

HWGP



Money Management
Workbook

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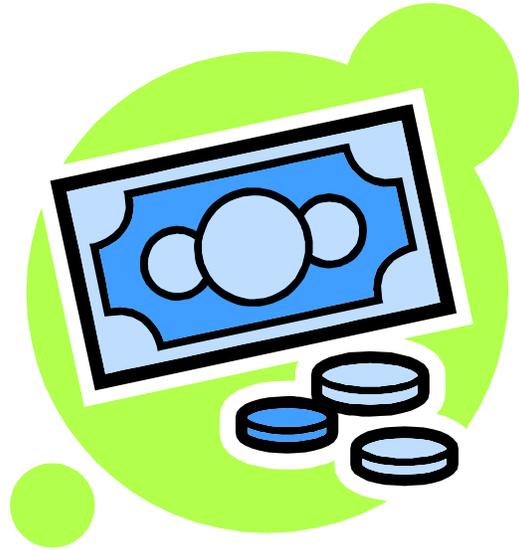
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Budgeting Tips



Set financial goals

Take a look at your current financial state and set attainable short and long term goals. The Money Management Goal sheets on pages 5 and 6 will help you develop your own financial goals.

Tracking your expenses

Record all your expenses on either the weekly or monthly expense sheets included in this workbook get an accurate figure on how much you spend and what you spend your money on. It doesn't really matter which expense sheets you use, pick the one you are more comfortable with. At the end of the month, look at your spending habits; do you normally buy coffee or soda at a coffee shop or convenience store? Try making coffee at home or carrying a bottle of water around with you. Do you eat out a lot? Try cooking at home more often. When shopping at the drug store, buy generic instead of brand names. You will be surprised how much you can save by making little changes in your life.

Develop a spending plan

The next step is creating a budget that you can live with. At the beginning of each month, sit down and list how much income you'll receive and your anticipated expenses. This can be an estimate, if you are not sure how much you will earn or receive. Ideally, you want your income to be more than your expenses. If it's the other way around, you'll need to adjust your spending. Suggestion: overestimate your expenses and underestimate your income.



At the end of each month you can fill out what your actual spending was and compare it to your estimated budget from the beginning of the month. If you spend more than you estimated, then you should look for ways to cut down on your spending.

Set aside money

Do not carry a large amount of money on you. You may spend it. If you don't have a bank account, you may want to set aside your money in envelopes and label them for where you want the money to go. For example, label one envelope RENT or PHONE BILL and don't touch it for any other reason.

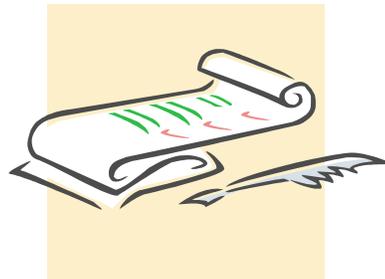


If you do have a bank account, take out the money at the beginning of the week for your expenses for that week, instead of using your ATM card everyday. This will make it more difficult to spend impulsively.

Protect yourself from money triggers, the situations that may tempt you to spend money for example: carrying large sums of money, visiting known drug areas, grocery shopping when hungry.



Make a shopping list and stick to it. This may avoid impulsive spending.



Distinguish between wants and needs. Take care of your basic living expenses first, including food, shelter and clothing.



Spend money on wants after needs are met.

Learn to say "no" to your family and salespeople.



Sample

Money Management Goals

Personal & Financial Goals

1. Self-respect
2. My own apartment

Steps to achieve my goals

1. Self-respect
 - Stay clean - stop spending money on drugs and alcohol.
 - Pay my bills on time
2. My own apartment
 - Apply for housing assistance.
 - Save \$50 a month for a security deposit.

Money Management Goals

Personal & Financial Goals

1. _____
2. _____

Steps to achieve my goals

1. _____
 - _____
 - _____
 - _____
2. _____
 - _____
 - _____
 - _____

Debt Worksheet

Housing & Utilities

_____ \$ _____
_____ \$ _____
_____ \$ _____

Medical/Dental

_____ \$ _____
_____ \$ _____
_____ \$ _____

Credit Cards/Loans:

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

Other Debts

Bank \$ _____
Social Security \$ _____
Friends/Family \$ _____
Stores (not credit cards) \$ _____
Gambling \$ _____

<u>Total Outstanding Debt</u>

\$ _____

Sample Monthly Budget Sheet

	Estimated	Actual
Employment	\$ <u>300</u>	\$ <u>150</u>
Welfare (state supplement)	\$ <u>200</u>	\$ <u>200</u>
Food Stamps	\$ <u>0</u>	\$ <u>0</u>
VA Benefits/SSDI/SSI	\$ <u>623</u>	\$ <u>623</u>
Child support	\$ <u>0</u>	\$ <u>0</u>
Family or friends	\$ <u>0</u>	\$ <u>0</u>
Illegal (prostitution, drug sales)	\$ <u>0</u>	\$ <u>0</u>
Study participation	\$ <u>50</u>	\$ <u>50</u>
Other: _____	\$ <u>0</u>	\$ <u>0</u>
Total Income:	\$ <u>1173</u>	\$ <u>1023</u>
<u>Expenses:</u>		
Housing & Utilities	\$ <u>710</u>	\$ <u>710</u>
Household Expenses	\$ <u>20</u>	\$ <u>35</u>
Food	\$ <u>100</u>	\$ <u>220</u>
Transportation	\$ <u>20</u>	\$ <u>40</u>
Medical/Dental	\$ <u>5</u>	\$ <u>5</u>
Clothing	\$ <u>10</u>	\$ <u>25</u>
Child Care	\$ <u>0</u>	\$ <u>0</u>
Education/Recreation	\$ <u>0</u>	\$ <u>21</u>
Credit Cards/Loans	\$ <u>100</u>	\$ <u>75</u>
Other Expenses	\$ <u>10</u>	\$ <u>80</u>
Total Expenses:	\$ <u>975</u>	\$ <u>1211</u>
Total income	\$ <u>1173</u>	\$ <u>1023</u>
- (minus)		
Total Expenses	\$ <u>975</u>	\$ <u>1211</u>
Current Balance:	\$ <u>198</u>	\$ <u>-188</u>

Monthly Budget Sheet

	Estimated	Actual
Employment	\$ _____	\$ _____
Welfare (state supplement)	\$ _____	\$ _____
Food Stamps	\$ _____	\$ _____
VA Benefits/SSDI/SSI	\$ _____	\$ _____
Child support	\$ _____	\$ _____
Family or friends	\$ _____	\$ _____
Illegal (prostitution, drug sales)	\$ _____	\$ _____
Study participation	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____
Total Income:	\$ _____	\$ _____
 <u>Expenses:</u>		
Housing & Utilities	\$ _____	\$ _____
Household Expenses	\$ _____	\$ _____
Food	\$ _____	\$ _____
Transportation	\$ _____	\$ _____
Medical/Dental	\$ _____	\$ _____
Clothing	\$ _____	\$ _____
Child Care	\$ _____	\$ _____
Education/Recreation	\$ _____	\$ _____
Credit Cards/Loans	\$ _____	\$ _____
Other Expenses	\$ _____	\$ _____
Total Expenses:	\$ _____	\$ _____
Total income	\$ _____	\$ _____
- (minus)		
Total Expenses	\$ _____	\$ _____
Current Balance:	\$ _____	\$ _____

Monthly Budget Sheet

	Estimated	Actual
Employment	\$ _____	\$ _____
Welfare (state supplement)	\$ _____	\$ _____
Food Stamps	\$ _____	\$ _____
VA Benefits/SSDI/SSI	\$ _____	\$ _____
Child support	\$ _____	\$ _____
Family or friends	\$ _____	\$ _____
Illegal (prostitution, drug sales)	\$ _____	\$ _____
Study participation	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____
Total Income:	\$ _____	\$ _____
 <u>Expenses:</u>		
Housing & Utilities	\$ _____	\$ _____
Household Expenses	\$ _____	\$ _____
Food	\$ _____	\$ _____
Transportation	\$ _____	\$ _____
Medical/Dental	\$ _____	\$ _____
Clothing	\$ _____	\$ _____
Child Care	\$ _____	\$ _____
Education/Recreation	\$ _____	\$ _____
Credit Cards/Loans	\$ _____	\$ _____
Other Expenses	\$ _____	\$ _____
Total Expenses:	\$ _____	\$ _____
Total income	\$ _____	\$ _____
- (minus)		
Total Expenses	\$ _____	\$ _____
Current Balance:	\$ _____	\$ _____

Monthly Budget Sheet

	Estimated	Actual
Employment	\$ _____	\$ _____
Welfare (state supplement)	\$ _____	\$ _____
Food Stamps	\$ _____	\$ _____
VA Benefits/SSDI/SSI	\$ _____	\$ _____
Child support	\$ _____	\$ _____
Family or friends	\$ _____	\$ _____
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Other: _____	\$ _____	\$ _____
Total Income:	\$ _____	\$ _____
 <u>Expenses:</u>		
Housing & Utilities	\$ _____	\$ _____
Household Expenses	\$ _____	\$ _____
Food	\$ _____	\$ _____
Transportation	\$ _____	\$ _____
Medical/Dental	\$ _____	\$ _____
Clothing	\$ _____	\$ _____
Child Care	\$ _____	\$ _____
Education/Recreation	\$ _____	\$ _____
Credit Cards/Loans	\$ _____	\$ _____
Other Expenses	\$ _____	\$ _____
Total Expenses:	\$ _____	\$ _____
Total income	\$ _____	\$ _____
- (minus)		
Total Expenses	\$ _____	\$ _____
Current Balance:	\$ _____	\$ _____

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Employment	\$ _____	\$ _____
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Study participation	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____
Total Income:	\$ _____	\$ _____
 <u>Expenses:</u>		
Housing & Utilities	\$ _____	\$ _____
Household Expenses	\$ _____	\$ _____
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Transportation	\$ _____	\$ _____
Medical/Dental	\$ _____	\$ _____
Clothing	\$ _____	\$ _____
Child Care	\$ _____	\$ _____
Education/Recreation	\$ _____	\$ _____
Credit Cards/Loans	\$ _____	\$ _____
Other Expenses	\$ _____	\$ _____
Total Expenses:	\$ _____	\$ _____
Total income	\$ _____	\$ _____
- (minus)		
Total Expenses	\$ _____	\$ _____
Current Balance:	\$ _____	\$ _____

Monthly Budget Sheet

	Estimated	Actual
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Other: _____	\$ _____	\$ _____
Total Income:	\$ _____	\$ _____
 <u>Expenses:</u>		
Housing & Utilities	\$ _____	\$ _____
Household Expenses	\$ _____	\$ _____
Food	\$ _____	\$ _____
Transportation	\$ _____	\$ _____
Medical/Dental	\$ _____	\$ _____
Clothing	\$ _____	\$ _____
Child Care	\$ _____	\$ _____
Education/Recreation	\$ _____	\$ _____
Credit Cards/Loans	\$ _____	\$ _____
Other Expenses	\$ _____	\$ _____
Total Expenses:	\$ _____	\$ _____
Total income	\$ _____	\$ _____
- (minus)		
Total Expenses	\$ _____	\$ _____
Current Balance:	\$ _____	\$ _____

Monthly Budget Sheet

	Estimated	Actual
Employment	\$ _____	\$ _____
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VA Benefits/SSDI/SSI	\$ _____	\$ _____
Child support	\$ _____	\$ _____
Family or friends	\$ _____	\$ _____
Illegal (prostitution, drug sales)	\$ _____	\$ _____
Study participation	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____
Total Income:	\$ _____	\$ _____
 <u>Expenses:</u>		
Housing & Utilities	\$ _____	\$ _____
Household Expenses	\$ _____	\$ _____
Food	\$ _____	\$ _____
Transportation	\$ _____	\$ _____
Medical/Dental	\$ _____	\$ _____
Clothing	\$ _____	\$ _____
Child Care	\$ _____	\$ _____
Education/Recreation	\$ _____	\$ _____
Credit Cards/Loans	\$ _____	\$ _____
Other Expenses	\$ _____	\$ _____
Total Expenses:	\$ _____	\$ _____
Total income	\$ _____	\$ _____
- (minus)		
Total Expenses	\$ _____	\$ _____
Current Balance:	\$ _____	\$ _____

Money
Management
Resources

Obtain a copy of your credit report

Your credit report contains information about your past and present loans, payments and credit limits. Landlords, credit card companies, lenders and employers are allowed to look at your report to determine how well you handle your credit obligations. They use the information to decide whether or not to rent you an apartment, give you credit or a loan and even offer you employment.



You are entitled to a free credit report if:

- You were denied or were notified of an adverse action related to credit, employment, insurance, a government license, or other government granted benefit within the last 60 days.
- You were denied a house or apartment rental or were required to pay a higher deposit than normally required within the last 60 days.
- You certify that you are unemployed and intend to apply for employment within the next 60 days.*
- You certify that you are a recipient of public welfare assistance.*
- You certify that you have reason to believe information on your file contains inaccurate information due to fraud.
- You may only receive one report per year.

There are three major credit-reporting agencies. To obtain a copy of your credit report, just contact one of these companies.

Equifax: 800-685-1111 www.equifax.com

Experian: 888-397-3742 www.experian.com

Trans Union Corporation: 800-888-4213 www.transunion.com

or go online to: www.annualcreditreport.com

On the following page is a sample letter to request a copy of your credit report. You will need to include your name, date of birth, social security number, and any previous address.

Sample Credit Report Request Letter

Karen Smith
34 Park Street
New Haven, CT 06510

June 2, 2007

Experience
P.O. Box 740241
Atlanta, GA 30374

Please send me a copy of my credit report. I am eligible to receive a free copy of my report; I was recently turned down for credit (letter enclosed). I have also enclosed a copy of my driver's license.

Thank you,

Karen Smith

Karen Smith
34 Park Street
New Haven, CT 06510

DOB 8/6/68
SS# 123-45-6789
Previous address: 211 George Street
West Haven, CT 06516

Frequently asked questions about Debt Collection

What if a creditor wants more money than I can afford?

Simply explain to the creditor that you are on a fixed income and can not afford to pay any more money at this time. Do not let the creditor pressure you into saying that you will pay more, send only what you can afford each month, even if the creditor says it's too little. If you cannot pay anything toward the debt it may be helpful to put it in writing explaining that when your situation improves, you will begin making monthly payments.

What can creditors do to me if I don't pay my debts?

If you are behind in paying rent, your landlord can take legal action to try to force you to move and pay the back rent. Utility companies can cut off service if you don't pay, (except during winter months if you can prove hardship). Credit card companies may take legal action and if they win, you may be ordered to pay the full amount plus interest if you have a car loan and stop making payments, the car can be repossessed.

What if a creditor threatens to attach my wages?

Wages cannot be attached unless the creditor first brings a lawsuit and wins in court. If you receive any such notice, contact a lawyer immediately. Even if the creditor wins a lawsuit against you, your wages can't be attached if you faithfully pay on time the amount ordered by the court or if you have very low wages.

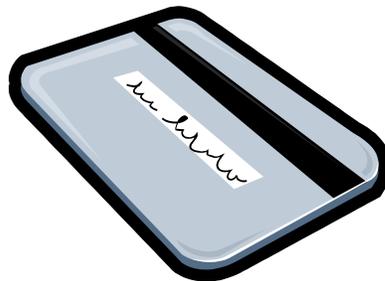
Do I have to use my social security, unemployment or welfare funds to pay the debt?

If the creditor sues you and wins, the creditor may try to take government benefits which are directly deposited in your bank account. Under the law, government benefits do not have to be used to pay many types of debts. However, there are exceptions. For more information, contact your local Legal Assistance office.

Credit Cards

Beware! If you do not use your credit card wisely, you can find yourself in a lot of debt very quickly! Most credit cards charge 18-24% interest on your purchases! If you just pay the minimum amount due each month, you are paying mostly interest and very little principal (the cost of what you purchased). So, if you decide to get a credit card, get one and pay it in full each month.

For example: if you charged \$1000 to your credit card with an interest rate of 24% and paid \$30 a month, it would take you almost 5 years to pay off the debt. When you were finished paying you would have paid \$644 worth of interest, costing you a total of \$1644.



Credit cards can be a useful thing to have, especially for emergencies and to build your credit history. Improving your credit will enable you to get car loans and mortgages.

If you have a credit card and you are unable to pay off a large balance, pay as much as you can each month and switch to a credit card with a low annual percentage rate (APR). Make sure to pay off the highest interest rate first. **For a modest fee, RAM Research Corp. (1-800-344-7714) will send you a list of low-rate cards.**

Bankruptcy

Bankruptcy can be costly...

Bankruptcy does not relieve all debts...

Bankruptcy may affect your ability to rent an apartment...

Bankruptcy could hurt your credit for years to come...

Bankruptcy does not help you better manage your money...

Learning to budget your money may prevent bankruptcy, and may lead to a healthy financial future.



Debt Consolidation

If you find that you have too many bills that you can't manage, you might think about consolidating your debt into one monthly bill. There are many different companies that will do this for a minimal fee or nothing at all. The first step is calling the company you wish to work with and discuss your current financial situation. Based on what you tell them, they will recommend the best action plan for you. Debt consolidation can help you pay your bills and get you out of debt. Many creditors will lower your interest rate and get rid of late charges when you join with a debt consolidation company. To talk to a trained professional counselor you can call:

Consumer Credit Counseling Services
(800) 208-2227

Visit CCCS online at: www.moneymanagement.org



Common Financial Terms & Definitions

Account balance - credits minus debits at the end of a reporting period.



Asset - any item owned by an individual that can be converted into cash (balance in checking/savings accounts, auto, home, etc.)



ATM (Advisor-Teller Money Management) - a money management-based therapy that targets substance-abuse. ATM functions using the "3 Ts" (Teller, Training, and Treatment-linked spending).

Teller - limiting access to patient's funds

Training - teaching the patient to make a budget and plan expenses

Treatment-Linked spending - uses discretionary funds to support abstinence-linked goals

ATM machine - stands for Automated Teller Machine. A machine is located outside banks or in shopping malls. When a personal coded card is used it gives cash. The magnetic strip on the back of the card holds personal bank account information. The ATM machine can also be used to deposit checks in a checking or savings account. The bank may charge a fee when using an ATM.



Bankruptcy - The main purpose is to give an honest person a "fresh start" in life by relieving the debtor of most debts and to repay what is owed to the creditor in a timely manner to the extent that the debtor has the means available for payment.



Budget - a spending and savings plan that lists your available money to meet your needs and wants. Following a budget is a good way to track your spending.

Checking account - A bank **account** in which checks may be written against amounts on deposit.

Confirmation number - a number assigned to a transaction for future reference or as proof of purchase.

Confirmation page- is a statement after a purchase has been made over the internet. The seller sends a message that describes the purchase. Included are what the item is, how much it cost, plus any taxes, shipping fees or other fees.



Coupon - a printed certificate that can be used for a discount



Credit card - A credit card allows you to purchase goods or services and pay at a later date. If you don't pay the full amount within 30 days, the credit card company charges you a lot of interest.



Credit History - A record of an individual's past borrowing and repaying behavior. It will list personal information, credit lines currently in the person's name, and risk factors like late payments or a recent bankruptcy.



Credit Report - A report containing detailed information on a person's credit history, including identifying information, credit accounts and loans, bankruptcies and late payments, and recent inquiries. It can be obtained by prospective lenders with the borrower's permission, to determine his or her creditworthiness.



Credit Score - A measure of credit risk calculated from a credit report using a standardized formula. Factors that can damage a credit score include late payments, absence of credit references, and unfavorable credit card use. Lenders may use a credit score to determine whether to provide a loan and what rate to charge.

Creditor - A person or organization which extends credit (lends money) to others.



Debt consolidation - combining multiple loans into one single loan. This process lowers monthly payments and finance charges.

Debtor - an individual who owes a creditor; someone who has the obligation of paying a debt



Direct Benefit Card ETA - electronic transfer account - automatically receives deposits of your federal payments each month. For a low monthly fee (\$3-\$4), it usually provides 4 free cash withdrawals and 4 free balance inquiries. A safe low-cost convenient way to store and access funds.



Direct deposit- automatic deposit of wages or benefits to a person's bank account.



Five "C's"- lenders use these to decide if an individual is credit worthy- capable of paying back a loan - capacity, capital, character, collateral, conditions.

Character - a person's attributes that speak to their moral and ethical values.

Capital - things a person owns. It can be money in checking or savings accounts or property owned like a house and car.

Capacity- the ability of a person to repay based on their income.

Collateral - something that must be given if the loan is not repaid.

Conditions - rules for a loan repayment. The amount a person must pay per month, the interest rate, or late payments are examples.

Encrypted - information is written in a secret code before it is sent from one computer to another. This secret code stops anyone from getting another person's information.



Financial goals - They are what will motivate you to stay on track with your spending plan or budget.



Gift card- A card that can be used like cash to buy something in a store.



Gross income - a person's total income prior to taxes and other adjustments.



Income - money earned through employment and benefits (social security, VBA, food stamps, etc.).



Interest - money paid for the use of money. It is computed as a percent of the money borrowed.



Liabilities - money that is owed to creditors (also known as debt)



Money Management- assistance given for income, expenses, and saving. Goal setting and monthly budgeting is used.



MyMoney card- a prepaid card used like a credit card. It is unlike a credit card because you have a specific amount of *your* money encoded on the magnetic strip.



Net income - a person's total income after taxes and other deductions



On-line banking - A system allowing individuals to perform banking activities at home, via the internet.



Pay day loans - Payday loans are extremely expensive cash advances that must be repaid in full on the borrower's next payday to prevent the personal check from bouncing. Cash-strapped consumers run the risk of becoming trapped in repeat borrowing due to triple-digit interest rates and unaffordable repayment terms.

Prepaid card - a plastic card with a specific amount of money encoded on a magnetic strip. It is for a specific use, for example, a phone card.



Receipt- a piece of paper that shows payment has been received. Most receipts will show the item purchased and specific amount for each item. Keeping receipts is a good way of tracking your expenses.



Rent to Own - A way to purchase goods that requires no credit check. Cash-strapped individuals are charged a very high interest rate which makes the purchase more costly, typically 3-4 times more than the sticker price.



Savings account- A deposit **account** at a bank or **savings** and loan which pays interest, but cannot be withdrawn by check.



Shipping fee - amount charged for shipping an item to the customer. The amount varies. It is a flat rate based on distance sent or dollar amount of purchase.

Sales tax- added to the cost of an item purchased. It is calculated as a percent of the purchase price. The amount varies from state to state. The tax is used for state services.



Transaction fee - an amount charged to use a service.

Notes