Get a Grip on Your Money During 2017 and Beyond

Marsha A. Goetting
Ph.D., CFP®, CFCS

• Professor & Extension Family Economics Specialist
• Department of Agricultural Economics & Economics

Website
www.msuextension.org/getagriponyourmoney

MSU Check Register Tracking System

Tool # 1

Register System

• Use to track expenses
  ▪ Checks
  ▪ Cash
  ▪ Debit Cards
  ▪ Credit Cards

Front Cover

Transform your ordinary checkbook into a handy tool for tracking expenses—checks, cash, credit cards and debit cards.
Category Descriptions

Typical Expense Category Descriptions

<table>
<thead>
<tr>
<th>Housing</th>
<th>Food</th>
<th>Trans.</th>
<th>Clothing</th>
<th>Medical</th>
<th>Rec.</th>
<th>Gifts/Contri</th>
</tr>
</thead>
<tbody>
<tr>
<td>rent/ mortgage</td>
<td>groceries</td>
<td>gasoline</td>
<td>clothes</td>
<td>doctor</td>
<td>movies</td>
<td>gifts</td>
</tr>
<tr>
<td>electricity</td>
<td>snacks</td>
<td>oil</td>
<td>cleaning</td>
<td>glasses</td>
<td>hobbies</td>
<td>donations</td>
</tr>
<tr>
<td>trash removal</td>
<td>lunches</td>
<td>repairs</td>
<td>shoes</td>
<td>medicine</td>
<td>sports</td>
<td></td>
</tr>
<tr>
<td>gas</td>
<td>breaks</td>
<td>license</td>
<td>haircuts</td>
<td>insurance</td>
<td>club dues</td>
<td></td>
</tr>
<tr>
<td>telephone</td>
<td>parking</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>water</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Planned spending amounts (p. 3)

- **Categories**
  - Food = $300
  - Housing = $590
  - Transportation = $360
  - Clothes Personal care = $120
  - Medical = $100
  - Recreation = $80

Example 1:

<table>
<thead>
<tr>
<th>Sample Check Register</th>
<th>Food</th>
<th>Housing</th>
<th>Trans.</th>
<th>Clothing</th>
<th>Medical</th>
<th>Rec.</th>
<th>Gifts/Contri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly total</td>
<td>511</td>
<td>550</td>
<td>360</td>
<td>120</td>
<td>100</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Balance at a glance

- **Far right column**
  - Checking account balance
  - ➢ $300

Blank Page for Your Expense Categories

My Expense Category Descriptions

---

Back Cover

MSU Check Register Tracking System

Beginning date from _______ to _______

Check numbers from _______ to _______

Additional copies of this item are available from Montana State University Extension Publications. Please call (406) 994-3273 for current prices and ordering information.
**Example 2: Record Expenses**

- Check 511 to K-mart
- $9.06 listed twice
  - Under personal care
  - Checking account balance

**Example 2: Recording Expenses**

**Example 2: Expenses**

- Personal Care Category:
  - $110.94
- Checking Account Balance
  - $290.94

**Example 3: Cash**

- Items are circled
  - $3.75 food

**Example 3: Credit Card**

- Items are boxed
- Credit Card Expense 5/14
  - Ace Hardware $87.95
- Listed under Housing, Transportation, and Recreation
- Total—Credit Card Column
Example 4: Adding Expenses

<table>
<thead>
<tr>
<th>Number</th>
<th>Date</th>
<th>Check</th>
<th>Cash</th>
<th>Credit</th>
<th>Debit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rounding

- Round up or down in budget category section
  - $9.06 = $9.00
  - $9.67 = $10.00

Register Tracking System

- Check
- Cash
- Credit
- Debit

Evaluation

- Families found an average of $50 that used to “disappear.”

Track’n Your Savings Goals

Tool # 2

Free Thanks to:
- First Interstate BancSystem Foundation
- Montana Credit Unions for Community Development
Handy tool

• Shows how to track progress towards achieving specific savings goals
  ▪ All in one place

Front Cover

TRACK’N
Your Savings Goals

Use your savings register as a tool for setting, tracking and achieving your savings goals

What are you saving for? (Page 1)

Savings Goals

<table>
<thead>
<tr>
<th>Fix-It</th>
<th>Get-Away</th>
<th>Vehicle</th>
<th>College</th>
<th>Gifts</th>
<th>Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car Repair</td>
<td>Vacation</td>
<td>Track</td>
<td>Book</td>
<td>Birthday</td>
<td></td>
</tr>
<tr>
<td>Appliance</td>
<td>Winter</td>
<td>Motorcycle</td>
<td>Room/Board</td>
<td>Holiday</td>
<td></td>
</tr>
<tr>
<td>Repairs</td>
<td>Weekend</td>
<td>Snowmobile</td>
<td>Supplies</td>
<td>Anniversary</td>
<td></td>
</tr>
<tr>
<td>Modeling</td>
<td></td>
<td>Bicycle</td>
<td></td>
<td>Wedding</td>
<td></td>
</tr>
</tbody>
</table>

My Savings Goals (Page 2)

<table>
<thead>
<tr>
<th>My Savings Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Write Goals Here —&gt;</td>
</tr>
<tr>
<td>Date Needed</td>
</tr>
<tr>
<td>$ Needed $ $ $ $ $</td>
</tr>
<tr>
<td>$ Already Saved $ $ $ $ $</td>
</tr>
<tr>
<td>$ Still Needed $ $ $ $ $</td>
</tr>
</tbody>
</table>

Write the amount still needed for each goal on the top of the next register page

Example: My Savings Goals

<table>
<thead>
<tr>
<th>My Savings Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Write Goals Here —&gt;</td>
</tr>
<tr>
<td>Date Needed 2018</td>
</tr>
<tr>
<td>$ Needed $ 1,000</td>
</tr>
<tr>
<td>$ Already Saved $ 0</td>
</tr>
<tr>
<td>$ Still Needed $ 1,000</td>
</tr>
</tbody>
</table>

Write the amount still needed for each goal on the top of the next register page
Goal Categories & Amounts (Page 3)

<table>
<thead>
<tr>
<th>Total $ Needed</th>
<th>First</th>
<th>Vacation</th>
<th>Car</th>
<th>College</th>
<th>Retirement</th>
<th>Savings Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recording a Savings Deposit (Page 3)

<table>
<thead>
<tr>
<th>Total $ Needed</th>
<th>First</th>
<th>Vacation</th>
<th>Car</th>
<th>College</th>
<th>Retirement</th>
<th>Savings Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recording a Deposit -- Split Among Goals (Page 3)

<table>
<thead>
<tr>
<th>Total $ Needed</th>
<th>First</th>
<th>Vacation</th>
<th>Car</th>
<th>College</th>
<th>Retirement</th>
<th>Savings Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recording a Savings Withdrawal (Page 3)

<table>
<thead>
<tr>
<th>Total $ Needed</th>
<th>First</th>
<th>Vacation</th>
<th>Car</th>
<th>College</th>
<th>Retirement</th>
<th>Savings Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sample Savings Register

<table>
<thead>
<tr>
<th>Description/Date</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Credit Cards
“But Roger, everyone spends more than he earns. That’s what America is for.”

Question
• What’s the average credit card balance owed by American households?

Credit Card Balance...
$16,048

Question
• What is the average credit card interest rate?

Average credit card interest rate
15.07%

Question
• What percentage of credit card holders carry more than a $25,000 balance on their credit cards?
Owe more than $25,000

Credit Card Smarts™ Slide Calculator

Tool #3

Paying Just 3% on Your Credit Card Debt

• Pay MORE than 3% and Save a LOT

Credit card annual interest rate assumed by Credit Smarts Calculator

18.0%

Credit card monthly interest rate assumed by Credit Smarts Calculator

1.5%
Matt & Julie

- $10,000 Credit Card Debt

Orange Side: Side 1

- Pay back: $19,421
- Interest Charges: $9,421
- Years to pay off: 20

Blue Side: Side 2

- $10,000 debt
  - $300 first payment
  - 20 years in debt
  - $9,421 interest paid

Blue Side: Side 2

$10,000 debt

<table>
<thead>
<tr>
<th>Payment</th>
<th>$300</th>
<th>$400</th>
<th>$600</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years in Debt</td>
<td>20</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Interest</td>
<td>$9,421</td>
<td>$5,738</td>
<td>$3,226</td>
</tr>
<tr>
<td>Savings</td>
<td>0</td>
<td>$3,683</td>
<td>$6,195</td>
</tr>
</tbody>
</table>

Credit Card Tracker

Tool # 4

Ask yourself questions

- Do I really need the item now?
Ask questions
• What will I have to give up to pay this debt?

Record of Card Expense
• Date
• Description of charge
• Amount charged

Credit Card Tracker inside

Schedule of Non-monthly Living Expenses
Tool #5

Purpose
• Provide clear picture of how your non-monthly payments are distributed throughout a 12-month period

Example A
Non-monthly Expenses

- Total yearly cost of non-monthly expenses? ▪ $9,256
- Monthly set aside amount? ▪ $771.33

Example B

<table>
<thead>
<tr>
<th></th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
</tr>
<tr>
<td></td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
</tr>
<tr>
<td></td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
</tr>
<tr>
<td></td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
</tr>
<tr>
<td></td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
<td>1500</td>
</tr>
</tbody>
</table>

Back of MontGuide

- Blank form for you to use

Easy Form that Calculates For You---(Excel & PDF versions)

- [www.montana.edu/extensioneconfamilyeconomics](http://www.montana.edu/extensioneconfamilyeconomics)
- Click on Financial Management Publications
- Scroll down
  - Schedule of Non-monthly Living Expenses Worksheet

Eastern Montana Couple

“Line 1 is our family fixed expenses, Line 2 is our family income, The difference is the **fix** we’re in.”

MSU Nontraditional student

“I tried living within my income once & got claustrophobia.”
Question Often Asked
• How much “should” be spent for family living expenses?

Marsha’s Response
Well, It depends..

Factors
1. Available Income
2. Number of Family Members
3. Stage in Family Life Cycle
4. Rural vs. Urban
5. Family/Individual Values

Developing a Spending Plan
Tool #6

Guidelines from Bureau of Labor Statistics

Consumer Expenditure Survey – 2015
Annual Income

• Across top
  ▪ Less than $15,000
  ▪ $200,000 & over

Average Expenditure Categories, after taxes

• Food at home
• Food Away from home
• Housing
• Apparel & services
• Transportation
• Health Care

Average Expenditure Categories, after taxes (con’d.)

• Entertainment
• Education/Reading
• Cash Contributions
• Personal Care
• Personal Insurance and Pensions
• Miscellaneous
• Other
• Average Annual Expenditures

Question

• What is the average amount before taxes does family with income of between $40,000 & $49,999 spend on transportation?

$40,000 - $49,999

Transportation

$8,221

Question

• What does family with income between $50,000 & $69,999 income spend annually on food at home?
$50,000 - $69,999  
*Food at home*

$3,864  
$322 monthly

**Using a Homestead Declaration to Protect Your Home From Creditors**

Tool #7

---

**Question**

- What is the $$ amount of equity in your home that a **Montana Homestead Declaration (if recorded)** protects against most creditor claims?

**Montana Homestead Declaration**

$250,000

---

**What is a Homestead?**

- House, condo, townhouse, manufactured or mobile home  
- Land on which it sits (if owned)  
- Any improvements, fences, etc.

**Married Couples**

- Both spouses should sign the declaration  
- Must be notarized
Record

• Clerk and Recorder’s office:
  ▪ In the county where the home is located

No Protection

• Against liens

Doesn’t protect

• Equity in home if owner’s cost of care
  ▪ Were paid by Medicaid

Standard Form

• www.montana.edu/extensionecon/familyeconomics
  ▪ Click Financial Management
  ▪ Scroll down
    • Declaration of Homestead Form

Montana Medical Care Savings Accounts

Tool #8

What is an MSA?

• An account that can be used for paying eligible medical expenses not covered by a Montanan’s health insurance policy, Flexible FSA, Federal Health Care Savings Account (HSA).
**MSA Deductions**

*For each taxpayer*

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>$6,000</td>
<td>$7,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>Single</td>
<td>$3,000</td>
<td>$3,500</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

---

**MSA Saves on Montana Income Taxes**

- Contributions:
  - Reduce Montana income by amount deposited
  - Taxes saved depend on tax bracket

---

**Montana Taxable Income**

- Adjusted income: $49,000
- MSA deposit: -$3,000
- Taxable Income: $46,000

---

**Tax Brackets & Rates Montana- 2016**

<table>
<thead>
<tr>
<th>At Least</th>
<th>But less Than</th>
<th>Then your tax is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$2,900</td>
<td>1%</td>
</tr>
<tr>
<td>$2,900</td>
<td>$5,100</td>
<td>2%</td>
</tr>
<tr>
<td>$5,100</td>
<td>$7,800</td>
<td>3%</td>
</tr>
<tr>
<td>$7,800</td>
<td>$10,500</td>
<td>4%</td>
</tr>
<tr>
<td>$10,500</td>
<td>$13,500</td>
<td>5%</td>
</tr>
<tr>
<td>$13,500</td>
<td>$17,400</td>
<td>6%</td>
</tr>
<tr>
<td>$17,400 or more</td>
<td>6.9%</td>
<td></td>
</tr>
</tbody>
</table>

---

**MT Tax Savings with MSA vs Regular Savings Account**

- Deposit: $3,000

  - Taxable Income more than $17,400 (6.9% tax bracket)

  **Savings**
  
<table>
<thead>
<tr>
<th>Savings Deposit</th>
<th>Interest Rate</th>
<th>Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000</td>
<td>.005</td>
<td>$1.50</td>
</tr>
</tbody>
</table>

  **MSA**
  
<table>
<thead>
<tr>
<th>Savings Deposit</th>
<th>Tax Bracket</th>
<th>Tax Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000</td>
<td>.069</td>
<td>$207</td>
</tr>
</tbody>
</table>

---

**Example: Barbara**

- **January 31**
  - $3,000 deposited in MSA
  - Had $2,000 eligible medical expenses during year
Barbara’s Montana Income

- Reduced by $3,000
  - Not $2,000 withdrawn

<table>
<thead>
<tr>
<th>Adjusted income</th>
<th>$42,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSA deposit</td>
<td>-$3,000</td>
</tr>
<tr>
<td>Taxable Income</td>
<td>$39,000</td>
</tr>
</tbody>
</table>

Reduced Income for Tax Purposes

- Total deposited in MSA
  - Not amount withdrawn for medical expenses

Percent of Montanans with MSAs

1.4%

Managing Money in Tough Times

Tool #9

www.msueextension.org/getgriponyourmoney

Family Financial Management Publications

Tool #10

www.msueextension.org/getgriponyourmoney

Get a Grip on Your Money During 2017 and Beyond