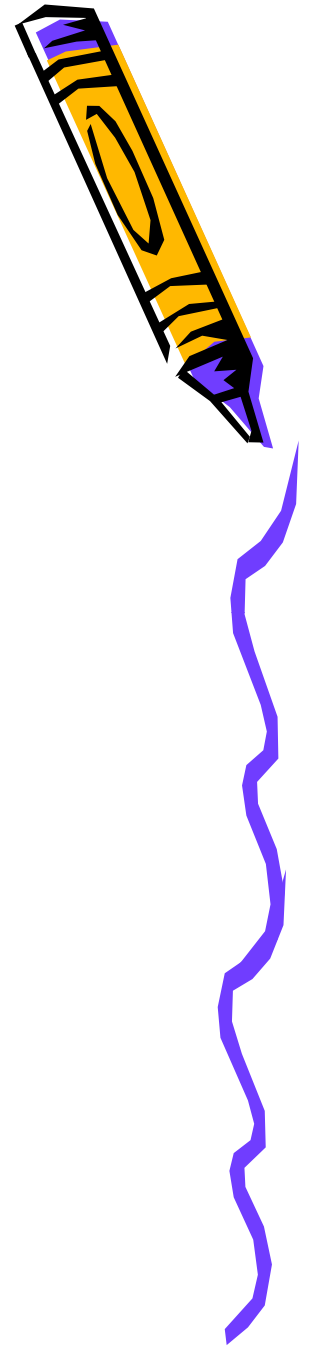
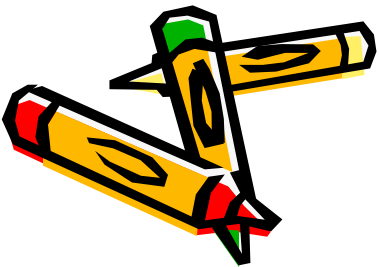
Budget Tools: Box

- Make a card for every day of the month
- Use cards to divide a small box
- When you get a bill, put it behind the card with the date it is due
- Pay bills as you get paid



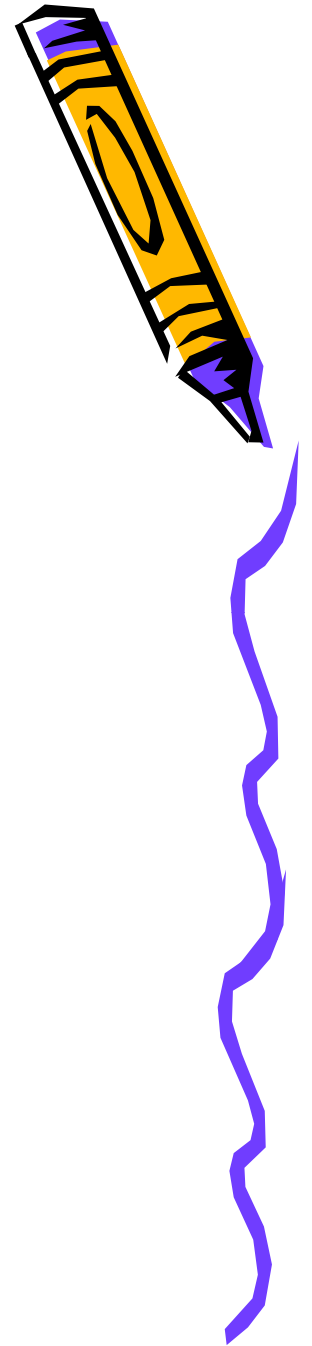
Budget Tools: Computer

- Make a spreadsheet, or
- Buy software
 - You can buy it for less than \$75
- Always put in all your income and expenses



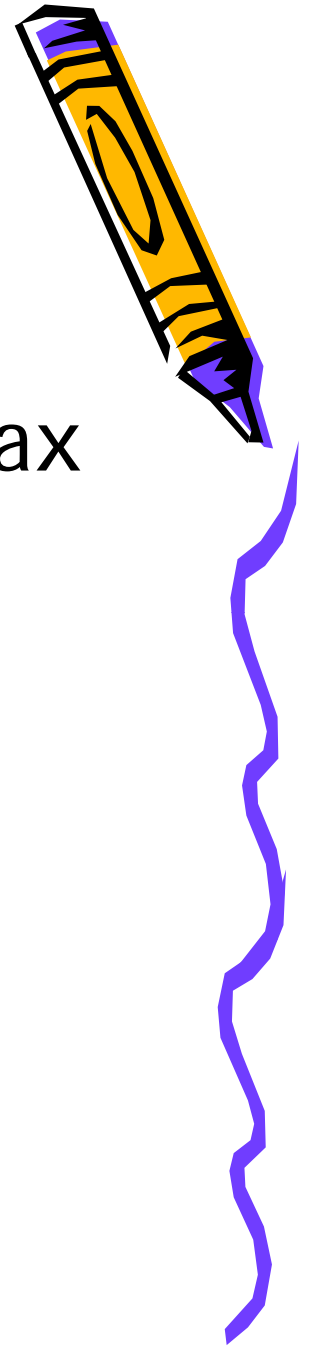
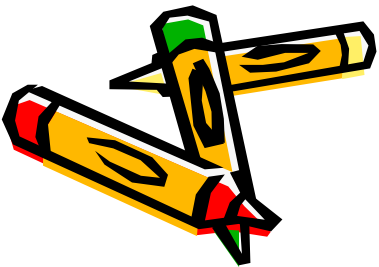
Tax Time!

- The tax code is your friend



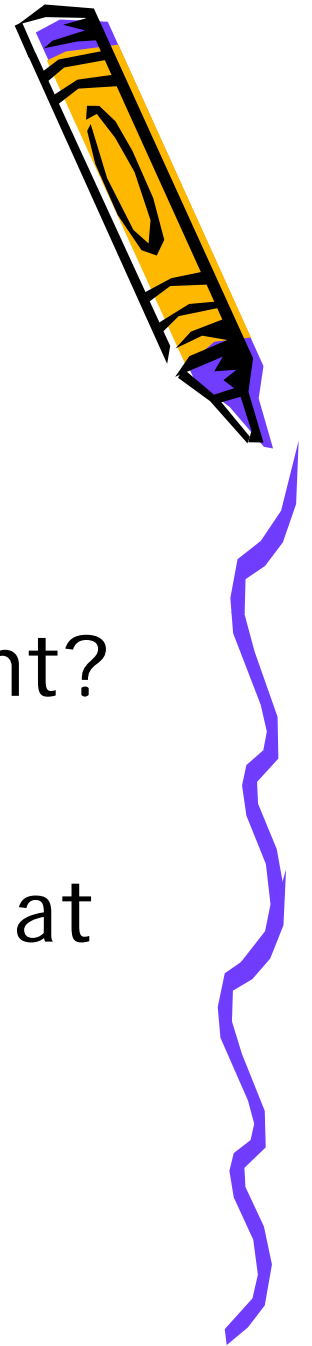
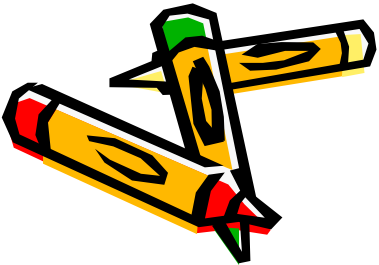
What is the EITC?

- EITC stands for Earned Income Tax Credit
- It is for people who work but who have low incomes
- It lowers your taxes
- You could get a tax refund!



Can I get the EITC?

- Do you have a Social Security Number?
- Are you 25-65 years old or a parent?
- Did you earn income?
- Did your children live with you for at least 6 months? (extra benefits)



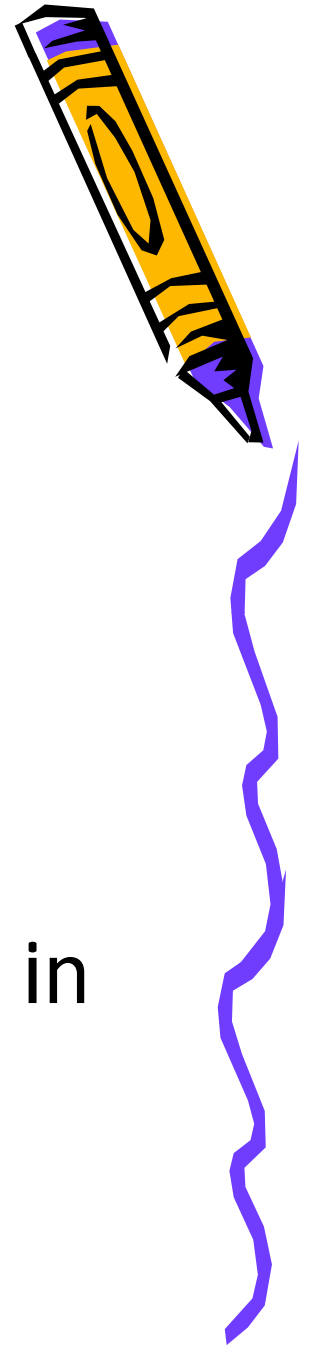
How **big** is the EITC?

- From \$383 to \$4340!



Get **free** tax help!

- The Center for Economic Progress will do your taxes for free!
- It has 33 sites in Illinois
- You can e-file and get your refund in less than 10 days!



What do I bring to a tax site?

- W-2
- 1099
- List of other income and expenses
- Social Security Card or ITIN Card for you and your family
- Last year's return
- Other important information

