



NEWS YOU CAN USE

November 23, 2010

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A BUDGET IS A WRITTEN PLAN THAT HELPS YOU MANAGE YOUR MONEY

HOW TO CREATE A BUDGET

Figuring out how much money comes in is pretty easy, but figuring out how much money you spend might take a little effort.

FIRST, COLLECT ALL YOUR BILLS

This includes your credit card statements, your checkbook register, and receipts for gas, groceries and anything else you buy with cash, check or a debit card.

- Don't forget items that are billed less regularly, such as taxes or insurance.
- If you are not keeping receipts for some of the items listed you may have to wait a month or two while you collect the bills required.
- Use a notebook to make sure you record every receipt.
- Or, use a money management program on a computer.

USE THIS BUDGET CHECKLIST

- Mortgage or rent statement
- Checkbook register
- Car payment book or statement
- Receipts for gas, groceries, childcare, entertainment, etc.
- Utility bills (electricity, heat, water, garbage, pest control)
- Insurance (Auto, Home/Renter's, Medical, Life)
- Credit Card bills
- Savings passbook or statement

THE THREE TYPES OF EXPENSES

Expenses can be divided into three categories:

*** Fixed Expenses * Variable Expenses * Flexible Expenses**

1. Fixed Budget items are the same each month (Rent, Mortgage)
2. Variable items change each month (like your phone bill)
3. Flexible items are often controlled by your willpower (cable, videos, plays, movies, dining out, beverages, etc)

WHAT PAYING YOURSELF FIRST MEANS

Almost every financial advisor recommends paying yourself first. What paying yourself means is to:

Decide on an amount ó say 5% or 10% - of your take home pay. Have the money automatically deposited into a bank or credit union savings account. By paying yourself first you get an orderly way to make your money grow for your dreams.

WHEN YOU KNOW WHAT EXPENSES ARE NEEDED, VERSUS WHAT EXPENSES ARE FOR WANTS YOU WILL BE IN GREAT SHAPE TO MAKE BUDGET ADJUSTMENTS ó AS NECESSARY ó TO HELP YOU SAVE FOR A STUDENT LOAN, CAR, WEDDING, HOME, TRAVEL, RETIREMENT ETC.

BEING PREPARED CAN HELP YOU GET WHAT YOU WANT, LIVE WITHIN YOUR MEANS AND AVOID SERIOUS CREDIT PROBLEMS THAT CAN OCCUR IF YOU OVERSPEND.

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About Louisiana Jump\$tart Coalition

Louisiana Jump\$tart Partners represent a broad array of organizations, including business corporations, non-profits, faith-based organizations, federal and state government agencies, regulatory authorities, and academic institutions.

Our goals are:

1. *Expand financial education for students from kindergarten through post-secondary education.*
2. *Support the increasingly important role of employers as providers and conduits of financial education to their employees.*
3. *Increase access to financial services for the millions of unbanked and underserved citizens.*
4. *Identify and promote a standardized set of skills and behaviors that a financial education program should teach an individual in order for that individual to be financially literate.*
5. *Conduct research on financial knowledge and to help strengthen public and private sector programs.*
6. *Develop a media plan to raise public awareness about financial education tools and programs currently available.*
7. *Encourage consumers to thoroughly investigate and understand any debt resolution option before selecting a way out of their financial distress.*