

EMPOWERMENT

Becoming Financially Literate

How Important Is Your Financial Literacy

- Making informed financial decisions can be difficult. You have monthly bills to pay, and you might wonder where the money is going to come from. Most Americans have no idea how to control their finances. Therefore, it helps to become educated on how to better manage your finances.
- In order for you to be financial literate, you need to know how to deal with credit; which is having a good name. You should be aware of the process of saving money, and you must know how to budget your finances. You need to have a plan for how you are spending your money.

Study Your Paycheck

- Your education and job have a huge impact on your income. Therefore, when receiving your paycheck, you should know the difference between your gross and net earnings. Be aware of what you are actually bringing home
- Paycheck Example:

With out a Degree		With Degree/Certification	
Gross Bi-Weekly	\$450.00	Gross Bi-Weekly	\$1000.00
Total Taxes: FICA Social Security State City Earnings	(\$123.84)	Total Taxes: FICA Social Security State City Earnings	(\$275.20)
Net Bi-Weekly after Taxes	\$346.16	Net Bi-Weekly after Taxes	\$724.80
Total Monthly	\$652.32	Total Monthly	\$1,449.60

Plan A Budget

- After realizing how much money you are actually making, then you should plan a budget. Keep your checkbook balanced, so you can keep track of your money. Know exactly what you are spending, and set your goals accordingly.
- You need to also save money each month. Sometimes, you might encounter emergency expenses, and having extra money available will keep you from having to take out a loan or put it on your credit card. Your emergency fund should cover 3 to 6 months of living expenses.

4 Reasons People Fail With Finances

- Personal management would be incomplete without the ability to stay organized. We cannot accomplish any goals without the resources required to get the job done.
- Some people have desks and drawers cluttered with papers and junk. They feel they need these things “just in case”. You can greatly increase your personal management skills by getting organized.
- Here are a few great organizational skills that will improve your personal management techniques:
 - Throw stuff in the garbage. Most people can get away with throwing 50% of the things they save away without any negative consequence.
 - Use a PIM (Personal Information manager) such as Outlook or a Day Runner planner / organizer.
 - File paperwork away in a manner that is consistent and understandable.
 - Reduce your information collecting points. Try to whittle down multiple email inboxes, paper inboxes, voice mailboxes, snail mailboxes, etc. to only a couple.

Continued Self-Development Skills

- This is the most important personal management skill of them all. Without continued self-development, your personal management skills will falter and the awesome person that you are will fail to reach its full potential.
- A few ways to increase your continued self-development skills are:
 - Schedule a weekly appointment with yourself in order to evaluate your progress and your setbacks
 - Spend time each morning focusing on what it is you're going to accomplish for the day
 - Review your day at its closing and accept the areas that need work and praise yourself for the day's victories
 - Remain open-minded and flexible. Remember, change is inevitable.
 - Create goals and long term objectives
 - No matter what, continue moving forward