

Money management TIPS for young families

Newsletter 2

March

KEEPING RECORDS

In the last lesson you looked at the big picture – your net worth. Now it is time to look at the day-to-day management of your money. What is your total income? Where does it all go? Is there any way to get more satisfaction from its use? These are questions you and your family can answer when you have the necessary information.

That information comes from keeping a record of the money coming in and going out of your household. Keeping records for a month is a must if you are to form a workable spending plan, or budget. If you have kept accounts before and wish to use that system, fine. If not, call or write me for the booklet “Money Management Makes Cents” or the “Money Management Calendar.”

SUGGESTIONS FOR MASTERING YOUR RECORDKEEPING

Keeping records may not be the most desirable task, but it is a necessary one. To be successful it must be a cooperative effort between all members of your household. The person best qualified should assume major responsibility for the task. However, everyone must cooperate and contribute what is necessary.

To master recordkeeping, first, organize a workspace. You will need a table surface and adequate facilities for storing records. (A later newsletter will discuss this in greater detail.) Second, develop a workable recordkeeping system. This is a step-by-step procedure that should help you: ⁽¹⁾forecast expected income, ⁽²⁾estimate money needed for goals, ⁽³⁾make a spending plan, and ⁽⁴⁾keep track of how money was used. Develop a system, get started and modify your system as needed.

You might:

1. Keep all cash register tapes and receipts for bills paid in one place (box, drawer, bag) until they can be filed or recorded in your monthly recordkeeping book. Be sure that each tape or receipt identifies the amount of money spent and for what (groceries, grooming aids, household items). Be sure the receipt is dated, if not write the date on it.
2. Have each person record money spent and its use, then give it to whomever is keeping the monthly records.
3. Decide which family member will pay the bills and monitor the spending plans and expenditures. Also decide when the recording will be done – weekly, every two weeks or monthly. It is important that accurate plans and records are kept for all moneys; otherwise you can't spot leaks and make improvements in your finances.

4. Set a specific time once a month or more frequently in the beginning if desired, for a family meeting (council) to evaluate goals, spending plans and records of how money was used, and to make spending plans for the next month.

5. It is time for a checkup.
How are you doing?

YES USUALLY NO

Do all family members keep an accurate record of their spending?

Do you search records of spending to find leaks or unwise uses of money?

Have you organized a workable system for keeping accurate reports?

Next month's Tip - SPENDING PLAN

For further information or assistance contact me _____ your county Extension agent, at _____.

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