



No one is born with natural money management skills. Developing money management skills takes time, practice and patience.

You & Your Money

Identify Needs and Wants

We all have basic needs in our life— shelter, clothing and food. Each person in the family has additional needs that cost money.

There is a difference between needs and wants. A want is something you would like to have but could live without. A car may be a need for your family, but a brand new car is probably a want. A phone in the house may be a need for your family, but a cell phone could be a need or a want.



Photo: bit.ly/2c9iwV0

Have each family member write down five needs. Then ask each person to write down five wants. Read the lists aloud. Discuss how you could include the needs in your budget, and plan to save for the wants of the family.

Set Financial Goals

Goal setting is more than deciding what is important to you and your family. Goals provide direction for your plans and actions. When it comes to making financial goals, start by asking yourself (and your family) these questions:

- What do I want to do with my money?*
- How much will it cost?*
- How long will it take me to get that much money?*

- ⇒ Immediate Goal = You want to get it done in the next week, month or 3 months.
- ⇒ Short-term Goal = You want to meet this goal in 6-12 months.
- ⇒ Long-term Goal = It will take you 1 year or more to reach this goal.

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Check out our blog: postrockextension.blogspot.com	 "Post Rock Extension"  @KSRE_PostRock
	<p>Nora Rhoades, Family and Youth Development Agent Email: nrhoades@ksu.edu Twitter: @PRDfamilies</p> <p>To access resources and services made available through K-State Research and Extension please contact Nora or visit any Post Rock District Office.</p>

Source: *Essential Living Skills: Money Management, K-State Research and Extension*

Budgeting Tips

Get Organized

- ⇒ Have a designated spot where bills are placed when they arrive. If it is a paper bill, use a drawer, box, basket or file. If it is an electronic notice, consider creating an email account just for bills. Or, create a “bills” folder in your email filing system.
- ⇒ Review your bills regularly and record the date the bill should be paid on a calendar. The date you write down should be the date you need to pay the bill to allow for mailing or electronic fund transfer in order to avoid late fees.
- ⇒ After paying a bill, mark it “paid” and put it in a large envelope, box or file marked “Paid Bills”. Keep receipts for cash payments of bills in the same place.

Track and Record Spending

- ⇒ To get a realistic picture of how you spend your money, keep a folded sheet of paper or small notebook with you at all times to track all of the money you spend for at least a week. Tracking your spending for an entire month will help you learn even more.
- ⇒ Record spending on a budget expense worksheet, adding categories if necessary to fit your spending pattern. You can find simple expense worksheets online, or contact your local Extension Office for a free one. There are also phone apps with recording worksheets.

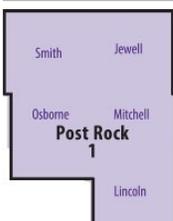
Budgeting is a way to get the most out of your dollars. It is not just about saving money or being a tightwad or doing without. Budgeting is about deciding where your money will go and making a plan to achieve your goals.

Compare Expenses to Income

- ⇒ Determine what expenses are absolutely necessary, such as housing, utilities and food.
- ⇒ If your expenses are more than your income, look for ways you can cut spending.
- ⇒ Remember to look for opportunities to put money aside for emergencies. It is recommended to have at least three months saved to cover necessities in the event of a disaster or unexpected expense, like a vehicle repair or refrigerator replacement.

Build a Spending and Savings Plan

- ⇒ Use the information you’ve gathered from the steps above to make a spending and savings plan for the next month. Plan what current bills and expenses will be paid out of each paycheck as well as how much must be saved for future expenses.



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