



**START  
SMALL  
THINK  
BIG**

# Workshop Overview



- **Developing your personal Saving/Spending Plan**
  - Presented by Dollar Bank
- **Why it is critical to develop a personal Saving/Spending Plan**
- **Eliminating debt**
- **Safekeeping your money**



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# How Should I Save?



For each ?, check the box that best represents your savings goals

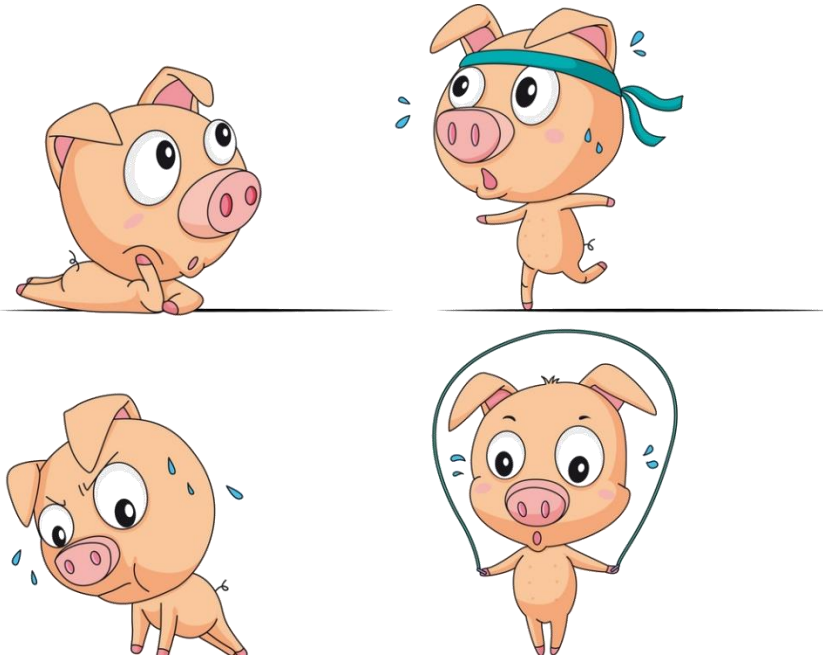
- Yes  No Are you concerned with having all of your money accessible in case of a need to borrow from savings?
- Yes  No Are you concerned with having money in the long term?
- Yes  No Are you concerned with your ability to “stay away” from money in your savings account?
- Yes  No Are you nervous about investing in a higher risk account?
- Yes  No Does your concern with paying back credit card debts overshadow your focus on saving?
- Yes  No Does the convenience of having a checking account linked to your savings appeal to you?
- Yes  No Are you looking for tax benefits to you based on the type of savings vehicle you choose?
- Yes  No Are you planning on purchasing a home or car in the next 2 to 5 years?
- Yes  No Are you concerned with possible fees that might come with certain methods of saving?

# Bad Habits



- **Wellness Options**

- Exercise
- Diet Changes
- Diet Supplements



# Wellness Options



- **Exercise is ....**
- **Saving is ....**
  - A daily/weekly routine
  - Increased and decreased based on habits
  - Something is better than nothing
  - 100% in your control
  - Low risk
  - Something anyone can do
  - 1% of your resources to start

# Compare Savings



## Starbucks

\$4.25 each

X 20 workdays

\$85.00 1 month

X 12 months

\$1020.00 in year

## K-cups

\$0.50 each

X 20 workdays

\$10.00 1 month

X 12 months

\$120.00 in year

Savings in one year

**\$900.00**

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# Compare Savings



## Chipotle

\$11.90 each

X 20 workdays

\$238.00 1 month

X 12 months

\$2856.00 in year

## Pre-made Salad

\$3.00 each

X 20 workdays

\$60.00 1 month

X 12 months

\$720.00 in year

Savings in one year

**\$2136.00**

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# Total Yearly Savings



Coffee \$900.00

Lunch \$2136.00

Total for one year **\$3036.00**

**Small changes for big reward**



# Building a Habit



**Income: \$35,000**

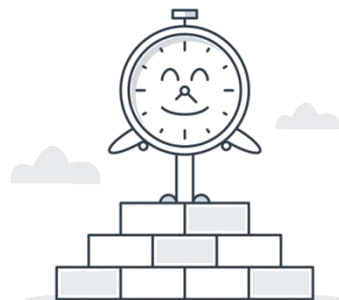
**Weekly Savings**

**Annual Savings**

**1% weekly savings = \$6.73      1% of annual income = \$350.00**

**5% weekly savings = \$33.65      5% of annual income = \$1750.00**

**10% weekly savings = \$67.31      10% of annual income = \$3500.00**

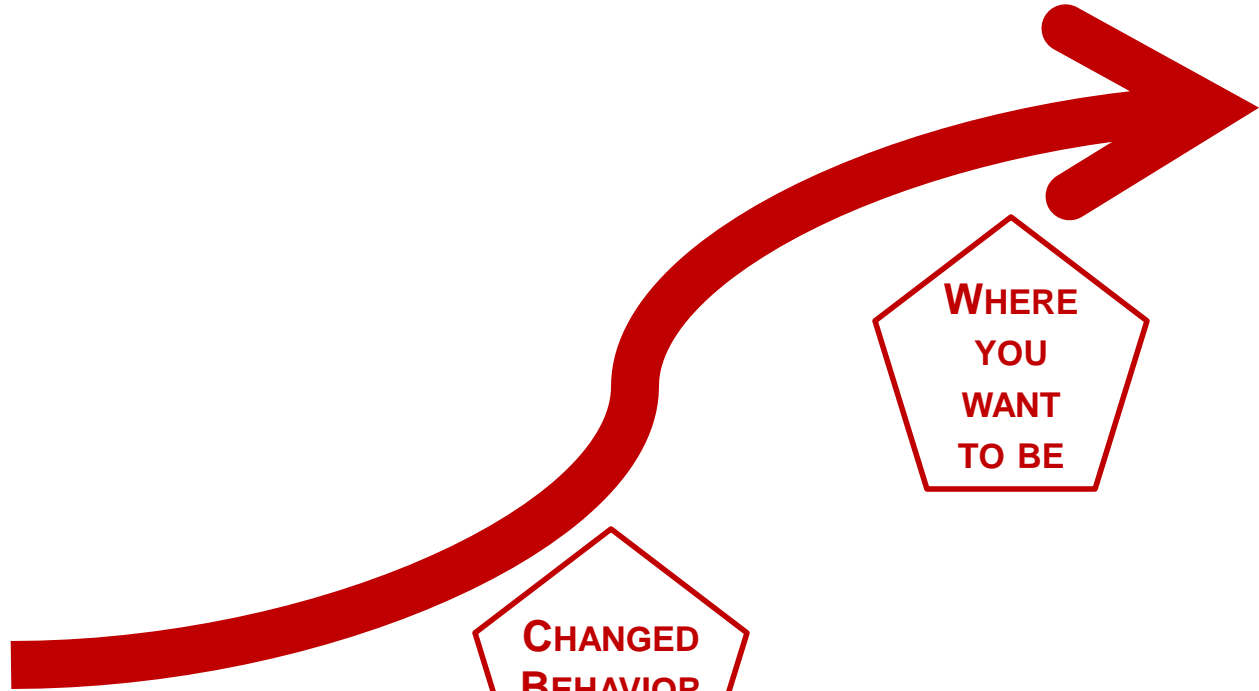


Build good habits

# Developing the Savings Habit



**GOAL**



WHERE  
YOU  
ARE

CHANGED  
BEHAVIOR

WHERE  
YOU  
WANT  
TO BE



# Words of Wisdom



- **Be realistic**
- **Make a plan and stick to it**
- **Make savings first item on spending plan**
- **Underestimate income/Over estimate expenses**
- **Review and recalculate plan every 90 days**
  - Or sooner if your spending plan isn't working
- **Forgive yourself---not perfection just progress**
- **Think of growing your financial worth**

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# Tools for Success

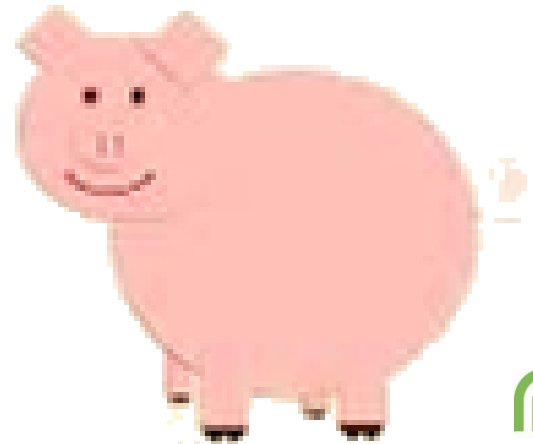
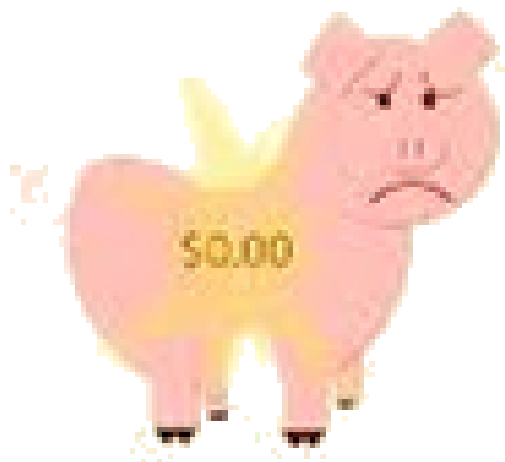


- [www.mint.com](http://www.mint.com)
- [Dollar.bank](http://Dollar.bank)
- **Apps**
  - AndroMoney (Expense Track) --- *Google, not free*
  - Left to Spend--- *iOS, not free*
  - Money Manager Expense & Budget---*Android, free*
  - Debt Payoff Planner--- *free*
    - All apps warn of ads

# Saving/Spending Plan



- Does your income cover your expenses every month?
- Are your expenses more than your income **every** month? **some** months? **only** in an emergency?
- Is your savings account fat? skinny? non-existent?



# Saving/Spending Plan



- Finding where your money goes is your ***First Step*** to becoming

# Wealthy

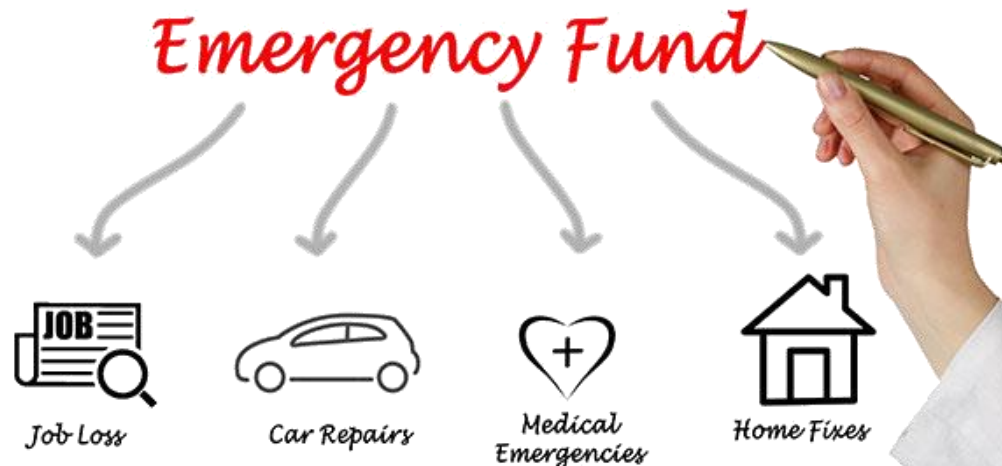
- The ***Second Step*** is telling your money where to go



# Saving/Spending Plan



- **Key to wealth and living comfortably**
  - “Do not save what is left over after spending, but *spend* what is left *after saving*” Warren Buffet
- **Savings Creates Wealth**
- **Without an emergency savings account, what happens?**



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# Saving/Spending Plan



*You will either tell your money what to do or the lack of money will always manage you.*



- **Tell your money what to do and where to go**
- **Review your Saving/Spending Plan often**
  - **Very Personal Decision**
    - **Where you can cut back and where you can't**

# Saving/Spending Plan



- **Needs** versus **Wants**
- **Needs** are the essentials
  - Roof over your head
  - Food
  - Utilities
  - Clothes/Shoes
  - Transportation
  - Insurance: auto, renters/homeowners, health, life
  - Education
  - Child Support
  - HealthCare, Co-pays and Prescriptions



# Saving/Spending Plan



- **Wants** are choices
- **Wants** trickle into **Needs**
  - Don't fool yourself into justifying a **Want** as a **Need**

## *Want*

Lobster Dinner  
Pair of Jimmy Chou's  
2019 Lexus  
Gucci Genius Jeans

## *Need*

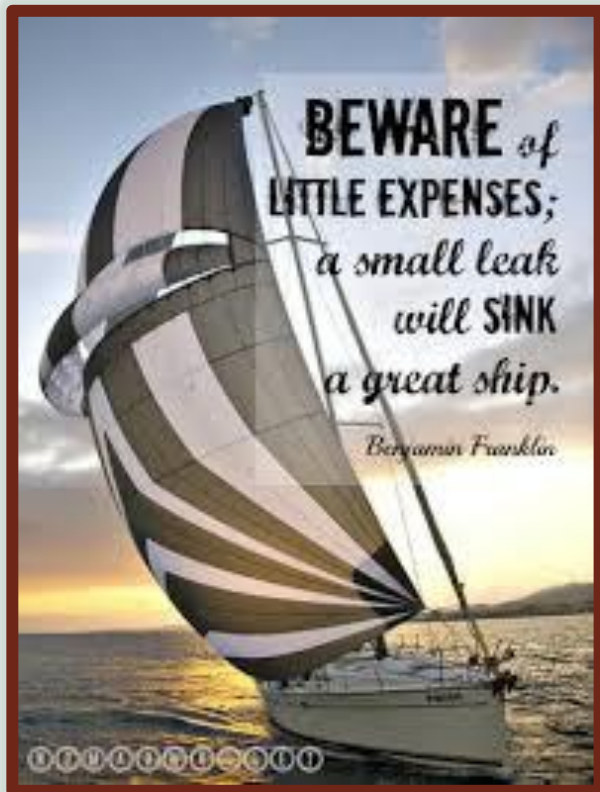
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# Saving/Spending Plan



- **Wants** are choices
  - Steak or chicken
- **Wants** ask us to take control
- **Wants** can devastate a good monetary plan

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# 4 Money Rules to Live By



1. **Save 10% of income**
2. **Have 3 months income in savings account for emergencies**
3. **If you have to finance it, you probably cannot afford it**
4. **Spend less than you earn**



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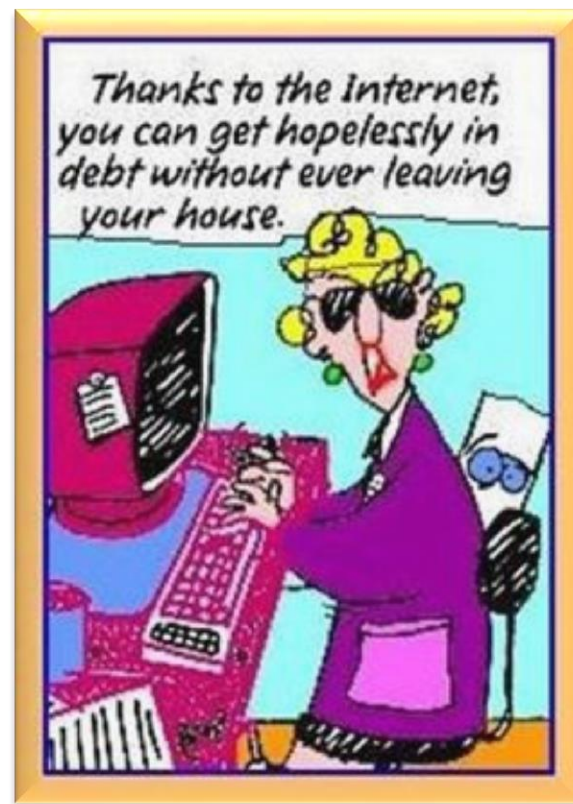


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# Eliminating Debt



**Debt** is a product that has been sold to us with such repetition and intensity that most people believe they can't live without it.



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# Eliminating Debt



- **Debt** holds us down
- **Interest on debt** goes into a lender's pocket not your pocket
- **Debt** decreases saving and spending options



- Without **emergency savings**, debt is inevitable

- **Paying present debt requires a plan**

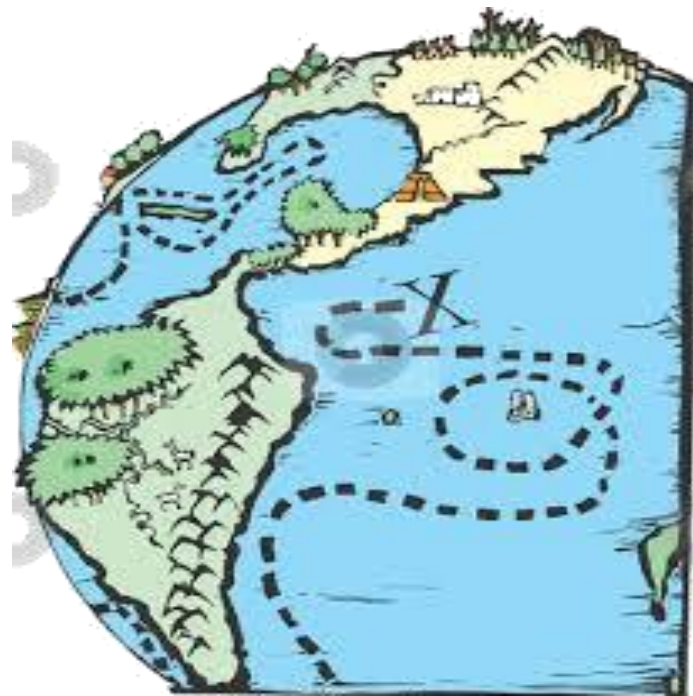


# Eliminating Debt



- Reaching a destination demands a map
- Use the **S.M.A.R.T.** path

- **S** = **Specific**
- **M** = **Measurable**
- **A** = **Achievable**
- **R** = **Realistic**
- **T** = **Timed**



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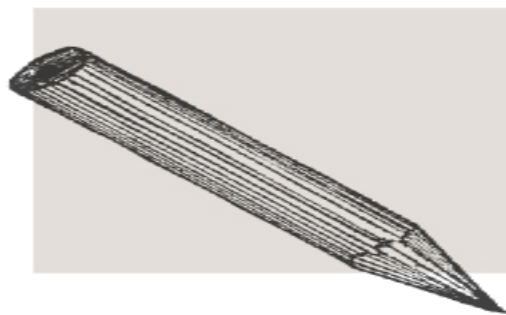


# Eliminating Debt



Goals that are not

**WRITTEN**



**DOWN**

are just

**WISHES.**

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# Eliminating Debt



- **Specific**
  - What is your goal and the timeframe for completion?
  - **In six months, my Target credit card will have a zero \$0.00 balance.**



# Eliminating Debt



- **Measurable**
  - How will you measure your success?
  - **For the next six months, when I review my Target Credit Card statement, the balance will be reduced by more than the minimum payment**



# Eliminating Debt

- **Achievable**

- How will you reach your goal?

- **Target Credit Card**

- Balance = \$200
- Interest Rate = 22.9%
- Minimum Monthly Payment = \$15
- 16 Months to Pay Off

- **By increasing the monthly payment to \$25, the balance will be zero (\$0.00) in six months**



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# Eliminating Debt



- **Realistic**

- Where will I get the extra \$10 to apply to the monthly payment?
- Starbucks Venti cost = \$2.45 each and I stop 4 times per week
  - $\$2.45 \times 4 = \$9.80/\text{week} - \$42.46/\text{month}$
- Reducing my stops to 3 times a week I will be able to pay the extra \$10.00 monthly on my Target Credit Card
  - $\$2.45 \times 3 = \$7.35/\text{week} - \$31.85/\text{month}$
  - $\$42.46 - \$31.85 = \$10.61$
  - **\$10.61 extra for card**



# Eliminating Debt



- **Timed**

- Setting a definite time frame for your plan gives it a beginning, a middle and an end.

- **Target Credit Card = zero in six months**

- What to do with \$25 payment?



- \$25 X 6 = \$150 Savings in 6 months
- \$25 extra payment on car loan monthly?
- \$25 extra toward paying off next credit card balance?

- **Time to set next plan**



# Safekeeping Your Money



- **Banks, credit unions have safes and are FDIC or NCUA insured**

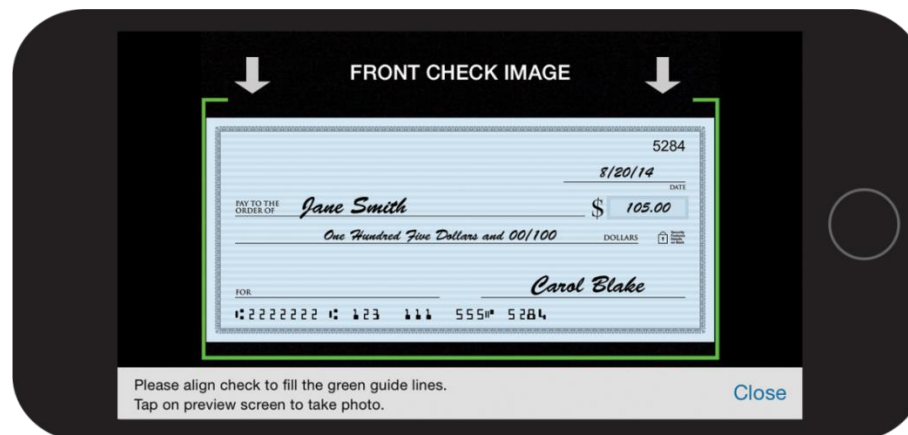


- **Checking & savings accounts come in many types to suit an individual's needs**
- **Bank accounts save you money**

# Safekeeping Your Money



- Checking and Savings Accounts at banks or credit unions
  - Safe
  - Insured
  - Easy access
  - Direct deposit of paycheck saves fees and charges incurred on pay cards
  - Less expensive than Check-Cashing stores





# Safekeeping Your Money



- **Checking Account**

- Money you need to pay monthly bills
- Record of payments

- **Savings Account**

- Money for emergency
- Money for future purchases of expensive items



# Safekeeping Your Money



## • Checking Accounts

- Find a bank near your home or work

- <http://www.findabetterbank.com/>

## • Ask about the different types of checking accounts available

- No fee if paychecks or benefit checks Direct Deposited?
- No fee/low fee if student?
- Minimum balance requirement?
- Check printing costs
- Maximum checks in a month
- Overdraft fees and protection
- Debit card availability
  - ATM and Debit fees
- Mobile banking



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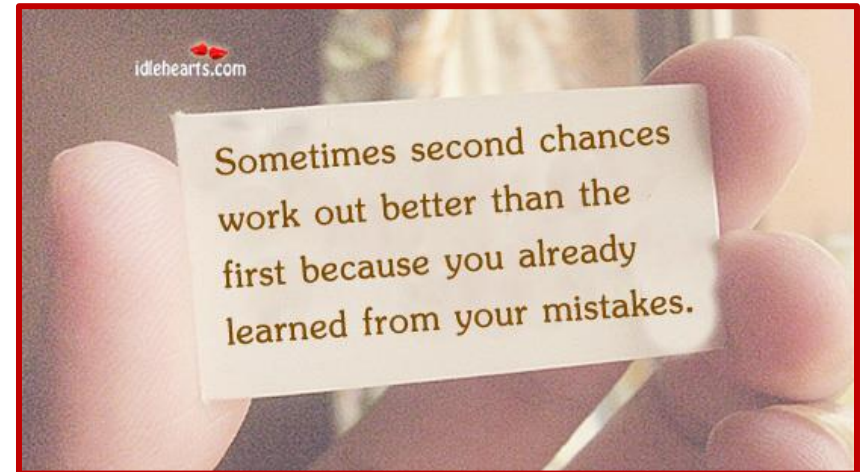
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# Second Chance Accounts



- If you had a bad banking experience or have been refused an account due to ChexSystems
- Fresh Start or Second Chance checking accounts are available from banks & credit unions in Cleveland
  - Dollar Bank
  - PNC
  - Cardinal Federal Credit Union
  - Eaton Family Credit Union
  - Citizens Bank



# Stop Overdrafts



Ck#	Date	Description of Transaction	Payment Debit (-)	Fee (-)	Deposit Credit (+)	Balance
	9/1/16	Beginning Balance				\$ 300.00
201	9/1/16	Bayview Apartments-Sept rent	\$ 250.00			\$ 50.00
	9/3/16	Deposit-Birthday Money			\$ 35.00	\$ 85.00
	9/8/16	Deposit-Paycheck			\$221.15	\$ 306.15
	9/8/16	Cash back from deposit	\$ 40.00			\$ 266.15
ATM	9/8/16	Groceries	\$ 38.26	\$ 2.00		\$ 225.89
202	9/9/16	Dominion East Ohio Gas	\$ 45.00			\$ 180.89
203	9/9/16	First Energy	\$ 40.00			\$ 140.89
	9/15/16	Deposit-Paycheck			\$221.15	\$ 362.04
204	9/14/16	Deposit to Savings	\$ 33.00			\$ 329.04

- Learn to write down all transactions plus any fees associated with the ATM or debit card
- Keep a running balance so you know how much is in the account
  - Uncashed checks do not show online or on your phone until processed by bank or credit union

# Safekeeping Your Money



- **Savings Accounts**

- Compare accounts at several banks

- Find an account without monthly fees

- **Statement accounts**

- Receive a monthly statement either in mail or online
- Online statements usually free

- Shows all of your deposits, withdrawals and any interest you gained



# Safekeeping Your Money



- **Savings Account**

- **Direct Deposit from paycheck**
  - Consistent
  - Builds relationship with banker
- **Direct Deposit of income tax return**
  - Faster than check
  - Jump start
- **Earns interest**
  - Money working for you





# Thank You!

**Contact CHN Housing Partners for our FREE,  
open to the public**

**Financial Literacy and Homebuyer Education  
class info at [www.chnhousingpartners.org](http://www.chnhousingpartners.org)**

**or by calling 216-881-8443**

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