

Planning Money Management



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Do you know where your money is going?

What are your financial goal(s) and how do you plan for them?



**You can do it in just
3 simple steps!**

Let's start with a plan....



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List all your:

- 1) Fixed expenses
- 2) Variable expenses
- 3) All sources of income



Fixed expenses = Expenses that do not change often

Step 1

- Housing Costs
- Utilities
- Car payment/Car Insurance
- Mobile Phone

List your Variable expenses

Step 2

- Food
- Entertainment
- Gifts and celebrations
- Gas or transportation
- Emergencies!!!!

Always remember that!

For most people, financial health doesn't depend on how much they earn, but on how much they spend!

To help you find out where your money is going track your variable expenses. You have the most control over these expenses!

Step 3

List all your sources of income

Don't forget to designate every dollar including savings



Be intentional with your money!

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Best 2020 Free Budget Apps rated by Nerdwallet.com:

Mint: For saving more and spending less

EveryDollar: For zero-based budgeting

PocketGuard: For a simplified budgeting
snapshot

ClarityMoney: For all-inclusive budgeting

Goodbudget: For shared envelope-budgeting

PersonalCapital: For tracking wealth and
spending

Choices, choices, choices



- Movie/Concert Tickets or Rentals
- Latest Fashion or Generic Brands or Second - Hand Store
- Latest Technology
- Impulse shopping or waiting for a sale
- Paying for things you can do yourself!
- Eating out or cooking at home
- Loan Money or just say no
- Cable TV or Streaming or TV Antenna

- **Personal finance is 80 %behavior and 20 % head knowledge**
- **Average person spends 15% more when using a card vs. a cash to make a purchase**
- **Are some needs really wants or just emotional connections?**

Needs vs. Wants



1 Frappuccino @ \$4.75

- $\$4.75 \times 7 \text{ days} = \33.25
- $\$4.75 \times 365 \text{ days} = \$1,733.75$

1 burger @ \$4.25

- $\$4.25 \times 7 \text{ days} = \29.75
- $\$4.25 \times 365 \text{ days} = \$1,551.25$



**1 carton of cigarettes @ \$ 45.00 (Generic Brand)
\$135.00 x 12 months = \$1,620.00**

Eating lunch out everyday @ \$10.00 = \$2,400 a year.

You must be kidding !

- Bus/walk/carpool
- Free concerts in the Public Parks
- Movies from Redbox or FREE at the Library
- Volunteer at event(s) so can enjoy for free
- Ask for a group rate / split costs with friends
- Use coupons and discount promotions
- Get at least three different quotes

Your next best alternatives

Discount Resources:

- myrateplan.com
- phonedog.com
- TheKrazyLadyCoupon.com
- Coupon.com
- Dailygrocerycoupon.com
- Couponmom.com
- Retailmenot.com
- Couponsherpa.com
- Grocerysmarts.com





Reducing DEBT

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- More than 20 % of income goes towards paying debts
- Borrowing money
- Don't know how much you owe
- Pay minimum balance on debts
- Late or missed payment(s)
- Debt Collectors are hounding you
- Using a credit card to pay for items you used to buy with cash
- Using reserved funds to pay normal bills
- Taking extra job (s) just to make ends meet



Signs you have too much debt

Ways to Start getting out of Debt

- Re-asses your needs vs. wants to cut your everyday expenses
- Send extra money to creditors charging the highest interest rate
- Limit credit cards and usage
- Sell or trade items you never use
- Be realistic with your purchases
- Stick with your 3 - step money plan
- Pay on time to avoid extra fees



Debt Management Plan

Credit card 1: \$500 at 13% - monthly payment of \$25

Credit card 2: \$1,000 at 19% - monthly payment of \$50

Car loan: \$6,000 at 4% - monthly payment of \$135

Student loan: \$15,000 at 5% - monthly payment of \$159

- If you pay the minimums on everything and add an extra \$100 to the smallest credit card payment, you'll pay it off in four months.
- 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.

2nd Bill paid off in 5 months

3rd Bill paid off 15 months

4th Bill paid off in 24 months

- Choosetosave.org
- smartaboutmoney.org
- www.edmunds.com
- www.nerdwallet.com
- www.whatsthecost.com



Free Calculators and Budget Tools

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Credit Report V.S. Credit Score

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Free Annual Credit Report

www.AnnualCreditReport.com

The three major credit bureaus are:

- Equifax
- Experian
- Transunion

Did you Know?

It is important to check your credit report year - round. According to the three major credit reporting agencies, almost **25** percent of consumers identify some type of errors on their credit profiles.



Score Breakdown



■ Payment History 35%

■ Amount of Debt 30%

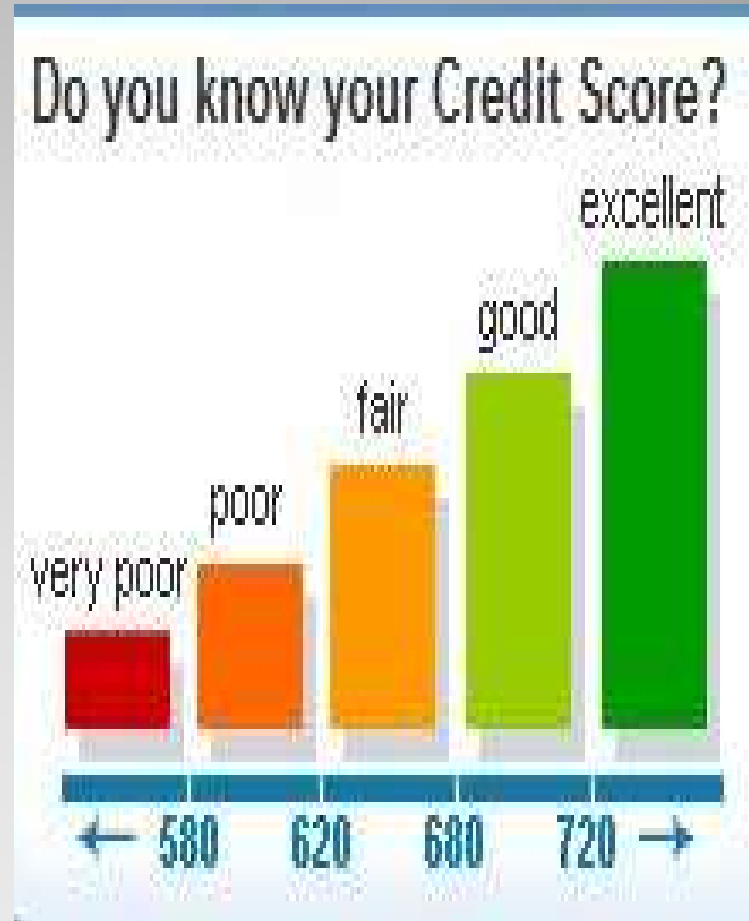
■ Length of Credit History 15%

■ Mix Credit 10%

■ Inquiries or New Credit 10%

FICO Score
Fair Isaac Corporation

- Poor credit score under 630
- Average or Fair credit rating will be between 630 and 690
- Good Credit is between 690 and 720
- Excellent credit is anything above 720



Credit Quality

- You don't need to check your credit report unless you're applying for credit
- Checking your credit report will hurt your credit
- Paying off a past due account will remove it from your credit report
- Closing an account will remove it from your credit report
- Getting married will merge your credit report with your spouse's
- Only credit cards and loans show up on your credit report
- Employment history and income is included in your credit report
- Accounts you've only co-signed don't appear on your credit report

Credit Report Myths

- Gathers data from:
TransUnion,
Equifax, and
Experian

- Does not factor in paid collections accounts that have been fully paid off
- Harsher on individuals who are late on paying their mortgage
- Does not penalize individuals for any past debts sent to collections that have also been completely paid off

VantageScore

Interest rate or APR

Annual interest rate you will be charged on a loan or the unpaid balance of a credit card.

Length of the loan

As the length of the loan increases, the monthly payment will decrease, but the total interest charged will increase.

Finance charge

Total cost of the loan stated in dollars.

Credit limit

The maximum amount you can borrow at any time.

Minimum monthly payment

The smallest payment your creditor will accept.

Grace period

Number of days you have to pay your bill in full before interest is charged.

Over the limit and late fees

The amount you will be charged if you are late with a payment or go over your credit limit.



Terms to know about loan agreements

- Secure your SSN
- Don't respond to unsolicited requests
- Request to "freeze" your credit it's free you can "unfreeze" anytime
- Collect mail and/or place a hold when away
- Pay attention to your billing cycles
- Beware of social media posts
- Don't access sensitive information on public WI-FI networks



- Review your credit card and bank account statements
- Shred your personal information
- Store personal information in a safe place
- Install firewalls and virus-detection software on your home computer.
- Create complex passwords so identity thieves cannot guess easily
- Review your credit report at least once a year

Identity Theft

Predatory Lending Practices

- Payday lenders extract more 305 million dollars in fees
- 1 in 5 of Florida's payday borrowers are over 55 years old
- 85% of payday loans borrowers are trapped in seven or more loans per year.

Payday Loan Average Fee

➤ Loan Amount \$350

➤ Fee = \$52.50

➤ Duration = 14 days

➤ Total = \$402.50

➤ APR% = 331%

➤ (\$1,158.5)

Be aware of Deceptive Marketing Practices

Annual Interest Rate Fees

- Renting furniture and/or appliances = 100% to 500%
- Cash Advance loans=20% to 30%
- Rapid Tax Refund Claims= 50% to 500 %

United Way of Brevard offers free virtual workshops and/or one-to-one counseling to assist you

Contact Morgan Bonilla to schedule a session
at mbonilla@uwbrevard.org



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