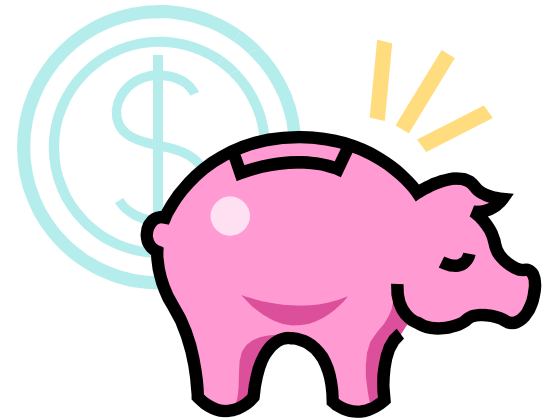




Budget

How to budget your money?

“Budget Busters”



- Give yourself five points if you have a budget.
- Give yourself five points if you have a checkbook.
- Deduct a point if you have ever bounced a check.
- Deduct a point if you bought something this week without comparison shopping.
- Give yourself a point if you bought a store brand, rather than a name brand item this week.
- Give yourself five points if you have a savings account.
- Give yourself five points if you added any money to your savings account this week.
- Give yourself five points if you pay your own car insurance (or part of it)
- Deduct five points if you routinely carry more than \$10.00 in your purse or wallet.
- Give yourself five points if you have a method of recording what you spend.

“Some Money Facts”

- \$ The average person spends money three times a day.
- \$ A movie with popcorn and a soft drink can easily cost \$20
- \$ Just one soft drink a day for .99c adds up to \$361.35 in a year
- \$ What's the biggest expense item for teenagers? FOOD!

Money Matters:

- How many times a day do you spend money?
- The average person spends money 6 times a day.
- Money brings happiness – Money problems bring unhappiness
- Money problems stay with you for the rest of your life.
- Top reason for divorce is financial. Finances affects everything else in your life.

2001 in Utah

- Nearly 94,000 people under 25 filed for bankruptcy
- Average in the US is 1 in 69 file for bankruptcy
- Average in Utah is 1 in 34 file for bankruptcy
- Rise in 18-25 year olds moving back in with parents
- College students have \$3,000 in credit card debt
10% owe \$10,000 or more in credit card debt
- Chapter 7 bankruptcy – no payment necessary
- Chapter 13 bankruptcy – set up payment plan to pay back
- 5,539 in 2003 filed for bankruptcy by April

- The cost of living in Utah is the same as the national average
- The average income in Utah is below the national average
- Teens Today – Spend and Influence
\$172 billion annually (\$105 of own money, \$48 of family money)

Average of \$104 per week

- Without a monthly check most families would last 1 to 2 mos.

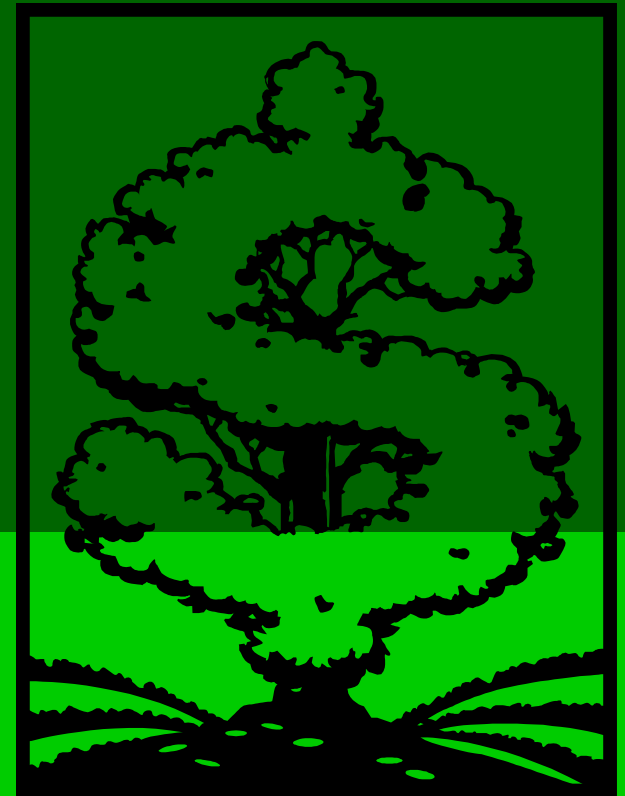
Personal Savings

- – does not include 401 K, retirement, etc. this is for emergency, unplanned bills. If you don't a lot of people turn to their retirement which is penalized and taxed heavily and you end up owing more money. We always come up with a good reason not to save.

- 87% of retirees are retiring with \$10,000 or less
- Wealth is not what you spend but your net worth or accumulative wealth, what you have.
- 80% of millionaires have accumulated slow and steady
- What is the portrait of a millionaire?
 - Live in same city/town for over 20 years
 - Live below their means
 - Married 1 time and still married
 - Usually owns a chain of stores or similar
- At age 20 if you save \$200.00 a month at 10% interest you will be a millionaire by the age of 55.

Ways to improve your finances

- Make more money
- Cut your expenses
- “Wait and win the lottery” system
- Have a budget



Discussion:

- What is a Budget?
- Why do you have a budget?



Budgeting Terms

- Budgeting
- money management
- gross income
- net income
- bank accounts
- joint bank account
- separate bank account
- fixed expenses
- flexible expenses

What is included in a budget for a family in a given month?

- The typical family spend their money?

Housing 14%
7%

Recreation

Food 22%

Medical/Dental 8%

Clothing 10%

Transportation 14%

Personal 2%

Utilities, Home 14%

Other 9%

Improvements

Family Budget Activity:

- For the next four days you will create a monthly budget project for a family using the monthly income of \$4,000 per month (1 day=1 week, so groups get installments of \$1,000 each day (week), which you will have to deposit in order to use.)

