

# ***BETter Living ...***

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## **Keys to Embracing Aging – Financial Affairs**

Last week, we discussed stress management. A major stressor in our lives deals with money and finances. Do we have enough to pay for that purchase? Am I saving enough for my future? Will I ever be able to retire? All of these questions come to mind when thinking about money. Financial planning can help reduce our stress level. There are five focus areas we will review: Budget Development, Money Management, Wise Use of Credit, Consumer Protection, and Savvy Saving.

### **Budget Development**

A budget is an effective tool to help you get the most for your money. It helps you make decisions about how to spend your money, determine your needs before your wants, and match your spending to your current income.

As you set your budget, think about the following:

- Which expenses are essential to you and your family's well-being?
- Which expenses have the highest priority?
- Which spending categories can be reduced to keep expenditures within your income?
- How much can you afford to spend in each category?

### **Money Management**

The following smart spending habits can help with money management:

- Find the best buy – spend time looking for the best price.
- Use wisely – properly care for your items, so they will last longer.
- Substitute – will a store brand work?
- Share it – buy in larger quantities and share with neighbors, friends, family.
- Find it free – research to find free options that will provide the same benefit.
- Rent or borrow – when needing something for a short time, this is a great option.
- Trade or swap – do you have items not needed anymore or do you have a specialty line of work that you could share with others?
- Make it – requires planning, time and skills.
- Watch out for “phantom money” – avoid impulse buys and know what you have in your wallet.
- Don't buy it – do you really need it?

### **Wise Use of Credit**

When using or applying for credit, it is important to:

- Budget your spending carefully.
- Shop around for the lowest total finance charge.
- Establish a debt limit and stick to it.
- Read credit contracts carefully and ask questions before you sign anything if you do not understand something.
- Avoid depending on credit to pay for day-to-day living expenses if and when possible.
- Pay your bills on time to insure that you can continue to use credit.

- Use credit for items with values that will outlast the installment payments.
- Obtain a copy of your credit report annually and check it for accuracy and completeness.

### **Consumer Protection**

The following “do’s and don’ts” will protect you as a consumer:

- Do insist for a salesman to let you take home a copy of the contract before you sign it or give you adequate time to read it.
- Do show the contract to a friend or a lawyer if you have questions about some of the provisions.
- Do insist that all promises be put in writing.
- Do keep copies of all contracts, payment records, and complaint letters in a safe place.
- Don’t deal with any salesman who refuses to let you take home a completed contract before you sign it.
- Don’t sign anything unless you have time to read it carefully and you fully understand what it says.
- Don’t ever sign a contract with blank spaces that are to be filled in later by a salesperson.
- Don’t believe offers that are “too good to be true” because they usually are not true.

### **Savvy Saving**

Follow these saving tips to help you achieve your saving goals:

- Set a saving goal.
- Set goals on how much to save per day.
- Be realistic in determining short, medium, and long-term goals.
- Consider a less-expensive version of your goal.
- Put your savings where it will draw interest, perhaps a bank, money market, or certificate of deposit (CD).

I would like to challenge you to have between 3 to 6 months of income saved in an account that is easily accessible, so you can be financially prepared for the unexpected.

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