

# Manage Your Money To Get What You Want

Do you manage your money so that you get your important needs and wants from it? Check the answers below that best fit you.

	Yes	Sometimes	No
1. I pay the rent or mortgage payment and utility bills when they are due.			
2. I plan ahead for big expenses such as insurance premiums, buying another car, etc.			
3. I have a plan for how take-home pay will be spent.			
4. I save 10 percent of my take-home income.			
5. I use credit only for expensive purchases such as cars and appliances.			
6. I keep sales slips, check stubs, etc., as records of payment and to use when figuring income tax.			
7. I get the annual percentage rates of interest from different lenders, such as credit unions, banks, and small loan companies, before deciding where to borrow money.			
8. I compare prices at two or more stores before deciding to buy expensive clothes, furnishings, etc.			
9. I have insurance to cover debts I owe, funeral and burial costs, and injury I might cause others.			
10. I spend no more than 15 percent of my take-home money on installment payments (not mortgage payments).			

**To Score Quiz:** Give yourself 1 point for each NO answer; 2 points for each SOMETIMES answer; 3 points for each YES answer.

## How Did You Score?

A score of 25-30 points indicates that you are trying to manage your money and likely have control over your financial situation.

A score of 15-25 points indicates that you need to improve your money management practices.

A score of 10-15 points indicates that you need to increase your knowledge and skills if you want to improve your money management abilities.

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**North Carolina  
Cooperative Extension Service**

NORTH CAROLINA STATE UNIVERSITY  
COLLEGE OF AGRICULTURE & LIFE SCIENCES

# Do You Want to Manage Your Money Better?

## **1. Set Goals**

It's important that you decide what is important to you—now, 5 years from now, and later. Set realistic goals that you are willing to work toward.

## **2. Understand the Difference Between Needs and Wants**

It's important that we first spend for needs. This means that money for the rent or mortgage and utilities is a must. Other needs are food and clothing. Transportation is often a need in order to earn an income. Medical needs are important, too.

People never get all the things they want, but unless they pay for needs first, they will usually have serious money problems.

## **3. Know What You Have to Spend**

You can only spend what you take home. If more than one person in a family or household earns money, then you need to know the total amount of take-home pay. This is all you have available for needs, wants, and savings.

## **4. Know What Goes Out**

The only way you'll know where your money goes is to keep track of how it's being spent. It's easy if you start with a calendar and write in the large payments such as insurance.

- Divide yearly expenses by 12 and quarterly expenses by 4 to get the average amount you need to set aside monthly.
- List all payments and contributions you make once a month.
- Estimate the cost of clothing, furnishings, etc., you bought and paid for last year. Divide by 12 to get a monthly estimate.
- Keep track of what you actually spend for food, recreation, and other items for a week. Multiply this by 4 to get a monthly "guesstimate."

## **5. Use a Spending Plan**

A spending plan can help you get the things you need and want most.

## **6. Pay Yourself First**

Ten percent of your take-home pay adds up to a sizable amount if it is put into savings and investments.

Saving for emergencies such as accident, illness, or unemployment is a real need. Some experts recommend from 3 to 6 months' take-home income for this. Setting aside money each payday can help you make periodic payments.

## **7. Use Credit to Your Advantage**

The smaller your income the smaller the amount of debt you can afford. Ten to 15 percent of take-home pay going for installment debt (other than a home mortgage) is about all the average income family can afford.

Wise credit use means that you shop for the lowest cost you can find, that you make as large a down payment as possible, and that you pay back as soon as possible.

## **8. Keep Financial Records**

Records can help you manage your money. They tell where your money goes and can help you decide what changes you'd like to make in your spending.

Do you want to know more about how to manage your money and other resources? If you do, contact the extension home economist at the Cooperative Extension Center in your county.

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