

GAINING CONTROL OF YOUR MONEY

PLANNING AND BUDGETING TO ACHIEVE SELF-RELIANCE

INTRODUCTION

Have you ever been lost? Maybe you were trying to visit a friend's house for the first time or had to travel to an unfamiliar city. You had some idea where you wanted to end up, and you had already started on your way. You may have decided to "follow your nose" to get there, but discovered that it was more complicated than you had expected. Maybe the road you had been planning to take turned out to be closed. For whatever reason, you no longer knew how to get where you wanted to go, and you were no longer even so sure about where you were. You found yourself driving down a dark, unfamiliar road looking for street signs, landmarks or any other indication of which way to go. You feel you have lost control. Anyone who has been lost knows how frustrating and even frightening it can be.

Many people feel "lost" when it comes to money. At first there was plenty of money coming in. But what seemed like reasonable purchases resulted in too many bills. Then came some unexpected expenses and maybe a layoff from work. Before long, what looked like an easy "journey" became a scary ride, without direction, out of control and possibly headed for a crash.

Opening this booklet is a sign that you want to get your financial affairs under control. Perhaps one of the following describes you:

- You are out of work or have unplanned expenses, and you want to

make every dollar count.

- Although your income is unchanged, you find that credit card or other debt is mounting and some bills are being paid late or not at all.
- You are making ends meet now, but you would like to build up a reserve to handle unexpected expenses.
- Looking ahead, you have goals like home ownership, education, or retirement that require you to put aside some savings.
- You want to be in charge of your life and believe that a simple financial plan will help you achieve that.

No matter what your reasons for seeking greater control, this booklet is intended to help get you started. As you work through the booklet, you are going to learn how designing and following a financial plan can give you the control you are looking for. While you learn about a financial plan, though, you are also going to learn a lot about yourself. Each of six sections of the booklet focuses on a single question:

Section 1. What is the main goal of my financial plan?

Section 2. What money or other resources will I have to help achieve my goal?

Section 3. Where is my money going now?

Section 4. If there are no changes, will I achieve my goal?

Section 5. How will I change my spending to achieve my goal?

Section 6. How can I get more money or other resources to achieve my goal?

"My financial plan" and "my goal" are the right words to use if you are the only

person in your household. If you do not depend on anyone else for your financial affairs, and if no one depends on you, then it is up to you to decide what your goals are and how you will achieve them. However, if you live as part of a family unit, you should be thinking about “our financial plan”

and “our goal.” Working through this booklet should involve everyone in the household who affects the amount of money you receive or the amount of money you spend. If you are living with a spouse, it is essential that you work together in setting and achieving your goal.


SECTION 1. WHAT IS THE MAIN GOAL OF MY FINANCIAL PLAN?

Why are you reading this workbook? What do you hope to achieve? You are much more likely to be successful in gaining financial control if you write down a simple goal. Here are some examples:

- I will spend no more than my income.
- I will reduce and eliminate my reliance on outside income assistance within six months.
- I will reduce and eliminate my consumer debt (including credit card debt) within six months.
- I will accumulate savings for a “reserve fund” equal to 3-6 months’ income.
- I will adjust my spending and income so I can pay for health or other insurance at proper levels.

- I will begin a regular savings program to contribute to my children’s education.
- I will begin a regular savings program for retirement.

As you look over this list of possible goals and consider others of your own, you will probably recognize that you have many financial goals. Some of them are short-term goals, and others are medium- or long-term goals. In using this booklet, it is important that you focus primarily on a single, short-term goal. Once you have achieved that goal and have some degree of financial control, you can begin to work on other important goals further down the road.

 Now, write a single sentence or simple paragraph clearly stating your goal.

“If there is any one thing that will bring peace and contentment into the human heart, and into the family, it is to live within our means, and if there is any one thing that is grinding and discouraging and disheartening it is to have debts and obligations that one cannot meet.”—Heber J. Grant

SECTION 2. WHAT MONEY OR OTHER RESOURCES WILL I HAVE TO HELP ACHIEVE MY GOAL?

Let's start with the good news: except in the most unusual cases, you have some money coming in. The money you have coming in will help you reach your goal. We will use the term "income" to mean any and all money coming into your possession. In this section you will develop a realistic view of what your income has been in the recent past.

For most people, compiling a record of their income is relatively simple because their income is received from relatively few sources and it is often well documented. Before beginning, you may want to assemble some of the following records:

- Income tax filings
- W-2 statements of earnings
- Payroll check stubs

- Recent or year-end statements from banks or investment firms
- Records of bank deposits


 With this and any other information you can think of, make a list on a separate sheet of paper of all the sources of income you have had in the past 6 months (12 months is even better if you can do it). For each source, write down each amount you received in the past 6 (or 12) months. To keep it simple, round cents to the nearest dollar. If taxes are withheld, write down just the amount you received after taxes. If you live in a family, remember to include income received by any family member who is part of your household. Check over the list in Table 1 to make sure you have covered all the sources of income that apply to you.

Table 1. Checklist of Possible Income Sources

Alimony or child support	Proceeds from property sale
Annuity payments	Refunds and rebates
Bonuses, commissions, etc.	Reimbursements
Business, farm or free-lance income	Rental property income
Cash gifts (e.g., birthday, Christmas)	Salary or wages
Church welfare assistance	Scholarships
Dividends or capital gains	Social Security
Inheritances	Tax refunds
Interest on savings	Tips
Prizes and awards	Unemployment and disability
Public assistance	Yard sale or flea market proceeds

When you are finished, your income record may look something like Example 1 (page 4).

"The responsibility for each person's social, emotional, spiritual, physical, or economic well-being rests first upon himself, second upon his family, and third upon the Church if he is a faithful member thereof. No true Latter-day Saint, while physically or emotionally able will voluntarily shift the burden of his own or his family's well-being to someone else. So long as he can, under the inspiration of the Lord and with his own labors, he will supply himself and his family with the spiritual and temporal necessities of life."—Spencer W. Kimball

Example 1. Six-Month Record of Income

<u>Salary</u>		<u>Bank Interest</u>	
March 3	\$ 961	March	\$ 10
March 17	\$ 961	April	\$ 9
March 31	\$ 961	May	\$ 10
April 14	\$ 961	June	\$ 10
April 28	\$ 961	July	\$ 9
May 12	\$ 961	August	<u>\$ 10</u>
May 26	\$ 961	Subtotal	\$ 58
June 9	\$ 961		
June 23	\$ 961	<u>Birthday Presents</u>	
July 7	\$ 961	Grandma	\$ 25
July 21	\$ 961	Uncle Don	<u>\$ 10</u>
August 4	\$ 961	Sub-total	\$ 35
August 18	<u>\$ 961</u>		
Sub-total	\$ 12,493		
 <u>Tax Return</u>		 <u>Total Income</u>	
Federal	\$ 253		\$ 12,937
 <u>Yard Sale</u>		 <u>Average Monthly</u>	
Memorial Day	\$ 98	<u>Income</u>	\$ 2,156

You now have a record of all the income you have received for the past 6 (or 12) months. Later in the booklet you will compare your income to your expenditures for an average month, so you need an estimate of

your average income. To calculate your average monthly income, take the total income you calculated and divide it by the number of months in the time period you covered (6 or 12).

SECTION 3. WHERE IS MY MONEY GOING NOW?

In this section you will figure out how much money you are spending, and what you are spending it on. Unlike income, which tends to come from a few sources, the money we spend seems to go in a hundred different directions. You will track your spending in two steps.

Step A. Where records exist, use them to calculate average spending levels for a 6- to 12-month period.

Step B. Keep a record of all spending for a month to check on the 6-12 month averages and to fill in areas where there are no records.

Step A. Use available records on major expenditures. Major expenditures are the largest part of the typical budget, and also the easiest to track. As you did to calculate your average monthly income, gather together receipts, canceled checks, bank statements or

"Money is better than poverty, if only for financial reasons."—Woody Allen
--


other records of your major expenditures for the last 6 months (or 12 months, if possible). These expenditures may include the following:

- Mortgage or rent
- Electricity, water, gas, and other utilities
- Car payments
- Car repairs
- Credit card payments
- Household expenses (e.g., furniture, repairs)
- Insurance (e.g., car, home, health, life)

Expenditures that are not major but which you pay every month, such as newspaper or cable television subscriptions, can also be included at this stage. If you use credit cards, use information in the monthly statements to break down your total charges into categories.


Once again, round cents to the nearest dollar. Include any sales tax or other tax on the expenditure. If you are missing a month, leave it out of the total and reduce the number of months when you divide to calculate the average.

To make sense out of all these numbers, you will need to organize the individual expenditures into categories and sub-categories. A suggested list of categories can be found in Appendix 1.A. (You can add categories of your own or substitute other categories if you wish.) Divide Appendix 1.A into sections by cutting on the dotted lines. Each section should be pasted at the top of a lined notebook page.

 On the pages you've made, take

each expenditure for which you have a financial record and write it under the heading that best fits it, along with the month the expenditure was made. When you have put all the information into categories, add up the numbers under each heading and write the total near the bottom of the column. Beneath that total write the number of months for which you have gathered the information. (Be sure to take account of any missing months at this point.) Divide the total by the number of months to get an estimate of the average monthly expenditures in this category. Don't worry if there are categories for which you have no information; that should be taken care of in Step B.

Step B. Write down all expenditures for a month. Without a detailed daily record of expenditures, you won't be able to get a complete picture of your spending. Each expenditure seems insignificant, but together they add up to significant amounts.

 Get a small notebook, small enough to carry whenever you leave the house. On the first page, write down the goal that you set for yourself in Section 1. On each subsequent page, create three columns with the following headings: Date, Amount, and Purpose. Each time you spend money, fill in the appropriate information under each heading. Include payments by cash, check or credit card. Everyone in the household who is spending should have a notebook and keep an accurate record.

Keep this up for 30 days. (You don't have to wait for the beginning of a new month.) Your daily expenditure record may look something like Example 2 (page 6):

Example 2. One-Month Record of Expenditures (Partial)


<u>Date</u>	<u>Amount</u>	<u>Purpose</u>
Sept 1	\$ 880	September rent
Sept 2	\$ 78	Groceries
Sept 2	\$ 6	Cosmetics, toothpaste
Sept 3	\$ 2	Dozen doughnuts
Sept 3	\$ 8	Carol for baby-sitting
etc.	etc.	etc.

To make sense out of all this detail, you will need to organize the individual expenditures you write down into categories and sub-categories, as you did in Step A. A second copy of suggested categories can be found in Appendix 1.B. (Again, you can add categories of your own or substitute other categories if you wish.) Cut up Appendix 1.B and paste each section as a heading at the top of an individual lined page, as you did in Step A.

As the month goes along, or at the end of the month, write the amount of each entry in your daily record under the heading that best describes it. Round to the nearest dollar. Try to put no more than \$200 into the “miscellaneous” category. Make a mark beside each daily entry when you have done this, so no daily entry will be put into a category more than once.

When the month is over, add up the

entries under each heading and write the total at the bottom of the column. (If you find you need more than one page for some headings, simply take a blank lined page, label it page 2, and write the needed headings at the top of the page.)

 The results of Steps A and B are now combined to produce your best estimate of average monthly expenditures. Turn to Worksheet 1 (page 7). Beside each category in Worksheet 1, write the monthly average you calculated in Step A or Step B, depending on which you believe is more accurate. If you feel Step A captured some elements that were not included in your daily record, you may want to add a portion of the Step B estimate to the Step A estimate. (For instance, if insurance payments in Step A include a life insurance payment that is made every six months but was not made in the month of your daily record, you should add one month’s portion of the payment to the amount from Step B.)

Mr. Micawber, who always hoped that “something will turn up” but who ended up in debtors’ prison, summarized his financial experience: “Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.”—Charles Dickens (*David Copperfield*, Chapter 12)

 Worksheet 1. Average Monthly Expenditures

Food at home	\$ _____
Food away from home	\$ _____
Shelter	\$ _____
Utilities, fuels, and public services	\$ _____
Household operations	\$ _____
Housekeeping supplies.....	\$ _____
Household furnishings and equipment.....	\$ _____
Clothing and related services	\$ _____
Vehicle purchase or payment	\$ _____
Gasoline and motor oil	\$ _____
Other vehicle expense	\$ _____
Public transportation	\$ _____
Health care	\$ _____
Entertainment	\$ _____
Personal care products and services.....	\$ _____
Reading	\$ _____
Education	\$ _____
Miscellaneous	\$ _____
Cash contributions	\$ _____
Life and other personal insurance	\$ _____
Pension.....	\$ _____
Other (specify).....	\$ _____
.....	\$ _____
.....	\$ _____
Total Average Expenditures.....	\$ _____

SECTION 4. IF THERE ARE NO CHANGES, WILL I ACHIEVE MY GOAL?

In the last two sections you have estimated your average monthly income (Section 2) and your average monthly expenditures (Section 3). Now it is time to put them together. Using history as your guide, does an average month bring you closer to your financial goal, or move you farther from achieving it? Write down your average monthly income and subtract your average monthly expenditure. If you get a negative

number, then you are moving away from financial independence and security. You can begin working in Section 5 to start moving towards your goal right away.

If you get a positive number, you are moving towards your goal, but you will have to evaluate whether you are moving as fast as you want. Suppose that your goal is to eliminate credit card debt of \$2,000 within six months. If your income exceeds your spending by

\$333, and you do not add to your credit card debt, you can begin paying off the debt and accomplish your goal in six months. If you find that income exceeds spending by

only \$100, then you should proceed to Section 5 to identify ways that you can make faster progress towards your financial goal.

SECTION 5. HOW WILL I CHANGE MY SPENDING TO ACHIEVE MY GOAL?

We've spent a lot of time now dwelling on the past. This can be uncomfortable, especially when we're not too happy about how the past looks. We've concentrated on the past for two reasons: (a) it is the past patterns of income and expenditure that have placed you in your current financial position; and (b) unless you make changes, your past will predict your future.

Our main concern is with the future, however. If you found in Section 4 that the financial path you have been traveling is not leading you to your goal, now is the time to gain control and change your path. In this Section you will take a detailed look at your expenditures, decide where changes are needed, and start moving towards your goal.


Few of us take dollar bills and throw them in the garbage or light them on fire. We use money for things we like (or at least think we will like). To change your spending patterns, you will have to spend less money on some things that you like. This sounds unpleasant—why should you do it? Because the goal you set for yourself in Section 1 is so important to you. (This may be a good time to re-read your goal.) Keep this goal in mind as you work through this Section. Concentrate on the peace of mind and satisfaction you will have when you achieve it, and

you will have the determination to find and make important changes in your financial life.

In looking for ways to reduce your expenditures, it may help you to compare your spending to other American households. Appendix 2 presents information collected by the U.S. Government on average spending patterns. You should probably look at both tables and find in each one the numbers that most closely match your situation.

In Appendix 2.A, monthly expenditures are shown separately for households at different income levels. First find the income range that best fits you. (The income ranges are expressed in annual income before taxes. If you don't know your annual income before taxes, look at the monthly income after taxes figures in the second row and find the value closest to what you calculated in Section 2.) Look in that column to see how much the average household spends on each type of expense.

Now look at Appendix 2.B. Here you see average household expenditures depending on how many people are in the household. Look at the numbers under the heading that best describes your household.

 After you have identified the portions of Appendices 2.A and 2.B that are closest to your situation, do some comparisons. On which expenditure

"To reach a goal you have never before attained,
you must do things you have never before done."—Richard G. Scott

items are you well above the average? These items are likely targets for reducing your spending. On Worksheet 1, make some notes about your findings.

When you make these comparisons, you may see some expenditure categories where you know your expenses are going to be higher than the U.S. average. For instance, a full tithe of 10 percent of income will make your charitable contributions higher than the average, and you may believe that housing or food prices where you live are higher than the U.S. average. It is tempting to treat such categories as “excuses” for your current financial position. But if you are to reach your goal, you can’t afford excuses. Instead, look on these areas as partial explanations for your total expenditure pattern, and use them to motivate you to make whatever spending reductions are needed to achieve your

goal.

Also keep in mind that the average U.S. consumer isn’t exactly a star performer when it comes to managing money. Lots of people included in the averages are not able to meet the goal you have set for yourself. For you to reach your goal, your expenditures on many items may need to be lower than the national averages. Don’t take what other people spend as your standard. More important is your personal standard—if you are spending more than permitted to reach your goal, you are spending too much.

Now it is time to look closely at your own expenditures. Once you know that you need to reduce your spending to achieve your goal, you are free to choose the spending areas where it would be easiest and wisest to make reductions. Consider the following suggestions, but remember that you are the one to make the changes and you must decide how best to make them.

Food

- Instead of buying lunch, take a sandwich or leftovers from home.
- Don’t dine out except on one or two special occasions per year, which you identify in advance.
- Instead of take-out hamburgers or pizza, eat home-cooked meals.
- Make only one grocery shopping trip per week. You save money by buying larger packages less often and staying out of the store.
- Take advantage of grocery store sales. Stock up on items you use at the sale price. But don’t buy items you can’t afford just because they are on sale.
- Supplement your meals with items from your food storage.
- Plan your shopping before you get to the store, and don’t buy anything not on your list.
- Use price-per-ounce information to compare several brands. Instead of buying heavily advertised brands, substitute generic or house brands of comparable quality.
- Avoid “convenience” foods. Buy a whole chicken and cut it up yourself, buy staples instead of mixes, etc.
- Most kids beg for items not on the grocery list. Leave kids at home.
- Avoid snack foods—this will save money as well as calories and fat most of us don’t need.
- You will buy fewer groceries shopping after a full meal than shopping when hungry.

Entertainment

- Cancel or scale back your cable television subscription.
- Watch some of the shows you have taped or purchased instead of renting or buying new videos.
- For entertainment, try old-fashioned activities like reading, playing indoor games, enjoying nature, and serving others.
- Cancel your newspaper subscription. If you keep it, use newspaper coupons to reduce your grocery expenses by more than the newspaper's cost.

Clothing

- Instead of buying new clothing, mend the clothing you already have.
- Try to find the item you need at a thrift store. You'd be surprised how many perfectly good items people give away.
- When you buy new clothing, make sure you will get a lot of use out of it. Look for versatile styles and colors that go with things you already have.

Family and Friends

- Plan a vacation around low-cost travel and accommodations. You can have fun and learn a lot by exploring overlooked attractions near home.
- Cut back on long-distance phone calls. People still love to get letters!
- Purchase less expensive gifts, make something, or send a card.
- Cancel, spread out or postpone lessons or special programs for the children. If children are not putting a lot into these activities, children may not be getting a lot out of them either.
- Instead of paying for evening child care, arrange with one or more other families to trade child care.

Automobile

- Trade in your car for something less expensive, especially if you are still making payments on it.
- Sell a second car and make do with one. If public transportation or ride sharing is available or distances are short, you may not need a car at all.
- Shop around for car insurance. You can often get quotes easily over the phone and compare rates.
- Properly maintain any car to avoid costly repairs. Make minor home and car repairs yourself. If you don't have the skills, ask someone for help or trade your skills for theirs.


Home

- The largest single expenditure for many households is housing. Much as you like where you are now living, you may not be able to achieve your financial goal without changing your address. Moving to a smaller home or one in a more affordable neighborhood can make a large difference in your monthly expenses. As with any major change, you should weigh all the pros and cons before making a move.
- Moving can be a big expense.
- Learn to do without. You can live without expensive stereo equipment, cameras, and the latest in toys and games.
- Put off replacing household items until you can afford them.
- Reduce your utility costs. For instance, turn off lights when you leave a room, and turn down the heat at night and when you are out.


Money Management

- Make it harder for yourself to spend money. Destroy your credit cards. When you go to a store, take along the budgeted amount of money in cash and nothing extra.
- As you begin to accumulate some money, pay off credit card or other consumer debt and don't add to it.
- If you enjoy shopping, do it with your eyes open and your pockets empty. Why tempt yourself to buy something you can't afford?
- When you have to make a purchase, do your homework first. Find out which brand and which store will give you the best value. Then wait for the item you've chosen to go on sale.

Making a Budget

 It is not enough just to pick out which expenditures should be reduced. You need a concrete plan stating how much you will spend on each item in the future and what actions you will take to get your spending down to the new level. You may need to go back to your detailed expenditure record to find out what kinds of expenses make up each category. Write down in Worksheet 2 (page 12) the amount you will spend in each category. This is your monthly spending limit in each cat-

egory. Now add up the amounts for all the categories and compare the total to your average monthly income. If your expenses are still more than your income, or if income minus expenses is positive but too small for you to reach your goal, you need to make more changes in your spending plan. (For right now we are assuming that all the adjustments will have to be made on the spending side. If you can realistically increase your income, as explored in Section 6, your expenditures do not have to be cut by the entire difference.)

 Worksheet 2. Monthly Spending Limits

Church donations	\$ _____
Food at home	\$ _____
Food away from home	\$ _____
Shelter	\$ _____
Utilities, fuels, and public services	\$ _____
Household operations	\$ _____
Housekeeping supplies.....	\$ _____
Household furnishings and equipment	\$ _____
Clothing and related services	\$ _____
Vehicle purchase or payment	\$ _____
Gasoline and motor oil	\$ _____
Other vehicle expense	\$ _____
Public transportation	\$ _____
Health care	\$ _____
Entertainment	\$ _____
Personal care products and services	\$ _____
Reading	\$ _____
Education	\$ _____
Miscellaneous	\$ _____
Other cash contributions	\$ _____
Life and other personal insurance	\$ _____
Debt payments.....	\$ _____
Other (specify).....	\$ _____
.....	\$ _____
Total Monthly Budgeted Expenditures.....	\$ _____

Working Your Budget

Congratulations! You have just taken the single most important step to achieving your goal. With a concrete spending plan that allows you to meet your goal, you can begin to make your goal a reality. It will take discipline and determination, but you can do it.

As you put your budget into action, it is essential that you continue to track your expenses. Unless you continue to measure your spending, you will not know whether you are

following your plan or not. Use your notebook to record each expenditure you make this month. At the end of each week, put all the expenditures into their proper categories and add up sub-totals for each category. If in a week you have already spent more than a quarter of your budget in a category like food, you will have to make further adjustments. Don't wait till the end of the month to track your progress, because then it will be too late to reach your target in some areas. Besides, you owe yourself the satisfaction of seeing

your success in reducing expenditures as the month goes on.

Like all plans, however, your spending plan may need some adjustment. You may find that some of the reductions are harder to make than you thought. Don't give up—just modify your plans to include what you have learned. You can increase the target spending level in one category if you find one or more other categories that can be reduced further. As in the old budget, total expenditures in your new budget must be below income by enough to achieve your goal. As you track each month's expenditures, you may also find expenses that were understated

or left out of your original budget. Adjustments will also be needed for these items.

If you are fortunate, a few minor changes in spending will be all you need to reach your goal. More likely, you will have to make reductions in several areas. Achieving your goal will be much easier if you concentrate on making changes, not on making comparisons. Don't worry about having what your neighbor has. Don't complain about not having what you used to have. The only comparison that matters now is comparing what you spend to what you earn. If you keep these in order, you will have peace of mind and satisfaction from achieving your financial goal.

SECTION 6. HOW CAN I GET MORE MONEY OR OTHER RESOURCES TO ACHIEVE MY GOAL?

Changes in income are often harder to make than changes in spending. This doesn't make them less important, but it means that it may take longer to achieve them. Here are some short-term and long-term changes you may want to consider.

Change your primary employment. If you have the ability to work but don't have a job, you need to find one. This is primarily your responsibility, but there are some helps available. Spread the word that you are looking for work: even people who cannot offer you a job may know of one. Study the newspaper and any relevant professional publications for job openings. Your ward employment specialist can help you focus your search and make applications. Your bishop can give you a referral to the LDS Employment Resource Center, where additional training and job listings are availa-

ble. State and county employment centers maintain additional job listings.

Perhaps you are employed but are not working up to your full potential. Without jeopardizing your current income, begin to identify alternative employment that would allow you to earn more. Your ward employment specialist and the LDS Employment Resource Center can also be helpful here.

Take on a second job or work overtime. This can be an excellent way to achieve your goal, particularly as a temporary solution. However, keep in mind that extra work may have some hidden costs, especially if you have a family. Make sure you have done all you reasonably can to reduce expenses. For instance, it is probably not wise to spend weekends working to pay for an expensive hobby when the time could be better spent at home. Where appropri-

ate, children can work to add to the family's income.

Start your own business. Some people earn a good livelihood through full- or part-time self-employment. However, many others lose money. Success requires risk as well as a lot of hard work. Be sure to study any opportunity and seek independent advice before investing your money or time in a business that is new to you. Remember, if the opportunity sounds too good to be true, it probably isn't true.

Improve your skills. Additional education or training can lead to improved employment and pay. Before enrolling in any program, check its

accreditation and history of placing its graduates in jobs.

Sell some possessions. Take careful stock of what you have and find some things that you can do without. Have a yard sale or place a classified ad. Obviously, you can't raise a large amount of money month after month by this method, but it can help you get over a financial hurdle, such as raising the money to pay off credit card debt.

Ask for temporary help. When you have done all you can, it is appropriate to ask your extended family for help. Let them know that you have studied your finances, you have made and are following a budget, and you have a plan to achieve your financial goal.

CONCLUSION

There are two parts to achieving financial control: "knowing" and "doing." This booklet has concentrated on "knowing." You have read some simple principles and guidelines that should help you set a goal, evaluate your past expenditures and income, and make plans to change your expenditures and income so you can meet your goal.

If you have worked through all the Sections, you have already started translating your "knowing" into "doing." You've taken a major step in gaining control of your financial

affairs. Don't become discouraged if you find it tough going at times, or if you have to make some changes as you go along. Remember: things didn't get "out of control" overnight, so you can't expect to regain control overnight either.

You should feel some satisfaction for the start you've made. In gaining financial control, you have set yourself apart from millions of people who are totally at the mercy of events around them. You have decided to be self-reliant, accepting the full responsibility for your own welfare. You will be blessed for your efforts.

APPENDIX 1.A

Food at Home			Food Away from Home
Food for meals at home	Food for meals eaten outside home	Food not for meals (such as snacks)	

✂ (Cut along dotted lines to separate headings.)

Shelter			
Rent or mortgage payment and interest	Property taxes	Maintenance, repair, insurance, other	Other lodging

Utilities, Fuels and Public Services				
Natural Gas	Electricity	Fuel Oil and other Fuels	Telephone	Water and other public services

Household Operations (e.g., services)	Housekeeping Supplies	Household Furnishings and Equipment	Clothing and Services
--	------------------------------	--	------------------------------

Transportation			
Vehicle purchase or payments	Gasoline and motor oil	Other vehicle (repair, insurance, license, etc.)	Public transportation

Health Care			
Health insurance	Medical services	Drugs	Medical supplies

Entertainment			
Fees and admissions	TV, radio, sound equipment	Pets, toys, playground equipment	Other supplies, equipment and services

Personal Care Products and Services	Reading	Education	Miscellaneous
--	----------------	------------------	----------------------

Cash Contributions	Life and Other Personal Insurance	Pension	Other
---------------------------	--	----------------	--------------

APPENDIX 1.B

Food at Home			Food Away from Home
Food for meals at home	Food for meals eaten outside home	Food not for meals (such as snacks)	

✂ (Cut along dotted lines to separate headings.)

Shelter			
Rent or mortgage payment and interest	Property taxes	Maintenance, repair, insurance, other	Other lodging

Utilities, Fuels and Public Services				
Natural Gas	Electricity	Fuel Oil and other Fuels	Telephone	Water and other public services

Household Operations (e.g., services)	Housekeeping Supplies	Household Furnishings and Equipment	Clothing and Services
--	------------------------------	--	------------------------------

Transportation			
Vehicle purchase or payments	Gasoline and motor oil	Other vehicle (repair, insurance, license, etc.)	Public transportation

Health Care			
Health insurance	Medical services	Drugs	Medical supplies

Entertainment			
Fees and admissions	TV, radio, sound equipment	Pets, toys, playground equipment	Other supplies, equipment and services

Personal Care Products and Services	Reading	Education	Miscellaneous
--	----------------	------------------	----------------------

Cash Contributions	Life and Other Personal Insurance	Pension	Other
---------------------------	--	----------------	--------------

Apx. 2.A. Average Monthly Household Expenditures, By Annual Income Before Taxes

Item	All consumer Units	Less than \$5,000	\$5,000 to \$9,999	\$10,000 to \$14,999	\$15,000 to 19,999	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 and more
Income before taxes	\$5,207	-\$92	\$674	\$1,051	\$1,457	\$2,083	\$2,897	\$3,728	\$4,938	\$10,763
Income after taxes	5,059	-106	690	1,067	1,476	2,107	2,893	3,708	4,858	10,321
Average monthly expenditures	\$4,009	\$1,729	\$1,525	\$1,659	\$2,078	\$2,430	\$2,963	\$3,385	\$3,997	\$6,726
Food at home	302	172	181	187	211	233	253	283	308	427
Food away from home	209	105	75	74	97	101	154	177	218	361
Shelter	818	463	378	410	479	530	618	704	824	1,294
Utilities, fuels, and public services	305	153	160	185	231	253	277	294	327	409
Natural gas	37	16	17	20	27	30	32	35	36	53
Electricity	118	68	72	80	96	104	110	114	125	149
Fuel oil and other fuels	12	5	6	7	11	10	9	10	13	16
Telephone services	98	45	46	54	71	77	90	98	109	134
Water and other public services	41	19	20	24	28	31	35	37	45	58
Household operations (e.g., child care, lawn service)	84	31	24	32	38	41	51	59	77	158
Housekeeping supplies	51	25	28	29	30	36	37	46	49	80
Household furnishings and equipment	122	48	47	41	59	62	85	93	115	223
Apparel and services	142	54	81	51	76	95	104	115	130	240
Vehicle purchases (net outlay)	216	48	38	44	73	132	178	191	199	389
Gasoline and motor oil	178	73	75	82	104	129	157	179	205	255
Other vehicle expenses (e.g., repairs, insurance, license)	205	78	68	81	126	127	161	198	211	329
Public transportation	41	12	12	11	15	18	23	24	34	84
Health care	263	111	80	139	170	222	244	245	284	373
Health insurance	153	56	53	81	101	132	147	149	173	207
Medical services	60	35	10	19	28	47	49	46	61	99
Drugs	40	16	14	34	36	36	39	41	41	51
Medical supplies	10	4	3	5	6	7	9	8	8	16
Entertainment	209	86	71	82	99	115	142	160	206	370
Personal care products and services	49	20	23	21	28	33	35	40	47	80
Reading	8	5	3	4	4	6	7	7	8	14
Education	90	79	73	40	32	33	37	40	54	187
Miscellaneous (including alcohol and tobacco)	135	83	57	73	74	81	106	135	161	198
Cash contributions	136	56	29	43	66	71	100	118	134	240
Life and other personal insurance	27	8	4	7	11	10	17	17	24	53
Pensions and Social Security	421	22	19	28	54	103	178	261	384	962
Personal taxes	147	14	-17	-17	-19	-23	4	20	80	442

Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, September, 2011. Note: All values have been rounded.

Apx. 2.B. Average Monthly Household Expenditures, by Household Size

Item	All consumer units	One person	Two or more persons	Two persons	Three persons	Four persons	Five or more persons
Income before taxes	\$5,207	\$2,748	\$6,225	\$5,642	\$6,198	\$7,322	\$6,620
Income after taxes	5,059	2,655	6,056	5,455	6,031	7,143	6,511
Average monthly expenditures	\$4,009	\$2,429	\$4,661	\$4,247	\$4,701	\$5,272	\$5,091
Food at home	302	156	361	290	369	435	479
Food away from home	209	131	240	207	239	297	278
Shelter	818	604	906	822	892	1,045	1,004
Utilities, fuels, and public services	305	194	351	314	352	389	413
Natural gas	37	24	42	37	41	49	49
Electricity	118	76	135	121	133	150	163
Fuel oil and other fuels	12	9	13	14	14	12	10
Telephone services	98	60	114	99	121	126	134
Water and other public services	41	26	47	42	45	53	57
Household operations (e.g., child care, lawn service)	84	43	101	73	117	145	105
Housekeeping supplies	51	29	60	57	55	69	64
Household furnishings and equipment	122	65	146	141	150	158	140
Apparel and services	142	67	172	142	174	210	216
Vehicle purchases (net outlay)	216	86	269	247	292	272	301
Gasoline and motor oil	178	97	211	183	209	244	260
Other vehicle expenses (e.g., repairs, insurance, license)	205	125	239	225	249	256	245
Public transportation	41	26	47	49	44	53	38
Health care	263	169	302	342	279	274	248
Health insurance	153	98	175	202	159	160	136
Medical services	60	36	70	74	67	66	69
Drugs	40	28	45	55	43	35	33
Medical supplies	10	6	11	12	11	12	10
Entertainment	209	120	245	226	234	283	273
Personal care products and services	49	30	56	51	61	64	56
Reading	8	7	9	11	8	8	6
Education	90	50	106	69	128	153	127
Miscellaneous (including alcohol and tobacco)	135	112	145	148	145	150	128
Cash contributions	136	104	150	171	141	124	132
Life and other personal insurance	27	12	33	32	34	34	31
Pensions and Social Security	421	202	512	450	529	611	548
Personal taxes	147	93	170	188	167	179	109

Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, September, 2011. Note: All values have been rounded.