Managing Finances & Budgets

- Goals
- Income
- Spending
- Evaluating
- Savings
- The Plan
- Things to Consider

1. Identify Financial Goals
2. Identify Income
3. Track Your Spending
4. Evaluate Income Versus Spending
5. Set Savings Goals
6. Make Your Spending Plan
Identify Financial Goals
Short-Term Goals

<table>
<thead>
<tr>
<th>Item</th>
<th>Specific Cost</th>
<th>Target Date</th>
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Long-Term Goals

<table>
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<tr>
<th>Item</th>
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<th>Target Date</th>
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Identify Income
Sources of Money

- Job
- Spouse’s job
- Loans
- Stipends
- Other

Resource if you’d like to know potential income for any job category: www.bls.gov
Track Your Spending
Fixed Expenses:
• Rent
• Tuition
• Student Loan Repayment
• Any Regular Bill

Variable Expenses:
• Food
• Gas
• Electricity
• Others?

Track Your Spending
Variable Expenses:

• Keep an expense log on the computer or in a notebook.

• Envelope method – keep receipts for all purchases.

• Debit cards that give a transaction record of spending.
Evaluate Income Versus Spending
• What in your life could you absolutely do without?
• Are you spending money on things that do not add quality to your life?
• Are you using something that you bought three months ago?
• Do you buy what you need before you buy what you want?
Set Savings Goals
Money Market and Savings Account Rates for Seattle, WA (MMA)

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<tr>
<th>Institution</th>
<th>Type</th>
<th>Date</th>
<th>INTRO Rate</th>
<th>RATIO INTRO</th>
<th>CM</th>
<th>APY</th>
<th>OPEN $</th>
<th>AVOID FEES</th>
<th>MONTHLY SVC FEES</th>
<th>CHECK WRITING</th>
<th>ADVERTISER COMMENTS</th>
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<td>HSBC Direct</td>
<td>Money Market</td>
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<td>0.154</td>
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<td>ING DIRECT</td>
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<td>Join our 7 million savers. High interest. No catchup.</td>
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</table>
Make Your Spending Plan
Prioritizing

- Differentiate between wants and needs.
- Differentiate between immediate needs, and needs you could address later.
- Reality-check with trusted resources.

Make Your Spending Plan
Suggestions....

- Spreadsheet program or personal accounting package.
- Online budget calculator.
- Online sites like bankrate.com
Review Regularly and Revise as Needed

- Plan for the unexpected.
- Don’t forget special events.
What gets in the way?
Barriers to sticking with our plans

• Emergencies.

• Psychological/Emotional “triggers” for spending.

• Forgetting your plan.
Emergencies

- Try to “buy time” to think through a decision about spending - if possible.

- Consult with trusted resources.

- Review your priorities.
Difficulty saying no

• Know your patterns - when is it most difficult to say no?
• 15 minute rule.
• Regularly review your goals and plans.
Things To Consider
Fun is necessary!

• Even when you’re on a budget, you need to make sure all of your hard work is balanced with fun and relaxation.

• A good spending plan doesn’t have to make you feel deprived all of the time.
TRAPS!

- If you’re thinking about consolidating your debts into a **home equity loan**, talk to a local nonprofit housing or consumer credit counseling agency first.

- **Payday lenders** charge high rates and rely on repeat, rollover business that’s not in their customers’ best interest.

- **Emergency Loans**
  - Family or Friends.
  - UW Short Term.
Credit Cards - The Fine Print

$ Membership Fees: $59.00 annual fee
$ One-time processing fee: $49.00 plus
$ Annual Percentage Rate: 23.99%
$ Grace Period: 20-25 days
  (if previous month’s balance was paid in full)
$ Fee for cash advance: 5% (min $3)
$ Returned check fee: $39.00
$ Late Payment Fee: $39.00
$ Over-the-Credit-Limit: $39.00
Minimize The Damage

Creditors May:

• Be willing to accept interest only payments.
• Eliminate late charges from your account.
• Not report delinquent information to credit bureaus.
• Not turn your account over to collections.
Be Realistic

• Don’t make promises you can’t keep.
• There will be consequences.
  – May include being sent to collections
  – Additional fees
• Follow up with a letter detailing your plan:
  – How long will I be unable to afford this payment?
  – Can I afford a different payment?
  – How much income do I expect to have over the next few months?
  – What are my other payments that are more important?
Get Help

Turn to these agencies when you need help:

- National Foundation of Credit Counseling’s Consumer Credit Service (CCCS) [www.nfcc.org](http://www.nfcc.org)
- Consumer Counseling NW [www.ccnw.org](http://www.ccnw.org)
- Money Management International [www.moneymangement.org](http://www.moneymangement.org)
Other Resources

• Office of the Attorney General – Washington
  By Phone: 1-800-551-4636
  Online: www.wa.gov/ago/consumer/

• Federal Trade Commission
  By Phone: 877.FTC.HELP (382-4357)
  Online: www.ftc.gov/

• Better Business Bureau
  By Phone: 1-800-216-2227
  Online: www.bbb.org/
Questions

Student Fiscal Services
129 SCHMITZ HALL
Box 355870
Phone: 206-543-4694
Email: sfshelp@u.washington.edu
www.f2.washington.edu/fm/sfs/

Want an immediate response between 8 a.m. and 5 p.m. Monday thru Friday?

Live Advisor