

MONEY

MANAGEMENT



How is your financial health?

Are you currently able to support your family's needs?

POSITIVE FINANCIAL HEALTH means you are able to pay for daily needs and you are able to pay debts if they are incurred. You also are able to save for future expenses.

NEGATIVE FINANCIAL HEALTH means your family cannot afford basic needs and you have to borrow money but you cannot pay the bills when they arrive.

YOUR FINANCIAL HEALTH
Do you always have enough money? Do you borrow money often? Do you own a good house? Does your family get enough nutritious food to eat? Do you have enough money for clothes and shoes? Do your children go to school? Are you able to contribute to church or the community?

DO YOU WANT TO IMPROVE YOUR FINANCIAL HEALTH?



- Do you want to save money for your future?
- Do you want to be able to pay your bills on time?
- Do you want to have money for emergency situations?
- Do you want to be able to send your children to tertiary school?

CREATING A BUDGET

for your family

INCOME

Where do you get your money?
What is the amount of money you get?
When do you get the money?
How often do you get money?

EXPENSES

What do you spend your money on?
How much does each item cost?
When do you have to pay?
How often do you have to pay?



DO YOU SPEND YOUR MONEY WISELY?

make sure you have
enough money for
needs and then you can
spend on wants

EXAMPLES OF NEEDS

shelter, food, clothing, shoes, water,
electricity, school fees

EXAMPLES OF WANTS

tv, dvds, music, candy, alcohol,
yaqona, cigarettes, jewelry

INCOME BEFORE EXPENSES

You must **HAVE** money to be able to **SPEND** money. You must know **WHEN** you are receiving income and then when you have to pay your expenses. Plan to pay your expenses and buy your purchases after you **RECEIVE** your income. Put a **SAVINGS** plan in your budget to be able to pay emergency or unplanned expenses.

TIPS ON HOW TO IMPROVE YOUR FINANCIAL HEALTH

KNOW your household income and expenses.

Discuss with your family what your **NEEDS** are.

Set **GOALS** for paying off debts, saving for the future.

Create a weekly, monthly, and yearly family **BUDGET**.



WHY YOU SHOULD SAVE MONEY

Saving allows you to recover from unplanned events more easily and keeps you from going into debt. Saving also allows you to invest in your future and your children's future.

EXAMPLES

LIFE EVENTS - birthdays, funerals, marriages, health needs

EMERGENCIES - sickness, injury, job loss, flooding, fire, storms

INVESTMENT - home improvement, starting a business, education

GIVING - church contributions, community fundraising, family aid

HOW TO START SAVING

Decide what you want to save for. Then determine the amount needed and how long it will take you to save for it. Finally, set a savings goal with the amount and time needed and write it down. Decide how you are going to save the money and create a daily or weekly savings plan. Open a bank savings account to safely keep your money and earn you interest.

TIPS ON SAVING

for your family

Set a realistic goal & stick to it.

Cut down on unnecessary spending.

Look for ways to increase income.

Evaluate your budget and revise if needed.

Get your entire family to support the savings goal.

Save regularly - daily.

Open a bank account.

Join a savings club.

Teach your children to save.

Make savings a life-long habit.

EXAMPLE

saving for school fees

SAVINGS GOAL :

Term 1 fees for 3 children

COST of SAVING : \$75

PLAN to REACH GOAL :

\$0.83 saved per day

HOW LONG : 3 months

SAVINGS CALCULATOR

Amount saved every day	Amount saved every week	Amount saved every month	Amount saved after 6 months	Amount saved after 1 year	Amount saved after 2 years
\$0.10	\$0.70	\$3.04	\$18.25	\$36.50	\$73.00
\$0.20	\$1.40	\$6.08	\$36.50	\$73.00	\$146.00
\$0.50	\$3.50	\$15.50	\$93.00	\$182.50	\$365.00
\$0.70	\$4.90	\$21.70	\$130.20	\$255.50	\$511.00
\$0.80	\$5.60	\$24.80	\$148.80	\$292.00	\$584.00
\$1.00	\$7.00	\$31.00	\$186.00	\$365.00	\$730.00
\$1.20	\$8.40	\$37.20	\$223.20	\$438.00	\$876.00
\$1.50	\$10.50	\$46.50	\$279.00	\$547.50	\$1,095.00
\$1.70	\$11.90	\$52.70	\$316.20	\$620.50	\$1,241.00
\$2.00	\$14.00	\$62.00	\$372.00	\$730.00	\$1,460.00
\$2.20	\$15.40	\$68.20	\$409.20	\$803.00	\$1,606.00
\$2.50	\$17.50	\$77.50	\$465.00	\$912.50	\$1,825.00
\$3.00	\$21.00	\$93.00	\$558.00	\$1,095.00	\$2,190.00
\$3.20	\$22.40	\$99.20	\$595.20	\$1,168.00	\$2,336.00
\$3.40	\$23.80	\$105.40	\$632.40	\$1,241.00	\$2,482.00
\$3.60	\$25.20	\$111.60	\$669.60	\$1,314.00	\$2,628.00
\$3.80	\$26.60	\$117.80	\$706.80	\$1,387.00	\$2,774.00
\$4.00	\$28.00	\$124.00	\$744.00	\$1,460.00	\$2,920.00
\$4.20	\$29.40	\$130.20	\$781.20	\$1,533.00	\$3,066.00
\$4.40	\$30.80	\$136.40	\$818.40	\$1,606.00	\$3,212.00
\$4.60	\$32.20	\$142.6	\$855.60	\$1,679.00	\$3,358.00
\$5.00	\$35.00	\$155.00	\$930.00	\$1,825.00	\$3,650.00
\$6.00	\$42.00	\$186.00	\$1116.00	\$2,190.00	\$4,380.00
\$8.00	\$56.00	\$248.00	\$1488.00	\$2,920.00	\$5,840.00
\$10.00	\$70.00	\$310.00	\$1860.00	\$3,650.00	\$7,300.00



HOUSEHOLD INCOME

Type of Income		Family Income				
		Daily	Weekly	Monthly	Yearly	Sometimes
Wages from your job (full-time or casual labor)						
Pension						
Social welfare						
Money sent from relatives abroad						
Rental income						
Income from selling at the open market						
Profits from cooperatives						
Gifts from friends & family						
Agriculture & Farming						
Copra						
Fish						
Handicrafts						
Totals	A					
Multiplier	B	365	52	12	1	1
Multiply A times B	C					
Total Income (Add Weekly, Monthly, Yearly and Sometimes in Row C)						

**Goal: \$1,200 Purchase
Compare Options**

Year	Layaway Plan	
	Monthly Payment	Balance
		\$0.00
Jan	\$100.00	\$100.00
Feb	\$100.00	\$200.00
Mar	\$100.00	\$300.00
Apr	\$100.00	\$400.00
May	\$100.00	\$500.00
Jun	\$100.00	\$600.00
Jul	\$100.00	\$700.00
Aug	\$100.00	\$800.00
Sep	\$100.00	\$900.00
Oct	\$100.00	\$1,000.00
Nov	\$100.00	\$1,100.00
Dec	\$100.00	\$1,200.00
Totals	\$1,200.00	\$1,200.00

Monthly Savings Plan		
Monthly Savings	Earn 2% Per Year	Balance
		\$0.00
\$100.00		\$100.00
\$100.00	\$0.17	\$200.17
\$100.00	\$0.33	\$300.50
\$100.00	\$0.50	\$401.00
\$100.00	\$0.67	\$501.67
\$100.00	\$0.84	\$602.51
\$100.00	\$1.00	\$703.51
\$100.00	\$1.17	\$804.68
\$100.00	\$1.34	\$906.02
\$100.00	\$1.51	\$1,007.53
\$100.00	\$1.68	\$1,109.21
\$100.00	\$1.85	\$1,211.06
\$1,200.00	\$11.06	\$1,211.06

Installment Purchase Plan		
Loan Payment	Pay 19% Per Year	Balance
		\$1,200.00
\$110.59	\$19.00	\$1,108.41
\$110.59	\$17.55	\$1,015.37
\$110.59	\$16.08	\$920.86
\$110.59	\$14.58	\$824.85
\$110.59	\$13.06	\$727.32
\$110.59	\$11.52	\$628.24
\$110.59	\$9.95	\$527.60
\$110.59	\$8.35	\$425.36
\$110.59	\$6.73	\$321.51
\$110.59	\$5.09	\$216.01
\$110.59	\$3.42	\$108.84
\$110.56	\$1.72	\$0.00
\$1,327.05	\$127.05	\$0.00

**Goal: \$1,200 Purchase
Compare Saving to Borrowing**

2007	Savings	Earn 5% Per Year	Balance
			\$0.00
Jan	\$100.00		\$100.00
Feb	\$100.00	\$0.42	\$200.42
Mar	\$100.00	\$0.84	\$301.25
Apr	\$100.00	\$1.26	\$402.51
May	\$100.00	\$1.68	\$504.18
Jun	\$100.00	\$2.10	\$606.28
Jul	\$100.00	\$2.53	\$708.81
Aug	\$100.00	\$2.95	\$811.76
Sep	\$100.00	\$3.38	\$915.15
Oct	\$100.00	\$3.81	\$1,018.96
Nov	\$100.00	\$4.25	\$1,123.21
Dec	\$100.00	\$4.68	\$1,227.89
Totals	\$1,200.00	\$27.89	\$1,227.89

2008	Loan Payment	Cost 15% Per Year	Balance
			\$1,200.00
Jan	\$108.31	\$15.00	\$1,106.69
Feb	\$108.31	\$13.83	\$1,012.21
Mar	\$108.31	\$12.65	\$916.56
Apr	\$108.31	\$11.46	\$819.70
May	\$108.31	\$10.25	\$721.64
Jun	\$108.31	\$9.02	\$622.35
Jul	\$108.31	\$7.78	\$521.82
Aug	\$108.31	\$6.52	\$420.03
Sep	\$108.31	\$5.25	\$316.97
Oct	\$108.31	\$3.96	\$212.62
Nov	\$108.31	\$2.66	\$106.97
Dec	\$108.31	\$1.34	\$0.00
Totals	\$1,299.72	\$99.72	\$0.00

\$27.89
\$99.72

\$127.61 Savings Benefit

Karl the Kioan's INCOME

Type of Income	Family Income				
	Daily	Weekly	Monthly	Yearly	Sometimes
Wages from your job (full-time or casual labor)					
Pension					
Social welfare					
Money sent from relatives abroad				2,000.00	
Rental income					
Income from selling at the open market					
Profits from cooperatives					
Gifts from friends & family				100.00	
Agriculture & Farming					
Copra		54.00			
Fish		10.00			
Handicrafts			15.00		
Totals	A		\$64	\$15	\$2,100
Multiplier	B	365	52	12	1
Multiply A times B	C		\$3,328	\$180	\$2,100
Total Income (Add Weekly, Monthly, Yearly and Sometimes in Row C)					\$5,608

Karl the Kioan's HOUSEHOLD EXPENSES

Type of Expenses	Household Expenses					
	Daily	Weekly	Monthly	Yearly	Sometimes	
General Household / Family						
Food		30.00				
Bathroom and toilet						
Household (kitchen, cleaning, house, ec.)						
Kerosene, benzene, diesel, other fuel			10.00			
Electricity / generator		6.00				
Cigarettes / tabacco			20.00			
Yaqona		20.00				
Clothes and shoes				50.00		
Sheets, towels, blankets, pillowcases, mosquito nets						
Pens, paper, newspaper and other stationery		1.00				
House repair (roof, taps, electrical, timber, etc.)				25.00		
Furniture (new or repair)						
Electrical items (Radio or TV / video / DVD)				100.00		
Rent (if you are renting a house or leasing land)						
Jewelry and personal items						
Sports gear and other hobbies					13.00	
Telephone calls and cards, postage, TMO fees			25.00			
Washing machine or other household items				400.00		
Contributions						
Kioa Trust Fund				40.00		
Sunrise or Sunset Contributions				20.00		
Community Fundraisers						
Tui Cakau gifts						
Church contribution			20.00			
Other religious contributions						
Presents for birthdays, weddings births						
Contributions to other functions						
Christmas and Easter festivities contributions						
Cash to family, extended family and kerekere						
Education						
School fees and building fees				500.00		
Other school expenses (books, uniforms, shoes, paper)						
Transportation costs and lunch money						
Other Expenses						
Transport expenses to sell at markets			20.00			
Other transport expenses (taxi, bus, boat fare)			12.00			
Money spent when at the market (lunch, drinks, etc.)			12.00			
Emergency and medical expenses						
Bank fees			4.00			
Other payments (lay-by, hire purchase, other)						
Other:						
Other:						
Other:						
Other:						
Other:						
Other:						
Other:						
Other:						
Other:						
Other:						
Other:						
Total	A		\$57	\$123	\$1,135	\$13
Multiplier	B	365	52	12	1	1
Multiply A times B	C		\$2,964	\$1,476	\$1,135	\$13
Total Expenses (Add Daily, Weekly, Monthly, Yearly, Sometimes in Row C						\$5,588