



Congratulations! You've taken action to discover ways to take charge of your financial life. Homewise's Financial Fitness workshops and manual are designed to help you develop a plan for your financial life and learn about tools and information that will help you achieve your goals.

Financial Fitness is an individual's ability to make informed judgments and effective decisions about the way he or she makes, spends, and saves money. This manual is designed to help you think through what decisions you want to make with your own financial life. To become financially fit, it is essential to create and implement your own unique financial plan rather than follow a one-size-fits-all formula.

How to Use This Book

This manual is organized into six chapters and is intended to be used as an interactive guide to help you work on improving your personal financial world. Feel free to write in your manual and use it in whatever way is helpful to you.

FINANCIAL FITNESS FOR LIFE

What is Financial Fitness?

The following are some key take aways from today's class that can help you address your financial life plan:

1. Evaluate your relationship to money and create a plan that will help you reach your financial life goals.
2. Reduce or eliminate debt in order to decrease stress and increase the amount of money you have for savings and other planned or unplanned expenses.
3. Establish a good credit history so you will have access to good borrowing opportunities for the larger purchases in your life (e.g., a home, car, etc.).

WHAT WILL I LEARN?

The following are Financial Fitness learning objectives:

- To evaluate your relationship to money and spending in order to be thoughtful about future financial decisions (Chapter 1).
- To establish personal financial goals in order to make a commitment to take action on ideas you've selected to work on (Chapter 1).
- To learn a debt-reduction technique that reduces the burden and stress caused by debt (Chapter 2).
- To understand credit and learn ways to improve credit. (Chapter 3)
- To discover information and tools for spending and saving wisely (Chapters 4 and 5).
- To explore other resources to help you become financially fit (Chapter 6).

4. Pay yourself first by making automatic deposits into a savings or investment account to build and maintain financial security. Having a savings reserve of at least one to two month's living expenses set aside may help you avoid high interest rate loans and credit cards which can lead to more financial difficulty.
5. Start saving for retirement now! Make sure you are contributing what you can to a 401K or 403B, if your company offers one, or look into an IRA or other retirement plan if your company does not.
6. Develop a budget to increase your control over where your money is going. By using a budget and tracking expenses, you can better evaluate where you can cut expenses to free up money for your financial goals and priorities.
7. Include the whole family in setting and working on financial goals. Partners need to come to consensus on goals and a plan to achieve them. If you have children, include them. You will teach them the value of money and the reason for setting financial limits. Allow them to play a role in contributing to your family's financial plans.
8. Being financially fit is a life-long process. Commit yourself to take action on your financial plan. Today's workshop is just the first step. For each financial goal or challenge you have, you need to develop action steps and commit time to work on those steps. Being financially fit means you take a proactive stance and commit to being the driver of your financial future. This means educating yourself to be a good consumer when making financial decisions as new challenges come your way (e.g., buying a home, buying a car, making decisions about where to invest your money, developing a college or retirement savings plan, etc.).



A FINANCIAL FITNESS SUCCESS STORY

Maggie was a renter in Santa Fe for over 10 years. Although she had been paying over \$850 in rent, she thought she could never buy a home. After talking with a Homewise advisor she learned that she had to work on her credit and reduce debt in order to be able to buy a home.

Maggie attended Homewise's Financial Fitness for Life class and soon changed her life. She knew she had been in denial about budgeting and financial issues, and explains, "... the class helped me to examine my attitudes, anxieties and fears around money in order to make some changes in my life." Maggie worked on her credit and began paying off some credit card balances using special debt-reduction techniques learned in class. She also learned how to put money aside, paying herself first, to save money for a home purchase. After two years of working towards her goal, Maggie was able to buy a home. "It feels unbelievable to be a homeowner," Maggie says. She's proud to show others her home and says it is more than she ever thought she would have.

The process of becoming 'moneywise' gave Maggie faith and self-confidence in other areas of her life. Shortly after she bought her new house, Maggie got a new job and made some other changes in her life. Now she says she has more courage to do other things. Maggie's words of encouragement to others: "Believe in the process; there is a solution!"

Reality Check: Determine your feelings about money and budgeting...

For each question below answer yes or no by checking the box. Be honest with yourself! After all, only you will ever see these answers.

	YES	NO
1. I spend money on impulse.		
2. I wish I made more money.		
3. I often use my credit card when I know I shouldn't.		
4. I know my net worth.		
5. I use coupons and watch for sales.		
6. I have a savings account.		
7. I have written down my goals.		
8. I don't always have enough money for food.		
9. I often say no when I wish I could say yes.		
10. My friends can talk me into spending money I later wish I hadn't spent.		
11. I know exactly how much money I have right now.		
12. I pay all my bills on time.		
13. I don't spend more money than I make.		
14. I wish I could save more money.		
15. I have no control over my money.		
16. Somebody else is responsible for how much money I have or don't have.		
17. I can change my life by changing my attitude.		
18. I know when I should avoid buying something because I know I can't afford it.		
19. I am open to new ideas.		
20. I am willing to change the way I handle money.		
21. I always look for good deals when I shop.		
22. I often go shopping even when I don't need anything.		
23. I know what I really want in life.		
24. I know how to have fun without spending money.		
25. I have a plan for saving more money.		
26. I save for big purchases.		
27. I don't worry about money.		
28. I save a little bit of my money each pay period.		
29. I pay myself first before paying my bills.		
30. I am controlled by my money problems.		
31. When I really set my mind to something, I can make it happen.		
32. People would like me more if I had more money.		
33. I know how to reduce my bills.		
34. I like to share money-saving ideas with my friends.		
35. Everything that happens in my life happens because I want it to.		

Review your answers very carefully. You should be pleased and satisfied with some of them. Make a list of these.

THINGS I FEEL GOOD ABOUT

Next, make a list of the responses you are not happy about. These are the answers you might like to improve. You may find some that you never even thought about.

THINGS I'D LIKE TO IMPROVE
