

Money Management Class #1

Watch the video clip as you answer these questions

What does it mean to be Rich?

What does it mean to be Poor?

Wealth (Net Worth) – The amount of time you can survive without working(getting) a job.
24 hours --- 3 days --- 1 month--- 6 months --- 12 years

Asset – Something that Puts money into your pocket

Liability – Something that Takes money out of your pocket

Is your House/Condo an Asset?

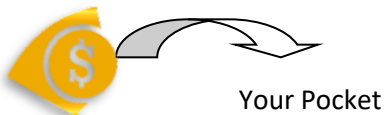
Is your Car an Asset?

The Cost of your **Standard of Living** – The amount of money it takes to pay **for 100% of your expenses** the way you are living right now.

Cash flow of the working class

Job

List all your living expenses:



Your Pocket



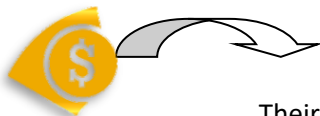
Your Liabilities

⇒ = \$0

(If this total is more than Job Income, then creating More Liabilities)
(Going into Debt if spending more than you are making)

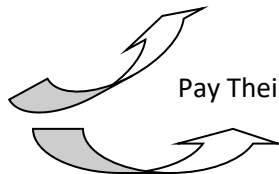
Cash flow of the Wealthy

Assets



Their Pocket

Acquire More Assets



Pay Their Living Expenses

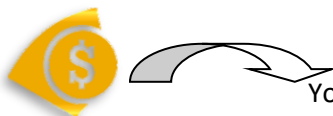
Proverbs 21:20 In the house of the wise are stores of choice food and oil, but a foolish man devours all he has. NIV

Proverbs 21:20 There is treasure to be desired and oil in the dwelling of the wise; but a foolish man spendeth it up. KJV

Proverbs 21:20 The wise man saves for the future, but the foolish man spends whatever he gets. TLB

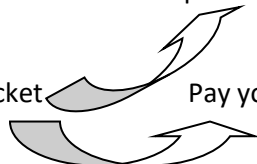
Cash flow of the working class on their way to Wealth

Job



Your Pocket

Acquire some income producing Assets



Pay your living expenses

Things to do before the next class:

Look over the everything list.

Create a list of your “liabilities” your expenses/the things you spend \$ on every month.

If you are not sure what you are spending your \$ on start tracking every expenditure for a week, then a month.

Look over the SMART Goals handout.

Watch the suggested video at the bottom of page if you need help.

Think about what goals you would like to set concerning \$.

Remember to make them specific.

Example

Stick to my budget for a month (this is really harder than actually making the budget)

(You will need to have a budget created before beginning this step)

Other examples

Save 10% of my take home pay this month

Read a book about investing before the next class.

Take an inventory of your assets.

Take 20 minutes to discuss the importance of a budget with my spouse/significant other.

Faithfully attend all the Money Classes in this series.

Rewatch the video clip and make your own money diagram.

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Remember to make your Goals SMART

Have someone neutral look over your Goals and give you feedback.