

We Know...

Money Management



S-T-R-E-T-C-H your paycheck!

Use money-saving tips to weed out unnecessary expenses, reduce debt and build financial security.

Ask yourself: Where do I shop? Why do I shop? How much do I spend?

- ***Track cash and credit spending*** for one or two weeks to learn more about your personal spending patterns.
- ***Shop with a list***, and stick to it. Plan purchases to avoid buying items impulsively.
- ***Leave credit cards at home***. Commit to paying with cash, check or debit card – or not buying.
- ***Pay bills on time***. Monitor and balance bank and credit card accounts regularly to avoid fees. Report errors immediately.
- ***Cover the basics first***. Take care of expenses such as housing, utilities, food and health care. Put wants on hold until needs (new tires, school supplies) are met.
- ***Pay yourself first***. Use automatic transfers from paycheck to savings to build an emergency fund to cover unexpected expenses without using credit. Set an initial goal of \$500 to \$1,000, but aim for an amount equal to three to six months of income for stability in the event of a job loss, accident or illness.

- *Pay down debt* to put the interest and fees back in your pocket and reduce the number of fixed payments. Set up an aggressive plan to pay off credit cards, but still pay the minimum on all cards to avoid additional interest and other fees. Starting with the card with the highest interest rate is recommended, but paying off a card with a lesser balance can boost confidence in your ability to reduce debt.
- *Go green.* Find opportunities to reduce utility bills by turning off lights, turning off the faucet or adjusting the thermostat.
- *If you are typically entitled to a tax refund, adjust withholding* to better match your anticipated tax liability and increase take-home pay. Save the difference.
- *Join the America Saves movement* at www.kansasaves.org.

For more information on money management, contact your local K-State Research and Extension office or visit us online at www.oznet.ksu.edu/WeKnow



**Kansas State University Agricultural Experiment Station
and Cooperative Extension Service**

MK-30

September 2008

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