Set Goals

Know what you want to do with your money!

Think about why you spend your money the way you do. If ten people were given a $100 bill, they would most likely spend it in entirely different ways. Why?

What Are Your Goals?

A major reason why couples argue about money is that each person has different values and goals.

Use this list to get a better feel for what is most important to each of you. Working apart, give a “1" to things that are VERY important to you. Give a “2" to things that are SOMEWHAT important to you. Give a “3" to things that are NOT important to you.

_____ education	_____ food
_____ vacation	_____ jewelry
_____ saving money	_____ family
_____ our own business	_____ health
_____ lots of money	_____ insurance
_____ cultural events	_____ friends
_____ sports	_____ new car
_____ job success	_____ clothes
_____ pay off debts	_____ boat
_____ entertainment	_____ other?

Compare your lists. Do you and your partner agree on the family spending values? It is hard enough for one person to decide which is more important. It is much harder for two people to agree.

Take time to prioritize your goals. Of the ones you have listed, which are the most important to you? Which are the most important to your family?

Compare your actual spending to your rated priorities to see if they really do match. Are you spending money on the things that are really important to both you and your family?

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Plan Your Spending - Avoid Budget Busters

★ **Credit Cards -** These little pieces of plastic can be a source of temptation and financial trouble. Often a person will make an ‘impulse buy’ because they had a credit card handy. If this is a problem for you, try paying for everything by cash or check. You might want to keep one card for emergencies, but do not use it for routine purchases.

★ **Impatience -** Problems can occur if you set financial goals, but do not have the patience to complete them. For example, say that you begin setting money aside for a new car. Your goal is to pay for it in full. However, after a couple of months you happen to find a car that you love. Instead of waiting, you go ahead and finance the car. This adds to your monthly budget, creating some serious financial strains. It takes real discipline to prevent impatience from breaking your budget.

★ **Lack of adjustments -** Create your budget using your current expenses and income. These will change over time. Update your budget every time expenses or income change. If you do not, this can lead to problems.

★ **Holidays -** Think about holidays when creating your budget. Decide what you want to spend for things like presents or special foods. Set aside money regularly for holiday items or other special events.

★ **Vacations -** There are lots of different expenses to include when you are planning a vacation. Some are easy to estimate, like lodging and transportation. Others are harder. Remember that you will be eating out, which always costs more. Keep in mind that at any resort prices can easily be 2 to 3 times what you would normally pay at home.

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Quick Guide - Patient/Family
Readjustment

Military personnel are deeply affected by their war experiences. Adjustment difficulties are common. These are normal reactions to abnormal experiences. This series of brochures deal with issues that are common following deployment. Remember - identifying your problem areas and seeking help is a sign of strength, not weakness. It means you are actively coping with your challenges.

Budgeting & Financial Management

★ Set goals

★ Make a budget

★ Plan your spending

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Creating a Budget

Do you find that your money runs out before the month does? The less money you have to live on, the greater your need to budget. The purpose of having a budget is to make the best use of your resources. Learning how to budget is a major step to control spending. It can be hard to learn, but it's a skill worth mastering. Here are some tips on how to begin. The first step in creating a budget is to figure out where your money is going.

★ **Start by listing of all your sources of income -**

In addition to income from a job or jobs, you may receive income from other sources such as alimony or child support. If something is paid on a yearly basis simply divide by 12. Add all of these up to find what you have available monthly.

★ **Now list all of your regular, essential expenses -**

This would include things like rent or mortgage, gas, electricity, telephone, food, insurance, medicine, transportation costs, and local, state and national taxes. You may need to track what you spend for some types of expenses, such as food, in order to get an accurate monthly total.

★ **Next list all of your regular, but not essential, expenses -**

This would include things like entertainment, clothing, personal items, and vacations. It is a good idea to track all of your spending for at least one month to get a realistic total. The easiest way to do this is to save all receipts. If it is not obvious, write on the receipt what was purchased.

★ **The most difficult to estimate are the occasional expenses -**

This would include things like repairing your car, replacing an appliance, or having an unexpected visit to the doctor.

Add up what you need for the monthly essential expenses. Set aside what you need to meet longer term goals, such as getting out of debt or building up savings. What is left can be used for other spending.

For many people, there are some real surprises when they start keeping track of everything they spend. The goal of budgeting is to plan for expenses ahead of time, so that you are prepared when that bill arrives. Tracking your expenses and creating a budget also gives you a way to set priorities. It gives you control of your money, rather than letting it control your choices.

How does it all add up? Does your income cover all of your current expenses? If not, look for ways to reduce what you spend.

Cut the designer coffees, happy hour drinks with co-workers, or eating out. Sometimes, a minor change in your routine can save a lot of money over a year. The key point to remember is that many small savings really add up. Think about bringing your lunch from home. You save only a few dollars, which does not seem like much. However, if you do this every work day, 5 work days per week, 52 weeks per year, it can easily save you more than $1,000 in a year.