

# Money Matters

*Part of BestPrep's Financial Matters Program*



# The Role of Money

## Money Habits

## Your Future Today



# Role of Money



Money has taken many forms through the ages, but money consistently has four functions:

1. medium of exchange
2. store of value
3. measure of value; and
4. standard of deferred payment

# What Role Does Money Play?

1. Utility
2. Necessity
3. Brings joy
4. Brings sadness
5. Mysterious
6. Frightening



# Examine Your Money Mindset

Successfully managing your money involves learning what drives you.

- Do you have to have the latest technology?
- Do you try to keep up with your friends' spending (movies, dinner out, etc)?
- Do you have to have the latest fashions?
- Do you spend to feel good?
- Do you give your money to people or causes you're passionate about?

# Needs vs. Wants

What is a need?

What is a want?

What is the difference between a “need” and a “want”?

~~What is the difference between a “need” and a “want”?~~

# Moving Forward...

When thinking about money, there are four key things to keep in mind:

1. What is my money mindset
2. What role does money play in my life?
3. Are my money decisions based upon a need or a want?
4. Do my money decisions serve me now or in the future?

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# Good Money Habits...



- Start at any age
- Set you up for success
- Small, everyday habits help you reach your goals faster
- Will teach you how to budget, save and work towards your financial goals

# Pay Yourself First



- Set up a bank account
- Set up auto-transfers into a savings account regularly
- Build your emergency fund, even if it's \$50 per month
- Treating yourself as an “expense” works!

# Plan Your Purchases



- Comparison shop
- Live below your means
- Wait a day to buy
- Have different savings accounts for different goals
- Use coupons or special offers!

# Monitoring Important Accounts



- **Download your bank app and monitor your activity**
- **Check credit score to monitor credit history and any potential identity theft**

# Create a Money Plan



- Download a budgeting app such as Mint or Toshl Finance, or create an Excel worksheet
- Remove unnecessary expenses such as monthly subscriptions that are not being used
- Once you create your money plan, stick with it



# Bad Habits



- Credit card debt
- Emotional shopping
- Impulse buying
- Shopping for status

# Activity

Fixed expenses are fixed amounts at regular intervals such as every month. Items such as rent or a car loan. These are costs you can predict because they do not change from month to month.

Variable expenses are less predictable, and the amounts change frequently. Items such as groceries or dining out. These expenses are hard to know until you incur them. You can estimate them, but they fluctuate.

Identify

Fixed  
vs.  
Variable

Fixed Expenses	Variable Expenses

Groceries  
 Haircuts  
 Electric Bill  
 Netflix  
 Car Maintenance

Car Loan  
 Gas for car  
 Rent  
 Clothes  
 Cell Phone

Insurance Premium  
 Personal Care  
 Dining Out  
 Yard Care  
 Snacks

Entertainment  
 Mortgage  
 Snacks  
 Student Loans  
 Gas for home



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# Recap and Next Steps

What you have learned about money

1. Role money plays in your life
2. Understanding your money mindset
3. Good money habits

What can you do NOW to secure your financial future?



# What You DO Today Matters



Action Ignites **Motivation**

Action Establishes **Good Habits**

Action Induces **Winning**

Action Determines **What's Possible**

Action Utilizes **Knowledge**

Action Creates a **Chain Reaction**

Knowledge + Action = **Results**

# What Can You Do Now



Confirm your money mindset

Set SMART money goals

Develop a plan and evaluate results

Practice good money habits

Establish and maintain good credit

Take a course on personal finance

Share your resources

# Questions?



# Thank You!

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