



INNOVEST SME
Accelerating Small Business

A woman with short brown hair, wearing a light blue button-down shirt and a necklace, is looking down at a red leather wallet she is holding in her hands. The background is a softly blurred office or home setting with a wooden cabinet and a green plant. In the foreground, a desk is visible with some papers, a pen, and a smartphone.

How to Manage *your* Personal Finances

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*Rule No. 1:
Never lose money.*

*Rule No. 2:
Never forget Rule No. 1.*

WARREN BUFFETT

PREFACE

For many people, finances are an unsolvable Rubik's cube filled with anxiety. There are millions of Americans who live with the shackles of debt each day. We don't teach children when they are young the value of a good credit score. Many people have a hard time formatting and sticking to a budget. You can easily solve the finance puzzle with a little hard work, self-control, and the right tools. Today is a new day; you are taking the first steps to reclaiming your financial freedom.

*A budget tells us what we
can't afford, but it doesn't
keep us from buying it.*

WILLIAM FEATHER



THE BENEFITS OF BUDGETING

When going on a road trip, most people have a map which tells them how to get from point A to point B. The map is important, because it tells you how to get to your desired destination. A well developed budget is just like a map to help you reach your financial goals. You start at point A, and the budget helps you go the distance get to point B.

GETTING RID OF DEBT

Having a budget can be very beneficial to get the hardship of debt off of your plate. Debt is money that is owed by one person to another person, or company. Many people these days struggle with the burden of debt. The Pew Charitable Trusts reported in 2015 that 80% of Americans were in debt. The median is almost \$68,000 for Americans, talk about stressful! Debt can take many different forms, here are just a few:

- Mortgage
- Credit Card
- Medical Bills
- Personal Loans

- Car Loan
- Bank Overdraft Charges
- Student Loan

GENERATING SAVINGS

A well-crafted budget could help you create a savings. In this context savings means money that a person has saved, usually through a financial institution, but not always. Having a savings is critical, and often overlooked. You never know when lightning is going to strike, the car is going to break down, or you suddenly need to have an emergency appendectomy. The boy scouts have a motto, always be prepared. We don't always know what is coming our way in life, but a little foresight and preparedness can help. Saving a small emergency fund could mean the difference between saving the day, or total disaster. Here are a few different types of events you could save for:

- Car Repairs
- Housing Repairs
- Medical Costs
- Retirement
- Unexpected Unemployment

REDUCING STRESS AND ANXIETY

When a person is weighed down by their financial situation, it can cause a lot of stress and anxiety. Stress and anxiety can make it hard to function in life. Feeling the overwhelming pressure can be debilitating for some people. Stress and anxiety can also manifest in the following ways:

- Heart attack
- High Blood pressure
- Depression
- Gastric Conditions, such as stomach ulcers
- Substance abuse
- Eating disorders, weight loss/ or weight gain
- Insomnia

Financial stress and anxiety can be curbed by having a properly developed budget in place. A budget can help you manage your monthly spending. Your budget can even help you get out of debt, if that is one of your goals.

LESSENING FAMILY CONFLICTS

Financial strain can affect more than just your physical health; it can affect your relationships also. When you're stressed out, that always has a way of leaking into your relationships with your spouse, family, and friends. A major cause of divorce in America is related to financial issues. When financial stress is at the forefront of your mind, it can cause you to be

distant, and irritable towards your loved ones. Sometimes we have to borrow money from a loved one, which can add even more tension to an already strained relationship. Not only are you trying to get yourself back to level, financially, but having to figure out how to pay your loved one back.

PRACTICAL ILLUSTRATION

Jack and Sally have been married for 3 years, and were been blessed with a baby. Together they decided that Sally would leave her job, and stay home with their newborn for the first 2 years. They understand that this will be a significant change in their income, but feel like it is best for the baby. They feel like Jack makes enough money to cover all of the bills and necessities. Even though Jack makes enough money for the bills, often they have to pay for expenses with their credit cards. Jack feels like Sally shops too much, and doesn't understand that they don't have the financial flexibility they use to. He often becomes irritated and they start to argue often about their financial situation. Sally feels like Jack doesn't tell her his frustrations with their financial situation, unless they are arguing.

*You don't have to be
a miser, just be wiser
with your money.*

D O R E T H I A C O N N E R K E L L Y



WHAT TO CONSIDER BEFORE CREATING A BUDGET

A budget is a very personal tool, and is tailor made for each individual. What works for some people may not work for others. Your budget can depend on your income, your goals, your expenses, etc. There are some basic items to contemplate before creating a budget. In this section, we will explore the different elements that you should consider before creating your budget.

UNDERSTAND YOUR INCOME

Often time people have a tendency of living beyond their means. Everywhere you look there are credit cards, and loans available to help you sink further into that hole called debt. People charge items to credit cards that can have interest rates as high as 29.99%. When the bill comes in, often times just the minimum balance is paid. This type of financial behavior means filling the pockets of the credit card companies with your hard earned money.

If you are able to understand what your income is, and live within your means, you can climb your way out of your debt. Your income consists

of the money that you (and your spouse) make each month from your jobs. It could also consist of any side work or at home business that you may be involved in. When considering your income, you want to only budget for the money you consistently earn. If you have a side business, that doesn't consistently, earn a certain amount of money; you will not want to include that in your budget. The extra income can be invested in additional savings, paying down debts, or entertainment.

DETERMINE BUDGET DURATION

When you are developing your budget, the duration is important to factor in. You can make your budget as simple or complex as you wish. You could create a budget for a year, and create sub durations per pay period or per month. Your budget duration could be determined by your goals also. If your goal is to pay off your credit card within the next two years, then you can make a budget reflecting that.

The most common budget duration is a yearly budget that is broken up into monthly periods. There is no right or wrong way to determine your budget duration; it completely depends on your needs. Anything goes as long as it works for you!

DETERMINE EXPENSES

Of course, with any budget, you need to know your expenses. You can build a great budget, but if your expenses are not accounted for it will be a wasted effort. There are two categories of expenses fixed expenses, and fluctuating expenses. A fixed expense is an amount that stays the

same each month, or period. A fluctuating expense is an expense that varies in its costs. We will explore these two categories more in the next two sections. Often time's people will create a budget and not consider all of their expenses. Not understanding what is being spent, is the first step to failure in a budget.

When determining your expenses, you want to include items like housing costs, medical costs, transportation costs, etc. Take the time to write it down, and make a list of what you think your expenses are. Give yourself time to really think about your monthly or yearly expenditures before committing to what you've written. Normally, expenses that you hadn't thought about at the time will come to you later on.

TRACK WHAT'S BEING SPENT

Even though you have made a list of your expenses, sometimes what we write down as an expense is different than what we are actually spending our money on. A great resource in weight loss is to have a person write down what they eat each day. This record allows them to be accountable for their food choices, and allows them to see what their nutritional intake really is. Keeping a record of what is being spent, will allow you to really evaluate what you are spending your money on.

A lot of times, the small items are overlooked, but those small items can build into a large amount of debt for some. I suggest that you keep a log, for at least a month, of everything that you spend money on. With this log, you can see where your money is really going. If you are able to,

continue to keep the log after you start your budget, then you can see the progress you're making.

PRACTICAL ILLUSTRATION

Jan and Abe are really struggling, financially. They have tried really hard to save money, but it all seems to fly out of their pockets as soon as they get it. They shop at thrift stores, and try to use coupons, shop the sales, and clearance racks. No matter what they do they just can't seem to get ahead. Jan decides that they need to start writing down the money that they get from their jobs. They see that they earn more money than they thought they did, but they are still struggling financially.

Abe decides that he will start writing down everything that they spend their money on. He soon discovers that they are spending a lot of money on items they don't necessarily need because they are on sale. Together they decide that they need a budget to get back on their financial track.

*The safest way
to double your money
is to fold it over and put
it in your pocket.*

KIN HUBBARD



TYPES OF FIXED PERSONAL EXPENSES

Fixed expenses are expenses that do not change in cost for their duration period. An example would be that your Newspaper subscription is \$25 a month. You know that every month you are going to be paying \$25 for your newspaper subscription. Since it's the same amount every month that makes it a fixed expense. Fixed expenses could be utility bills, housing bills, transportation bills, etc.

UTILITY BILLS

One type of fixed expense could be some of your household utility bills. Utility bills reflect public services that are associated with a legal residence. If that utility bill is the same every period, month or year, then it can be considered as a fixed expense.

Here are some examples of a fixed utility bill:

- Telephone
- Cable
- Internet
- Sewer

- Electric (some electric companies offer averaged rates for customers)
- Water
- Trash
- Gas

HOUSING BILLS

Most of the time your housing bills can also be included in your fixed expenses. A housing bill is a bill that is related to the actual dwelling, not a utility bill. An example of a housing bill would be your rent. If you rent an apartment for \$1,000 each month, it's a fixed housing expense. You know that every month you are going to have to pay your \$1,000 rent. These bills don't have to only be monthly bills; they could be yearly bills, such as house taxes. Here are some examples of housing bills:

- Rent
- Mortgage
- Neighborhood association dues
- House Taxes
- House or Renters Insurance

TRANSPORTATION

Some of your fixed expenses can be transportation expenses. Your cars gas bill is not a fixed expense, because that can fluctuate depending on where you travel to in your car.

A fixed expense could be your car payment. Most people pay the same amount every month for their car payment; since it doesn't change it would be a fixed expense. Your automobile insurance is another example of a fixed expense. Here are just a few more examples of fixed transportation expenses:

- Bus Pass
- Quarterly Oil Change
- Car Payment
- Monthly Parking in a garage facility
- Subway Pass
- Car Insurance

DEBT PAYMENTS

Another example of a fixed expense would be your debt payments. Debt payments could consist of loan payments, or payments for past due debts. If you have past due medical expenses that you make payments on, this could be included as a debt payment. Since these payments are the same each month, which is why they are considered fixed. If you are

lucky (or financially savvy) enough not have any debt, then this section may not be applicable when determining your budget.

PRACTICAL ILLUSTRATION

Jessica is very good with her money because she is very faithful to her budget. Her sister Marsha is not very good with money and is tired of struggling to pay her bills. She asks Jessica for help with her finances. Jessica tells Marsha that she needs a budget to help her with her financial situation.

She asks Marsha to come over with all of her bills and receipts so that they can start development of her budget. Jessica separates the expenses into two categories, fixed and fluctuating expenses. Jessica tells Marsha that she is separating the bills into these two categories to see what bills they know for sure are going to stay the same and what may vary in cost.

*Money is hard to earn
and easy to lose. Guard
yours with care.*

BRIAN TRACY



We are looking for a new way of fresh way. This means we are not strategy. We are also looking for a revolution is a process, not an event. These basic yet profound changes are the We are visionaries and dreamers who daily trials as activists. We need to struggle itself managers to face in some way for our actions to matter. we've been able to master to master

TYPES OF FLUCTUATING PERSONAL EXPENSES

Now that you have learned about fixed expenses, we will switch gears to fluctuating expenses. Fluctuating expenses are expenses that the amounts vary. In this section we will discuss some of the fluctuating expenses that you may encounter when creating a budget. There are many different types of expenses that fluctuate in costs, but we will be exploring personal care, (Non-fixed) transportation costs, meals, and entertainment costs.

PERSONAL CARE

Personal care expenses are a broad category for your budget. Personal care can range between your food, toiletries, medical expenses, and clothing. These expenses could be weekly expenses, like groceries. Some of these expenses could be monthly expenses, like buying your prescription medications. You may not need these expenses, like clothing, every month. Most of these expenses will have to be estimated. When you're estimating the costs, it is strongly suggested for you to estimate on the higher end so that you don't cut yourself short. Once you are able

to project the expenses you have, and their estimated time frame, you can add them to your budget.

NON-FIXED TRANSPORTATION COSTS

As you continue to embark on your budget exploration, you will notice that you have some non-fixed vehicle costs. Gas is a great example of a non-fixed vehicle costs. What you spend in gas one week, may not be exactly the same as what you spend the next week. Gas prices change constantly. Other examples of non-fixed vehicle costs could be:

- Paid Parking
- Toll Road Fees
- Cab Fare
- Car Wash

ENTERTAINMENT

It is unrealistic to make a budget without having an entertainment expense. Yes, this is not a life necessity, but it is important for the quality of life. Obviously if the choice is paying a utility bill, or paying for entertainment, you should choose the utility bill. This expense could be small, depending on the flexibility of your budget. Here are some examples of entertainment expenses:

- Movie Tickets
- Going dancing

- Concerts
- Renting a movie
- Putt-putt golf
- Bowling

EATING OUT

Just as it is unrealistic to have a budget without an entertainment expense, not having a budget for eating out is just as improbable. We may all have moments where we think “I am not spending money on eating out anymore; I will cook all of my meals.” It’s just like that New Year’s resolution to work out every day; it quickly falls by the wayside. Try to really evaluate how much you eat out, and budget accordingly. It is better to have extra money in the budget for these types of expenditures, that way you won’t be tempted to try to squeeze it last minute out of your gas budget. Keep in mind that there are ways to stretch a buck. You always have the option to use coupons, or special deals.

PRACTICAL ILLUSTRATION

Holly and Bridget have been friends for years. Holly always seems so put together to Bridget, and it seems like she always has the funds to do fun things. Bridget feels like she is always struggling for money, and never has any left to have fun. Lately Bridget has been declining Holly’s invitations to hang out because she doesn’t have the money. Holly sees that her friend is pulling away from her, and finally asks Bridget ‘What’s

wrong?’ Bridget tells Holly about her financial stress. Holly tells Bridget that she has been in her position. She told Bridget about her budget, and how she started setting aside money have entertainment opportunities, dining out options, and other personal expenses. She told Bridget that she use to just budget her utility bills and rent, and was always too broke to do any activities. They start working immediately on a livable budget for Bridget.

*Too many people spend
money they haven't earned,
to buy things they don't
want, to impress people
they don't like.*

WILL SMITH



ESTABLISH YOUR GOALS

It is important that you have a goal, or goals, in mind when you start a budget. Your goal can be simply to not have any of your utilities turned off due to nonpayment. Your goals could be more complex. An example of a more complex goal would be, to pay your utilities on time so that your credit score improves enough for you to get a loan on a car. Be they big or small, many or few, goals are important.

SHORT TERM VS LONG TERM

There are two different types of goals that you can set when forming your budget. There are short-term goals and long-term goals. Short term goals are goals that can be achieved fairly quickly. Long-term goals are goals that can be achieved over a long period of time. Some of your short term goals could be steps to achieving your long term goal. Here is an example:

Long Term Goal:

- Buy a car

Short Term Goals:

- Pay bills on time so that credit stays good
- Spend less money on fast food by cooking more at home
- Rent movies instead of going to the movies
- Start saving extra money for down payment

BE REALISTIC

Another important factor when creating a budget is to BE REALISTIC! Making a budget means taking a real look at your spending. You can use your budget to cut some of the frivolous purchases that you might be making in haste, but you want to make sure you are making smart cuts that you are going to stick to. We talked earlier about that New Year's resolution to work out every day. A more realistic goal would be that you work out once or twice a week. You can always increase your workout routine, but you want to make it a realistic goal that you can achieve. Don't make your budget a New Year's resolution, make it a good habit. Give yourself wiggle room and money to splurge occasionally. Otherwise, you will stop using what might be the best tool in your belt!

ACTUALLY GET RID OF DEBT

If you are over the age of 20 you probably have achieved some level of debt. It is very seldom that someone doesn't have any debt anywhere. A budget can help you start paying off some of the debt that you have accumulated throughout your life. Paying off your debt can not only improve your credit score, but also your quality of life by reducing stress in your life.

Here are a few types of Debt:

- Credit Cards
- Bank Over-draft Fees
- Past Due Medical Bills
- Pay Day loans
- Student Loans
- Gambling
- Mortgage
- Car loans

SAVE FOR THE FUTURE

Everyone needs a little nest egg. Having an emergency fund is one of the benefits of having a budget. You can save small amounts of money each week, two weeks, or month for emergencies. You never know when you might have to have repairs made to your car, you lose your job, or a pipe in your house ruptures. It's comforting to be able to face the disasters head on, knowing that you have the ability to take care of it yourself, thanks to your savings.

Another important type of savings is retirement savings. People are living longer and longer these days, which is great! This newly found longevity though, does create a financial problem. When the Social Security Administration was started, in 1935, the average life expectancy was 61 years old. Now the average life expectancy is 81 years old. According to the Social Security Administration, the trust fund reserves are estimated to be depleted by the year 2037. So as we get older, we are no longer able to depend on the Social Security payments to be enough to cover our living expenses. We have to take the opportunity now to save for a future, or risk financial destitute.

PRACTICAL ILLUSTRATION

Michael has decided he is going to make a budget to help him save up for a house. He knows that he needs to get his credit score up, and start making some good credit choices. He talks to his brother, Tim, who reminds him also of the importance of having a nest egg also to fall back on. Michael decides to start making a list of the short term goals that he needs to achieve in order to reach his long term goal of being a home owner. First he gets his credit report and starts paying off the debt that he has. He also starts making a habit of throwing all of his coin change in a jar. Each time the jar is filled, he cashes it and puts it in his saving account. He also starts putting \$30 out of each check to add to his savings. After a year of hard work, and being faithful to his budget, he is able to put a down payment on a house of his own.

*A penny saved
is a penny earned.*

BENJAMIN FRANKLIN



DETERMINE WHERE CUTS CAN BE MADE

Not all budgets require you to make cuts to your spending, but a lot of budgets do. Determining where cuts can be made can sometimes be a little difficult, especially when we are giving up something we really enjoy. Just keep in mind that the cuts you make, need to be realistic, and something that you can follow through on.

CUT BAD HABITS

One great way you can cut costs is to cut out some bad habits that we all have. If you are a smoker, you could cut out cigarettes. The average price for a pack of cigarettes is \$5.25. According to the American Cancer Society, a light smoker smokes about 10 cigarettes a day. Usually there are 20 cigarettes in each pack, which is a pack every two days! If you take that into consideration, a light smoker is smoking almost \$1,000 a year in cigarettes. Think of how much money could be saved in a lifetime! If you can't quit, or you don't think that's a realistic goal, maybe just try reducing your consumption. Another bad habit to cut could be alcohol or maybe you have a daily donut fix. Bottom line is we all have habits that are not good for us. They are habits that take money away from your bright future, and could be cutting your life short.

DECREASE TRANSPORTATION COSTS

Sometimes our car can squeeze out a little more change than just what's fallen between the seats. One excellent way to cut costs is to reduce your transportation bills. You can consider starting a car pool with your co-workers. Not only will starting a carpool save you money in gas, it also helps the environment, and gives you a better sense of comradery between co-workers. You might also consider using public transportation. Most cities have bus stops all over town available, and they are very affordable. Maybe you live close to work, you could consider riding a bike! What a great work out, and zero gas expense! When you own an automobile, keeping it running well can help keep costs down also. While we don't relish paying for car maintenance, preventative maintenance can prohibit impending doom from happening. Flushing out your radiator every 30,000 miles or five years can reduce rust and scale building up. Rust and scale build up is one of the leading causes of cooling system component failure. This could cause the engine to overheat, and possible lock up. Preventative maintenance on a vehicle helps save money in the long run.

REDUCE UTILITY BILLS

Another way to cut some costs is to try to reduce some of your utility bills. Maybe you don't need to have the 596 channels that you currently have from the cable company. You can reduce the amount of water used by taking showers instead of baths. You can also try limiting the time in the showers to save water, or water your lawn less. Maybe you

could reduce your electric bill, by switching your light bulbs to LED light bulbs. Sometimes something as simple as just turning off the lights when you leave the room can save a few bucks. You might consider getting electronics that have the energy saver symbol on them. There are many ways to reduce your utility bills; you just have to figure out which ways work best for you.

DECREASE ENTERTAINMENT EXPENSES

While you do need to have some room in your budget for entertainment, there are some cuts that can be made to this part of the budget also. Having an entertainment section of your budget is great in moderation. You don't want to go out every night, that's a big expenditure. Going out occasionally is great, and can be just as satisfying. Check and see if your town has any special events that have free admissions. A lot of cities will offer free movies in the park on certain nights. You can bring your own picnic and make a date out of it. Sometimes you can find coupons in the newspapers for deals on activities in your city. Maybe the cut you are making is as simple as only going out three days a week instead of five.

PRACTICAL ILLUSTRATION

Marvin and Dina have been married for 6 years now. They met in college and had instant chemistry. While they are very happy together, they are weighed down by student loan debt for both of them. They decided that they needed to make some cuts in their budget to get this debt off of their plates. Marvin decided that he was going to quit buying bottled

water, and would start drinking tap water. He was drinking six bottles of water a day, and it could get expensive. He also decided that he would start carpooling with his neighbor to work because he works at a building down the street from his job. They are both going to roughly the same area, so they might as well go together.

Dina told Marvin she was ready to make some cuts also. She canceled all of her magazine subscriptions, and started taking showers instead of baths. She also has decided that she would stop buying her daily coffee from the coffee shop, and just bring some from home. Together they are able to strengthen their financial situation.

*It's clearly a budget. It's
got a lot of numbers in it.*

GEORGE W. BUSH



TOOLS

You wouldn't trust a plumber to do his job without having some handy tools. There are a plethora of tools available to help anyone with a budget. In this section we will discuss the different types of tools that you could use to create and manage a budget. There are tools available for people of all types, from the technically advanced to the technophobic.

SOFTWARE

Budgeting software is a program that you install on your computer that will help you with a budget. There are thousands of software choices when it comes to creating and maintaining a budget. Depending on your needs, you can get free software or pay for the software. The median range for personal finance software is \$50-\$65. Sometimes your bank may offer budgeting software to help you. Here are a few of the more popular software options:

- Microsoft Excel (Microsoft excel has a bunch of excel budget templates that are free)
- Quick Books
- Intuit Quicken
- Money Dance
- CommonCents

PHONE APPLICATIONS

Why not put your smartphone to work and have it help you stay on budget! There are lots of different smartphone applications out there that can assist you in formatting and maintaining your budget. These are programs that you download onto your phone. Some of the applications can function all facets of your budget, while others will assist you with tracking spending. There are a lot of these programs out there, and they range in price. These programs can range between free and up to \$20, but the median cost is about \$3.99 per application.

Here are a few of the higher consumer ranked applications that can help with your budgeting needs:

- Goodbudget
- Mint Bills & Money by Intuit
- Wally
- DebtTracker Pro by SnapTap
- Home Budget with Sync
- BUDGT

THE ENVELOPE SYSTEM

The envelope system is an oldie but goodie, in my humble opinion. You take the expenses that you've budgeted, add up the total and withdraw the money from your banking account. Then you label envelopes with your

budget categories. This can be fun, if you're creative, you can decorate them also!

Here are some examples:

- Utilities
- Food
- Gas
- Spending money
- Entertainment
- Rent

You put the money for those expenses in the envelopes. When the envelope for that category has no more cash, then that's the end, no more. That means that if your spending money envelope is empty, you are not allowed to take additional funds from another envelope. It just means that you are going to have to not buy anything additional. There are several benefits to using this system.

- Most people will spend more money using a debit or credit card.
- Having the cash on hand makes you more accountable for your spending.
- You will notice that you will start having cash left over.
- Sometimes you can get a discount for paying cash.
- No overdraft fees!

EXPENDITURE NOTEBOOK

Another important tool for any financially savvy person is an expenditure notebook. With this, it's simple; you want to write down all of your purchases. Just like having a food diary helps people who are dieting; this notebook will help you when you are spending money. If you are faithfully writing down your purchases, you will be able to easily see where your money is going each month. With that data you can see where you are wasting money, and make more informed decisions about what cuts to make to your budget.

PRACTICAL ILLUSTRATION

Taylor has just started crafting her budget for the New Year. She has set some hefty goals for herself, and believes that she has the tools to achieve them. She downloads a phone app that helps her keep her budget on track. It seems to be working for her, because she is always on the go, and she is able to keep her phone with her at all times. Her friend Kevin is not as technologically savvy. He has his own goals that he wishes to achieve using the envelope system and an expenditure notebook. He has talked to Taylor a few times about the phone application she uses for her budget, but feels like he would do better with having the cash in hand. He feels like using his expenditure notebook the envelope system gives him more accountability at the end of the day. The year passes quickly, and both Taylor and Kevin have managed to stick with their budgets even though the tools they have used are so different.

*The cold harsh reality
is that we have to
balance the budget.*

MICHAEL BLOOMBERG



STICK WITH YOUR BUDGET

Henrietta C. Mears was once quoted with “Time cannot be saved, it can only be spent, and if not spent wisely and well, it is wasted.” Don’t waste your time building a budget and not sticking to it. By now you have the tools, there’s no excuse! Build your budget and stick with it! You will be greatly benefited in the end.

USE CASH FOR WEEKLY ALLOWANCE

We touched on this a little bit with the envelope method. Giving yourself a weekly allowance in cash is a great way to stick with your budget. When you’re out of money, then that’s it, no more spending. You will eventually learn how to stretch your buck, and be satisfied with just staying in some nights. What you need to do is determine what your ‘allowance’ will be, and pull the cash out of the bank. On average after 6 months you will notice that you are able to make it last longer, and you will be able to save more money in your bank account.

ACCOUNTABILITY TO FAMILY OR FRIENDS

Sometimes when something is tough, we need the support of our family and friends. A budget is a complete lifestyle change, and sometimes it

can be hard to stick with. At times we, as humans, can be impulsive. We have all had those moments of weakness, where the sale signs were beckoning too loudly. Having the support of family and/or friends to reel you back in comes in handy. Sometimes we need to have someone nudge us and say “Hey, you’re doing so well sticking to your budget, stay on course!” Sometimes that gentle reminder from your friend or family member is just enough to snap you back into your senses.

SET UP A DIFFERENT ACCOUNT FOR SAVINGS

These days a lot of banks will offer for their customers to have a separate savings account free of charge. Many times you can have more than one savings account also, if you are saving for different goals. Sometimes sending that money to another account will help you not to spend the money.

It creates an “out of sight, out of mind” scenario. When you’re not actively seeing that money you forget that it is available. Having it out of your reach, when impulse kicks in, can help you save that money. If you have the money on hand in your home, it might be too tempting and you would end up spending it.

REMIND SELF OF BENEFIT TO STICKING WITH BUDGET

It is very useful to have family and friends remind you to stay on track, but at the end of the day you are in charge of yourself. It’s your job to keep yourself on track and be positive about your budget.

Reminding yourself often the benefits of your budget is important. Also reminding yourself of the goals that you will achieve will be helpful in sticking to your budget. Just remember, keep a positive attitude, and take it one day at a time.

PRACTICAL ILLUSTRATION

Clive and Luke have both formatted, and begun using a budget. The first two months, all goes well. At the third month, they both begin to waiver. Clive enlists the help of his friends, and the resources at his bank to stick with his budget. Luke decides that he can splurge here and there.

By month five, Clive is still on track and is able now to see a sizeable saving start to amass. Luke has completely thrown out his budget and is back to spending more money than he makes. He feels bad about himself that he couldn't, or wouldn't stick with the path that he'd set out on.

*Debt is like any other trap,
easy enough to get into, but
hard enough to get out of.*

HENRY WHEELER SHAW



ADDITIONAL WAYS TO MAKE MONEY

Having a budget is a great way to reach your goals, but sometimes our budgets need a little extra income. There are lots of ways to make a little extra money that take little effort. Why not beef up your savings, or pay off your debts quicker with making some additional cash. In this section we will discuss just a few different ways you can make some additional money to help with your budget goals.

MAKE AND SELL ITEMS

Do you have a talent? Why not use your talent to make some extra money! These days there are plenty of venues in which hand crafted items can be sold. Most cities have some sort of an open market, like a trades day, or a flea market. These are great avenues in which to sell handmade items because the overhead is usually low, which leaves you more profit. Don't think that you have the personality to make it in a public arena? Luckily, in this day and age, an introvert can make and sell items too using the internet. There are plenty of arenas to sell handmade wares on the internet.

Here are just a few examples of those websites:

- Etsy
- EBay
- Art fire
- Deviant Art
- Personal Website
- Facebook Marketplace
- Craigslist

SELL UNUSED ITEMS

We all have junk laying around the house that needs to go somewhere else, so why not sell it? You know the saying “one man’s trash is another man’s treasure” For all you know you’re sitting on a gold mine! Go through your house and get rid of all of that stuff that’s been collecting dust. You can sell your items online via websites like EBay or Craigslist.

You can also just have an old fashioned garage sale. Sometimes it’s helpful to coordinate with your neighbors and have a neighborhood wide garage sale. Getting your neighbors involved can help build a sense of community in the neighborhood, along with attracting more customers. You can post your garage sale in the newspaper, usually for a reasonable fee. Selling your old items can help you more than financially, because it helps you de-clutter your living space. Either way, you are making money

on items that were doing nothing for you but giving you something to clean!

SMALL PART-TIME JOB

If you don't have an artistic side or have the heart of a true sales man, you might try taking on a part-time job. There are plenty of opportunities for side jobs these days. Many stores will hire part time personnel, especially during peak holiday seasons. Don't have your heart set on a regular job? Why not try baby sitting or being a dog walker?

If you have friends that go out of town a lot you could offer your house sitting services, or if you're fond of animals be a pet sitter. If you have the will to earn it, there is money out there to be made. All it takes is a little effort.

RECYCLE FOR MONEY

Another great idea for making some additional money is recycling. This is a great way to make extra funds because it gives you cash and it's great for the environment. You can recycle your own cans, and metal that you use throughout the month. You can also partner with businesses that use cans and other metal items that need to be recycled. If you have a good work ethic and a truck you can pick up peoples discarded metal items, like old washers and dryers, refrigerators, bed springs, etc. Recycling will help you make a little bit of extra cash, but this avenue is not a get rich quick scheme.

PRACTICAL ILLUSTRATION

Jimmy and Paul have worked together at Sandy's Shake Shack for a few years now, and are good friends. Jimmy has been trying to get Paul to help him with his extra jobs, because Paul is always saying he needs some extra money. On Mondays and Tuesdays before work Jimmy scours the city collecting cans for recycling. On Wednesdays he donates plasma before work. On Thursday he baby sits his neighbor's kids while she is at her class. She takes classes on Thursdays, and is studying to be a nurse. Fridays and Saturdays Jimmy takes off and spends time with his family and friends. Sundays it's off to the farmer's market to sell his delicious tomatoes that he grows in his garden. Paul sees how busy Jimmy is and is intimidated by the amount of work that Jimmy does in a week. Jimmy exclaims that he loves what he does, so it's not work!

*Debt is normal.
Be weird.*

DAVE RAMSEY



PAYING OFF DEBT

What they don't tell you when you're young is that your credit score plays a big role in your life. Having a lot of debt puts stress on all of your relationships, and your sense of self-worth. A bad credit score can prohibit you from buying a house, renting an apartment, getting a car, or even a job. Having a budget helps you gain control, again, of your life and credit score.

GET THREE CREDIT REPORTS

There are three different types of credit reports that you need to obtain in order to fully view your credit situation. There may be debt reported on one report that isn't on the other reports. The three different credit report agencies are Experian, Equifax, and TransUnion. According to Federal Law, a person is entitled to a copy of their credit report each year from all three agencies. It is advised that a person should check their credit reports annually.

Checking your credit score is how you can make sure you are paying on debts credited to your account. Checking your credit lets you make sure you are not the victim of identity theft, and allows you to make sure the debts listed for you are correct. It also lets you see progress you're making via your credit score.

START WITH SMALL STUFF AND WORK YOUR WAY UP

When you have debt from several different places, it can be overwhelming. Once you have seen what is on your credit report, you can prioritize what needs to be paid off. Sometimes starting with the biggest debt can make it feel like you're not getting anywhere. While you are paying off your debt, since you're still working on the same debt months later, it can make your progress feel stagnant. Sometimes starting with the smaller debts can help alleviate this feeling. You pay the smallest debt off first. After a few months, you will see all of those little debts paid, and then you can focus on the biggest for last.

CREDIT CARD HACKS

Credit cards are convenient, important for your credit score, and dangerous. Credit cards are great if you use them properly. They supply you with funds that you may not have on hand, and offer you the ability to pay those funds back little at a time. What a lot of people forget, is that you should be using your credit card sparingly. It is not a bottomless bag full of money, free for the taking. Credit cards, while convenient, have a cost- your interest rate. A lot of time, people who have credit card debt, are in their predicament because they are unable to pay more than the minimum balance on the bill. Just paying the minimum balance is basically paying little more than the interest rate. If at all possible, it is best to only charge what you can afford to pay back in full when the bill comes. Say you have a credit card that you use for gas. You pay the bill off in full at

the end of each month. This raises your credit score, and saves you from getting into a mountain of credit card debt.

If you are not able to pay the card in full, you will want to pay as much as you can over the minimum, so that you start paying on the debt portion. It's also a good idea to remember that you don't have to wait for the bill to be due to pay. If you are able to, making mid-cycle payments can actually increase your credit score. Another useful tool when dealing with credit cards are balance notifications. Many credit cards offer balance notifications, or alerts. The company can text or email you when a purchase has been made so that you can make sure to keep your spending in check.

INVESTIGATE STUDENT LOAN REPAYMENT OR CONSOLIDATION OPTIONS

There are so many people these days who are struggling with the burden of student loan debt. In 2014, Experian credit bureau reported that 40 million Americans have one or more outstanding student loans, which is 29 million more than there was in 2008. That is a big increase in such a short amount of time! There may be ways to help pay off your student loan debt. There are a lot of resources out there for people who are willing to put the effort and time into researching them.

One essential step is to contact your loan provider, and talk to them about the different repayment options they may have. If you have multiple loans, you can talk to the providers about consolidating them. Some loan providers will allow you to earn student loan debt forgiveness. There are

two ways to earn student loan debt forgiveness; if you're employed in a public service position, or through income based payment plans. While this is not a quick or easy avenue, it is an option for some.

PRACTICAL ILLUSTRATION

Molly and Cheryl are both police officers in Springfield, Ohio. They graduated together from the academy six months ago. Recently Cheryl has noticed that Molly has been stressed, and has been asking for a lot of over time. She decided to talk to her friend and co-worker. Molly tells Cheryl that she has been having a lot of financial difficulty. She used credit cards while she was in school, and has gotten a huge amount of debt.

Now that they have been out of school for six months, the student loan companies are wanting payments also. She didn't realize the hole that she had dug herself into, and now she is paying for it. Cheryl tells Molly that she will help any way they can. Together they contact Molly's Student loan providers, and they work out a payment plan that fits in Molly's budget. They also organize all of Molly's bills, and she starts to pay them off one by one. Molly is so grateful for Cheryl's help and level headedness.

*The mint makes it first, it
is up to you to make it last.*

EVAN ESAR

CLOSING THOUGHTS

- **Steve Burkholde:** If you're saving, you're succeeding.
- **Thomas Jefferson:** Never spend your money before you have it.
- **Bob Hope:** A bank is a place that will lend you money if you can prove that you don't need it.



Rick Chisholm made history when he single-handedly changed the professional Audio Visual industry by breaking all the rules and capitalised over 50% market share in Australia with very little capital, no partners, mergers or lenders and set up the first franchise operation of its kind in the world in the late 1990's and early 2000's.

As a 7x founder of companies and 30x businesses such as Innovest, AI Machine, Lightsounds, LSW, Light Emotion with revenue in excess of \$300 million and having employed more than 1,000 staff over the last 35 years. Rick is known as the Start-Up and SME Guru and is Author of a number of books including Business Success for Life. Unlike many mentors, he actually walks the talk and has a number of businesses under management in such areas as Automation, Events management, Importing, Distribution, Retailing and E-commerce.

His BIG passion is Business Education empowering Businesses Owners through knowledge and skills. Whilst Rick has experienced great success, he has also endured many failures. Rick has faced and overcome the exact same challenges you are facing now.



Tala Chisholm is an SME specialist who has owned and managed several small to medium sized businesses in the last 20 years, several of which were eventually sold. She has extensive experience in the fields of retail, franchising, licensing, dealerships, education, importing, distribution and consulting.

Her expertise lies in building and implementing customised cross-platform database and software solutions for businesses, automation, IT, web marketing, advertising, graphic design, business administration, process refinement and implementation. Her business experience ranges from bricks-and-mortar Giftware retailing to highly technical fields such as Security, CCTV, Entertainment Lighting and Audio sales, hire and installations as well as e-commerce.

Throughout her career she also trained and mentored Franchise business owners as well as internal division managers. Some areas of training included retail operations, management practices, business strategy, accounting, cash-flow, marketing, customer service and IT. She has also headed up the drafting of Operating Compliance Manuals for Franchise operations and implementation of all the elements involved.



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