Financial Management

"There is nothing wrong with men possessing riches. The wrong comes when riches possess men."
-Billy Graham

Importance of Financial Goals

Couples argue about finances more than any other topic. Regardless of how much or how little money a couple has, deciding what to purchase and how to spend their money is problematic for most couples.

Typically, most couples focus on only short-term financial goals like: "Today I will pay $100 on my credit card bill." But short-term goals should also take into consideration your long-term goals like: "We want to save enough to make a down payment on a house."

One way to reduce the amount of conflict regarding finances is for you and your partner to discuss and decide on your short-term and long-term financial goals. Setting common goals as a couple can increase your sense of teamwork and collaboration in this complex area of finances.

Identifying and Deciding on Your Financial Goals

Each person should individually brainstorm their short-term and long-term financial goals and then share them with each other. Short-term goals should be what you can achieve in six months to one year. Long-term goals might be achieved in one to five years. Remember, your goals should be realistic, clear, and specific.

Short-Term Goals: (six months to one year)

1. ______________________________
2. ______________________________
3. ______________________________

Long-Term Goals: (one to five years)

1. ______________________________
2. ______________________________
3. ______________________________

Couple Discussion

- Share your lists with one another. What do they have in common?
- Where are they different?
- Decide together as a couple on your common goals.
- Talk about how you can each contribute to achieving these goals.
- Revisit them from time to time so you stay on track.

Budget Worksheet

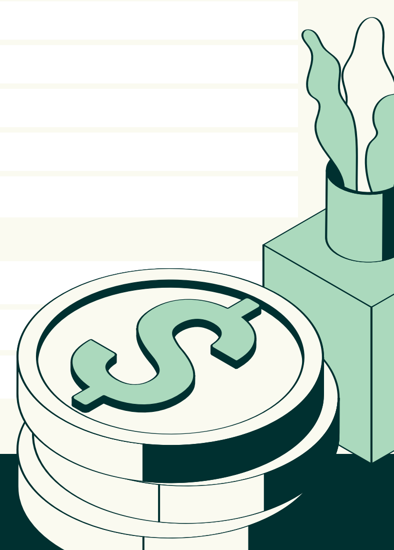
Monthly Income: (Take Home Pay)

Total Partner 1	
Total Partner 2	
Total Couple	

Monthly Expenses

		Current Spending	Future Budget Plan
Giving	Contributions/Tithe		
Housing	Rent or Mortgage		
	Utilities		
	Phone		
Loans/Debt	Auto		
	Personal		
	Credit Cards		
Car	Gasoline		
	Repairs/Maintenance		
Food	Food at home		
	Food away from home		
Health Care			
Insurance	Medical		
	Car		
	Home/Life/Health		
Clothing			
Personal Goods			
Household Supplies			
Services	Cell Phone		
	Cable/Dish		
	Internet		
	Dry Cleaning/Laundry		
	Other		
Other Expenditures	Savings		
	Gifts		
	Entertainment		
	Daycare		
	Child Support		
	Other		

Total Couple Income	
Total Expenses	
Surplus or Deficit	



Debt Snowball Method

The debt snowball method is a debt reduction strategy where you pay off your debts in order of smallest to largest, regardless of interest rate.

But even more than that, the debt snowball is designed to help you change your **behavior** with money so you never go into debt again. It gives you power over your debt—because when you pay off that first one and move on to the next, you'll see that debt is not the boss of your money. You are.

Here's how the debt snowball method works . . .

Step 1: List your debts from smallest to largest.

Debts	Balance	Min. Payment
Credit Cards	50	10
Hospital Bill	460	38
Home Depot	770	45
Total	1,280	93

Step 2: Make minimum payments on all debts except the smallest—throwing as much money as you can at that one. Once that debt is gone, take its payment and apply it to the next smallest debt while continuing to make minimum payments on the rest.

Debts	Balance	Min. Payment	New Payment
~~Credit Cards~~	~~50~~	~~10~~	10
Hospital Bill	460	38	48

add

Step 3: Repeat this method as you plow your way through debt. The more you pay off, the more your freed-up money grows—like a snowball rolling downhill.

Debts	Balance	Min. Payment	New Payment	Date Debt Retired
Total				