

How To Manage Your Money

**The North Los Angeles County Regional Center Vendor Advisory Committee
Subcommittee on Best Practice
First Edition - 1998**

How To Manage Your Money

Created by:

The North Los Angeles County Regional Center Vendor Advisory Committee
Subcommittee on Best Practice

Prepared by:

Sherry Beamer, M.S.W.
Sherry Beamer & Associates

Technical Writing and Graphics

Maria Aragon

1998

This document was prepared in cooperation with the Vendor Advisory Committee (VAC) of the North Los Angeles County Regional Center Board of Directors. Thanks to the following participating members of the VAC's Sub-Committee on Best Practice others who contributed advice on the preparation of this booklet.

Best Practice Subcommittee Participants:

- Sunny Ash, Subcommittee Chairperson, Los Angeles Retarded Citizens Foundation
- Gay Parrish, North Los Angeles County Regional Center
- Gay Wane, Project Six
- Nancy Bissonette-Andrew, Tierra del Sol Foundation
- Reva Kestenbaum, Specialized Health Services
- Thomas Lattyak, Associated Comprehensive Therapies, Inc.
- Jim White, Arc - Ventura County

Others who also helped with providing and reviewing materials:

- Diane Chong, Community Options, Inc.
- Cecil Ingram, North Los Angeles County Regional Center
- Paul Dahbour, Associated Comprehensive Therapies, Inc.
- Dixie Henricksen, ARC
- Gail Peters, Work Training Program

How To Manage Your Money

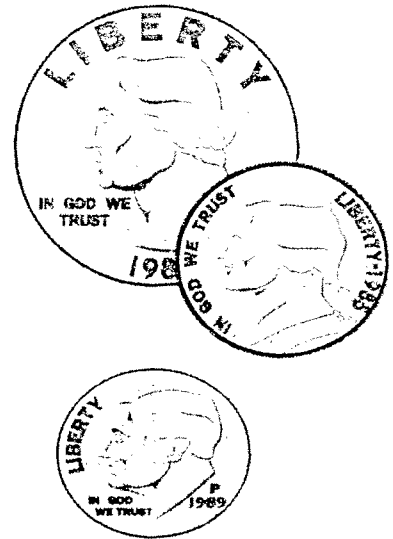
TABLE OF CONTENTS

TOPIC	PAGE
A PLAN FOR YOUR MONEY	1
Budget Items	1
TIPS ABOUT USING A BUDGET	1
SPECIAL PRICES	2
WHERE TO KEEP YOUR MONEY	2
SAVINGS ACCOUNTS	2
WRITING CHECKS	2
AUTOMATIC TELLER MACHINE (ATM)	2
EXTRA HELP AT THE BANK	3
KEEPING MONEY AT HOME	3
BUYING THINGS	3
CONTRACTS	4
PAYING BILLS	4
MAKING CHANGES TO HAVE MORE MONEY	4
SHOPPING AROUND	5
SAVING MONEY	5
TRUSTS	5
APPENDIX	6
● Sample Budget Forms	6
● Applications for reduced rates	6
● Tell Us What You Think	6

HOW TO MANAGE YOUR MONEY

A PLAN FOR YOUR MONEY

The best way to manage money is to have a plan for how you spend your money. This plan is called a **budget**. Budgets usually contain the following budget items:



Budget Items

- ◆ Rent or mortgage payments
- ◆ Food
- ◆ Phone Bills
- ◆ Heating Bills
- ◆ Electric Bills
- ◆ Clothes
- ◆ Transportation
- ◆ Entertainment
- ◆ Savings

The total amount of money in your budget has to be equal to the amount of money you have available to spend.

$$\text{Budget \$} = \text{Money You Have To Spend}$$

TIPS ABOUT USING A BUDGET

Here are some ideas that will help you use a budget with success:

- ◆ Check your budget once a week to make sure you will have enough money to pay for the items in your budget. The Appendix at the end of this booklet has some sample worksheets to help with budget planning.
- ◆ Decide how you will organize your money so that you can pay for budget items. Some people use one envelope in which to save money for each budget item. This way you can easily see how much money you have to spend on each item. Using envelopes for saving money for budget items also may stop you from overspending.
- ◆ Ask for and keep a receipt when you spend money on something. You can use the receipt to double check your budget for the money you've spent.

SPECIAL PRICES

Many utility companies (like the phone company or electric company) offer special prices to people who don't make much money. For example, in Los Angeles, Pacific Bell offers a Saver Pack for customers.



To find out how to apply for these special prices from Pacific Bell, call 1-800-310-2355 and ask about the Saver Pack. Check the phone book for your area and the Appendix of this book for other numbers. The Appendix of this book includes the Gas Company and the Department of Water and Power applications for the Los Angeles area.

WHERE TO KEEP YOUR MONEY

Most people keep their money in a bank savings or checking account until they need it.

SAVINGS ACCOUNTS

A savings account costs less to open and is easier to use than a checking account. When you use a savings account to pay bills, you take out a **withdrawal** from the bank and pay your bills with cash or a money order. The bank won't let you take out more money than you have. The bank may charge you a small fee for preparing the money order.

WRITING CHECKS

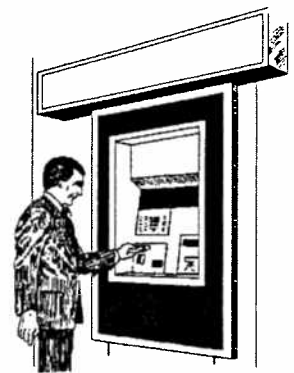
When you use a checking account to pay bills, you write checks to pay what you owe. It costs money to buy blank checks when you open the checking account. Most banks will also charge you a monthly fee to have a checking account. Look for a bank that does not charge for a checking account.



You must have enough money in the bank to pay the amounts on the checks you write. **If you write a check for more money than you have in the bank, the bank will not pay your bill.** The bank will also **charge you a fee** for every check written for more than the amount in your checking account.

AUTOMATIC TELLER MACHINE (ATM)

An ATM card lets you take money out of the bank anytime. But, a lot of people choose not to get an ATM card with their account. The reason for this is that it's too easy to take out money from the machine and spend it without following the budget. Be careful when using an ATM. **Do not give anyone your ATM card or ATM personal identification number (PIN) to take money out for you.**



EXTRA HELP AT THE BANK

The bank manager can help to make sure that you get some extra help if you need it from the bank. You can get help with depositing (putting money in) and withdrawing (taking money out). Introduce yourself to the bank manager and let him or her know if you need some extra help.

KEEPING MONEY AT HOME

If you keep money in your home, make sure to keep it locked up in a place where nobody can take it. A locked safe is a secure place to put valuables. Some people buy a small safe (\$50) and screw it into their bedroom closet wall. If you rent an apartment, check with the landlord or your lease before screwing a safe into the wall.



CREDIT CARDS AND LOANS

Many people decide not to use credit cards instead of money because it's too easy to overspend this way. Every credit card company charges you to use their money to buy something. Some have a yearly fee (usually \$25) and all charge **interest on any unpaid balance**. Interest is a fee charged on money you borrow until you pay the money back. **So, when you buy something with a credit card you usually will end up paying more for the item you bought than the original price!**

If you choose to pay for something using a credit card or through a loan, make sure you can afford the payments over time or that you can pay the bill in full.

Always be careful when you lend people money, even if it is to your friends. Make sure you discuss or write a plan for them to pay you back. **Speak up if your friend doesn't pay you back.**

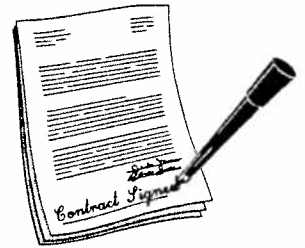


BUYING THINGS

There are lots of ways to buy things that are too easy. You can order things on the phone, off the television, and over your computer. Sometimes people will even come to your home and try to sell you something. Remember, it's your choice if you want to buy something from someone. Also, think of your budget and decide if you can afford the thing you want to buy.

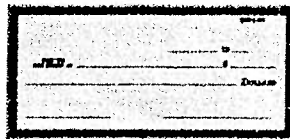
CONTRACTS

A lot of people sell expensive things (computers, jewelry) over the phone, in the mail, on television, at your door, or through credit cards. These people will ask you to give your approval or sign a piece of paper that says you will pay for the item. Be careful before buying an item. Talk to someone else before you agree to it. Make sure you can afford it and need it. California Law says that if you sign a contract to buy something from a door-to-door salesman, and then decide afterwards you can't afford it, you have three days to cancel the contract.



PAYING BILLS

Always participate in paying your bills. Even if someone else helps you pay the bills (a roommate, a family member, a friend, a support staff) make sure you know they have paid the bills. **Don't be afraid to ask questions.**



If you feel like you don't have enough money for the things you need and want, talk to someone about it. People who you can talk to are:

- ◆ your family
- ◆ your friends
- ◆ your Regional Center worker
- ◆ a support worker or independent living trainer
- ◆ other important people in your life

MAKING CHANGES TO HAVE MORE MONEY

Sometimes people have to make changes in their life so that they can have more money. Some of these changes could include finding:

- ◆ a job
- ◆ a job that pays more
- ◆ a less expensive place to live
- ◆ a friend or roommate to share expenses with

You also may have to change your budget plan.

It's **never** a good idea to ask people on the street for money. Some people have been hurt when they did this.

SHOPPING AROUND

When you need to buy something, it's good to shop around for the best deal. Sometimes it's better to spend a little more money on something you want to buy because the quality is better. For example, clothes at discount stores don't cost much money, but sometimes they fall apart after you wash them a couple of times. Spending a few more dollars on clothes from a department store may be better.

Compare prices when you shop. Sometimes one store will have a sale or a better price than another on the same item.

SAVING MONEY

It's a good idea to always **save a little money every month for emergencies.**

You may also want to save a little money for buying special things you like or to go some place special. People who receive SSI are only allowed to save a certain amount of money. Check with your SSI representative for the amount (usually \$2000 for individuals). If you receive SSI and have too much savings, you could lose your benefits.



TRUSTS

A trust is money that is set aside for a special reason and can only be used for that. For example, some mortuaries will set up burial trusts to be used for a cemetery plot and burial costs. Also, lawyers can be used to set up the paperwork for trusts for other purposes, like education or living expenses for dependent adults when their parents die. Once the paperwork is set up, the money will be held by a trustee, such as a bank, until it is allowed to be used.

APPENDIX

- Sample Budget Forms
- Tell Us What You Think



MY BUDGET

REVENUE (income)

Social Security \$ _____



Paycheck \$ _____

Total Revenue \$ _____

EXPENSES



Rent \$ _____



Telephone \$ _____



Food \$ _____



Entertainment \$ _____



Personal Items \$ _____

Total Expenses \$ _____

Revenue - \$ _____

Minus Expenses - \$ _____

\$ _____

More or (Less)



Robert's Monthly Budget

REVENUE (income)



Social Security \$ 400

Paycheck \$ 200

Total Revenue \$ 600

EXPENSES



Housing Costs \$ 250



Food \$ 100



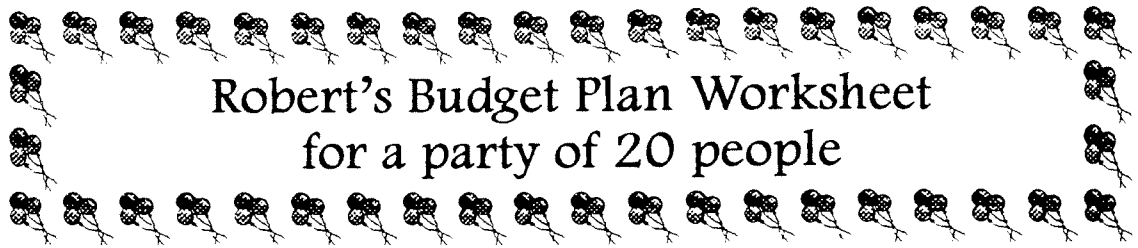
Entertainment \$ 75



Personal Items \$ 100

Total Expenses \$ 525

Revenue -	\$600
Minus Expenses -	<u>\$525</u>
	\$ 75 More



Robert's Budget Plan Worksheet
for a party of 20 people

REVENUE (income)

Entertainment budget \$ 75 _____

EXPENSES

Invitations \$10 _____

Stamps \$10 _____

Dinnerware \$20 _____

Food \$50 _____

Decorations \$10 _____

Total **\$100** _____

<p>1. Is this : (check one)</p> <p> ___ more,</p> <p> ___ less, or</p> <p> ___ just what he needs for the party?</p> <p>2. Will he do anything different with his budget plan knowing this?</p> <p>_____</p>

**NLACRC VENDOR ADVISORY COMMITTEE
BEST PRACTICES SUBCOMMITTEE SURVEY**

Tell us what you think!

Booklet: _____

Your name: _____ Your Phone #: (____) _____

City where you live: _____

1. Did you find the information useful:

Yes _____ No _____

Why? _____

2. Is there anything you would add or change?

SUGGESTIONS: _____

GENERAL COMMENTS: _____

Send/fax this form to: North Los Angeles County Regional Center
Department of Community Services
15400 Sherman Way Suite 300
Van Nuys, CA 91406
Fax: (818) 756-6130