



Telling Your Money What to Do: The Young Adult's Guide

Community of Practice, Northeast Massachusetts 2013

Has it ever felt like your money, or the lack of it, is telling you what can or can not do? If you take control of your money and spending, you can find ways to do more with what you have. This sheet provides tips on how this can be done.

Top Money Tips

Tell your money what to do by following these tips.

- ✓ **Track your money** for one or two weeks to see where your money is going – then develop a basic budget to set goals on spending. You can use the one on this tip sheet.
- ✓ **Monitor your checking account** and make sure you understand your bank's policy on overdrawn checks. Fines for overdrawn checks can be costly. You may want to purchase overdraft protection.
- ✓ **Fees and interest on credit cards** can add up. To avoid this, pay as much of your bills as you can each month.
- ✓ **Emergency funds** can save you in emergencies like car breakdowns, unexpected medical expense, traffic ticket, etc (adding 5 to 10 % per paycheck is a great start!)
- ✓ **Eating out**, though convenient, is VERY expensive – cooking at home can save you a lot of money.
- ✓ **Smoking, drinking and drugs** add up and are expensive. Make sure to include them in your budget.
- ✓ **Borrowing money** from friends or family can add stress to your relationships. If you have to borrow money you may want to put yourself on a payment plan to pay it back.
- ✓ **Lending money** can also add stress to your relationships. Family and friends have financial stress too, so they may not be able to pay it back.

It All Adds Up

One meal out may not seem like much, but if you look at costs over time you see how much it takes from your wallet.

SPENDING

	Average Cost per Item	Average Cost per Week	Average Cost per Month
Energy drinks	\$2.50	7x\$2.50=\$17.50	\$75
Daily Coffee	\$2.00	7 x \$2.00 =\$14	\$60
Cigarettes	\$6.25	4 x \$6.25=\$25	\$100+
Eating Out	\$7.00	2 x \$7.00 = \$14	\$60
Taxi Rides	\$10	1 x \$10 = \$10/week	\$40
Cat	---	---	\$60
Dog	---	---	\$100

A little bit of savings also adds up over time.

SAVINGS

Average Savings per Week	Average Savings per Month	Average Savings per Year
\$5.00	\$20.00	\$260.00
\$10.00	\$40.00	\$520.00
\$25.00	\$100.00	\$1,300.00

Starting a Budget

The **First Things** to put in your budget are necessities, the costs you can't do without:

- Housing (rent, etc.)
- Utilities (gas, electric)
- Transportation (car payment, gas, repairs, tolls, bus/train fare or pass)
- Groceries/ food
- Medical bills/ prescriptions and doctors
- Education and/or work expenses (books, uniforms, tuition)
- Communications (phone, internet, cable)
- Other debts or installment payments (student loans, credit card)

Do You Want to Cut Down on Your Spending?

Here are some smart strategies:

- If you are paid every week and you make \$100/wk and put 10% into savings with every paycheck you will have \$520 at the end of the year!
- Shop for clothes and furniture at consignment and second-hand stores. If you like designer clothes you can still find the brand name and styles you like.
- If you rely on Social Security and Medicaid you may be entitled to discounts for phone (land line and cell) and heat.
- If you have a disability, check your local transit to see if you can get discounted rates for public transportation. For example: In Massachusetts on the MBTA you can save \$4 on an \$8 fare.
- When shopping for groceries look for deals and if possible stock up and buy less the following week.
- Get a free checking and/or savings account. With many banks if you have a check direct deposited at least monthly the account is free. Many check cashing places charge a high fee which is money that could be yours.
- Use coupons – look online and in the newspaper for food, clothes, music, etc.
- Go to yard sales - Craigslist has listings for your local community.

Managing Money Resources

Here are some resources or strategies to help manage your money:

Apps: Mint – helps to organize spending and bills; ShopSavvy and RedLaser – Compare prices scanning bar codes; GasBuddy – find the cheapest gas in the area; RetailMeNot – coupon finder.

Websites: www.mint.com – organize bills and accounts www.bankrate.com - calculators www.coupons.com - coupons

Calculators: Use both the one on your phone and consider using calculators available on www.bankrate.com.

The Envelope System: Each time you get paid, divide your money into areas of spending: food, gas, clothing, entertainment, etc. Then create an envelope for each category. No need to be fancy; a plain, white envelope with the category written on the front will do. Try the Easy Envelope Budget Aid App.

Download at <http://labs.umassmed.edu/transitionsRTC/Resources/Publications.html>



Recommended citation: Northeast Massachusetts Community of Practice (2013) Telling Your Money What to Do: The Young Adults Guide. Worcester, MA: University of Massachusetts Medical School, Department of Psychiatry, Center for Mental Health Services Research, Transitions Research and Training Center.

The contents of this tip sheet were developed with funding from the US Department of Education, National Institute on Disability and Rehabilitation Research, and the Center for Mental Health Services, Substance Abuse and Mental Health Services Administration (NIDRR grant H133B090018). Additional funding provided by UMass Medical School's Commonwealth Medicine division. The content of this tip sheet does not necessarily reflect the views of the funding agencies and you should not assume endorsement by the Federal Government.





To Tell Your Money What to Do: Track Your Income & Spending!

Track daily expenses using an app on your phone or a daily log and then enter totals on this monthly budget sheet. This will give you a picture of how you are spending your money on a monthly basis. Does your income match your expenses? Where are places you can cut down?

MONTHLY INCOME

Monthly Income:

Social Security: _____
TAFDC (welfare): _____

Weekly Income:

Paycheck 1st Week: _____
Paycheck 2nd Week: _____
Paycheck 3rd Week: _____
Paycheck 4th Week: _____
Paycheck 5th Week: _____
(some months have 1 extra pay period)

Additional Income:

Add all lines for

TOTAL MONTHLY INCOME:

ACTUAL MONTHLY SPENDING

Transportation:

Car Payment _____
Gas _____
Insurance _____
Repairs _____
Car Fees _____
Bus Pass/Fees _____
Train Pass/Fees _____
Taxi Fares _____

Child Expenses:

Baby-sitting _____
Child Support _____
Diapers/Formula _____
Clothing _____
Medical Expenses _____

Housing & Utilities:

Rent _____
Gas _____
Electric _____
Phone _____
Cable _____
Internet _____
Cleaning Supplies _____
Household Goods _____

Medical:

Prescriptions _____
Co-payments _____
Over the counter _____
medications _____

Food (don't forget energy drinks):

Groceries _____
Eating Meals Out _____
Coffee/Drinks Out _____

Recreation:

Sports _____
Video Games _____
Computer Games _____
Gaming Fees _____
Drinks/Alcohol _____
Cigarettes _____
Movies _____
Lottery _____

Personal Care:

Work clothing _____
Laundry _____
Haircuts _____
Personal Products _____
Clothing _____
Manicures _____

Gifts:

Birthdays _____
Holidays _____

Debt:

Loan _____
Credit Card _____
Credit Card _____
Other _____

Savings:

Giving/Donations:

Faith Community _____
Other _____

Miscellaneous:

TOTAL MONTHLY SPENDING:



Set Goals for Your Spending!

Set goals for how to adjust spending habits.

Do Income and Spending Match?

Compare your monthly income to actual expenditures. Are you spending more than you take in? Are there places you can cut down so you can better meet expenses? Set your new spending goals in the chart below.

TOTAL MONTHLY INCOME:

ACTUAL MONTHLY SPENDING:

MONTHLY SPENDING GOALS

Transportation:

- Car Payment _____
- Gas _____
- Insurance _____
- Repairs _____
- Car Fees _____
- Bus Pass/Fees _____
- Train Pass/Fees _____
- Taxi Fares _____

Child Expenses:

- Baby-sitting _____
- Child Support _____
- Diapers/Formula _____
- Clothing _____
- Medical Expenses _____

Housing & Utilities:

- Rent _____
- Gas _____
- Electric _____
- Phone _____
- Cable _____
- Internet _____
- Cleaning Supplies _____
- Household Goods _____

Medical:

- Prescriptions _____
- Co-payments _____
- Over the counter medications _____

Food (don't forget energy drinks):

- Groceries _____
- Eating Meals Out _____
- Coffee/Drinks Out _____

Recreation:

- Sports _____
- Video Games _____
- Computer Games _____
- Gaming Fees _____
- Drinks/Alcohol _____
- Cigarettes _____
- Movies _____
- Lottery _____

Personal Care:

- Work clothing _____
- Laundry _____
- Haircuts _____
- Personal Products _____
- Clothing _____
- Manicures _____

Gifts:

- Birthdays _____
- Holidays _____

Debt:

- Loan _____
- Credit Card _____
- Credit Card _____
- Other _____

Savings:

Giving/Donations:

- Faith Community _____
- Other _____

Miscellaneous:

MONTHLY SPENDING GOALS: