

7 TIPS FOR MANAGING YOUR MONEY

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1. EXPECT THE UNEXPECTED

- Make it a goal to put that emergency money aside now, even if you have to start at \$25 or \$50 a month, and leave it there.
- Our economy is always going in cycles and someone in some part of the country. This means people are still experiencing job loss or reduced hours, which ultimately could affect the company you are working with, and consequently, your job.
- You can never predict an emergency concerning your vehicles, health, medical, home, or pets. Who ever plans on your washer or dryer going out on you – often in the middle of loads of wash?
- The longstanding advice has been to put aside 3-6 months worth of take home pay. This means, if you bring home \$3000 a month, do you have \$9000 - \$18,000 in some liquid account (meaning you could get your hands on your money right away)?
- At least have the bare minimum in savings to cover rent, and utilities.

2. THINK AND ACT PREVENTATIVELY

- Take care of your vehicles, teeth, health, kids, pets, appliances, electronic equipment and recreational items.
 - Arrange for oil changes and proper scheduled maintenance
 - Floss and brush – avoid expensive periodontal issues
 - Change home heating filters
 - Wrap the pipes with insulating material
 - Have an energy audit by your local utility company to see what else you can do to cut back on your bills.

3. BE PROACTIVE INSTEAD OF REACTIVE

- Anticipate your expenses – have a plan for monthly bills and *EXPENSES* so you are not operating in a fog on automatic pilot throughout your day and month. Remember to plan ahead each month for the dry cleaning, gifts, CDs, bottled water, software, music and of course lattes.
- Instead of being thrown off when an annual insurance, auto registration or quarterly tuition or tax bill comes due, plan for this and have money set aside.

- Know the cost of your lifestyle – your limits of what you can and can't afford
- Have a system for managing your budget– My Core System is:
 - Plan
 - Track
 - Review
 - Adjust – start again

4. CREATE TIME FOR CREDIT REPORT REVIEW

- Be aware of latest trends and changes with the credit industry.
- If you've been enjoying that 0 interest on your rolled over card balance, that could all change if some of your other bills start showing up on the credit report as late or slow pay or increased balances. This is waving a red flag for your overall situation to the creditors.
- Make sure to indicate closed by consumers request – not closed by the creditor when you cancel a credit card account.

5. IF MARRIED – TEAM UP INSTEAD OF TEARING DOWN

- Remember you are a team.
- Make sure you both focus on wise planning and spending so you have more money to put aside as soon as you can and have the benefits of your money working for you.
- Stop the finger pointing – no one is ever blameless – get over it and focus on constructive next steps to:
 - work out a system for planning ahead
 - stay more mindful of your spending and lifestyle
 - cut back on the spending
 - be more resourceful for getting your needs met

6. SWEAT THE SMALL STUFF

- Be careful of the language of “It's Only” – this sets you up mentally for discounting the spending.
- One of my disabled clients said the bus only cost \$1.50 – don't bother to write that down. I did write it down and it added up to \$40 for the month.
- One woman who started tracking her vending machine purchases realized it added up to \$60 a month.
- Everyone knows the latte story -
 $\$4 \text{ day} \times 5 \text{ days} = \$20 \text{ wk} \times 52 \text{ wks} = \1040 a year.

7. BE SURE TO FACTOR IN FUN

- Explore all the many ways to enjoy life without spending a lot of money – be creative.
- Go back to basics.

Judy Lawrence is a Budget Coach and Counselor in Silicon Valley. Her best-selling book, [The Budget Kit: Common Cents Money Management](#) 4th Edition, sold over 350,000 copies. If you would like a 30-minute free phone consultation, sign up for the free e-course or free newsletter, or just find out more about her services, teleseminars and books, you can reach her at www.moneytracker.com or judy@moneytracker.com or 1-800-283-4380 (1-800-Budget-0) or 408-747-9589.