

Become Captain of Your Financial Ship



A Curriculum in Financial
Management

Become the Captain of Your Financial Ship

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Become Captain of Your Financial Ship

- Charting the Course
- Trimming the Sails
- Standing Watch
- **Staying the Course**



Questions

Staying the Course

- Review your goals.
- Don't be side tracked by "good deals."
- Curb impulse buying.
- Read Guarantees and Warranties.
- Watch out for fraud.
- Protect identity.
- Avoid predatory lenders.



Goals

- Does this item or service you are considering move you toward your goals?



"Good Deals"

- *Coupons and rebates*
- *Package deals*
- *Free gifts*
- *Contests*
- *"One day only sales"*
- *Groups or clubs*

Impulse Spending

- Spending without considering the impact on your goals.
- The cost:
 - Example – a pack of cigarettes per day for 20 years.
 - Cigarettes @ \$3.20 per pack = \$1,168 per year
 - If you had saved this \$1,168 and invested at 10% for 20 years you would have \$74,600.

Stop Smoking

- 20 years you have \$73,917
- Leave it 20 years to earn 10% return in a tax deferred investment.
- Then in 20 years you have \$541,669.
- 40 years saving smoke money = half million dollars

Calculation

- Hp10b11 financial calculator
- \$97.34 pmt
- $12 \times 20 = N$ (number of monthly payments)
- $10 \div 12 = I$ (monthly interest)
- $FV = \$73,917$

Questions

Snacks

- \$2.00 per day or \$60.00 month at the end of the year \$730. (Invest \$60 month at 7%)
 - 60 pmt
 - $40 \times 12 = N$ (number of months paying)
 - $7 \div 12 = I$ (monthly interest rate)
 - Future Value = \$157,489.

Questions

Curb Impulse Spending

- Decide what you will buy before shopping.
- Remember You don't have to buy today.
- Shop and compare with other stores.
- Negotiate for the best deal.
- Remember the sales person is not working for you.
- Take your time, walk away. Think about it.

Read Guarantees and Warranties

- Read before you purchase the product.
- File guarantees and warranties with sales slip showing purchase date and amount.
- If there is a problem use information in guarantees and warranties for solution.

Frauds and Scams

- Telemarketing
- Travel
- Investments
- Banking
- Charities
- Recovery scams
- Medical
- Work at home



Questions

Smart Shopper

- Plan at home
- Make a shopping list
- Decide on quality
- Comparison-shop

Protect Identity

- Order free annual credit report.
- Don't use passwords that others can easily figure out.
- Treat mail and trash carefully.
 - *NOTE: December 4, 2006 only last 4 digits of credit card number may be on electronic receipts.*



Predatory Lenders

- Charge high interest rates
- Prey on people with poor credit rating
- Loan flipping
- Equity stripping
- Bait and switch
- Inflated appraisals



Smart Shopper Check List

- Once I own it, can I afford to maintain it?
- Is this a useful tool or a gadget?
- Will I have time to learn to use it?
- Have I already spent too much money on items like this?
- Where will I store it?
- Is there something else I would rather have?
- How will this purchase impact my goals?
- What will I have to give up to get this?

Questions

Captain of My Financial Ship

- Using these tips will help you become captain of your financial ship. For more tips log on to
- <http://solutionsforyourlife.com>
- Or call your Florida County Extension Office



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