

Money for Life brings financial tools to young families

Lack of awareness of family spending habits is a shortcoming that can allow small financial problems to become big ones and big problems to quickly escalate out of control—especially now as lowans attempt to manage household budgets in tough economic times.

Eleven Guthrie County families, participants in the *Stork's Nest* program sponsored by Guthrie County Public Health, recently completed an Iowa State University Extension program on how to use a financial calendar to improve money management decisions.

During the seminar, presented by Family Resource Management Field Specialist, Joyce Lash, each participant estimated the costs of expected seasonal and occasional expenses and determined how funds from each month's paycheck would be allocated to cover those expenses. In a practice drill, spending in a sample month was compared to a budget, with one result being a negative cash flow. Participants then had to decide where they would find the money to cover the excess outflow.

The exercise illustrated the importance of having an emergency fund. "A monthly budget that spends all your income leaves the family wide open to major financial risk," said Lash. "Keeping a written record of spending lets families see potential problems more quickly and make adjustments. 'In your head' budgets can hide problems until they are hard to fix."

Participants said they gained a clearer understanding of the need to record discretionary spending as well as regular monthly bills such as rent, utilities or loan repayments. Both were important tools for tracking where the family's money was going and avoiding overspending.

Guthrie County mom, Stacy Hambleton, said she planned to use the information to write a budget and make other changes to keep better records. Others said they would finally be able to track exactly where their money was going. Goals set by some of the participants included adding savings to their spending plan, reducing credit card debt, and returning to sound financial practices that had served them well in the past, but were recently forgotten.

The ISU Extension money management seminar was part of the Healthy Opportunities for Parents to Experience Success (H.O.P.E.S.) program sponsored by Guthrie County Public Health.

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-Joyce Lash, ISU Extension Family Resource Management Field Specialist

For more information about this and other Iowa State University Extension programs, contact Joyce Lash, Extension Family Resource Management Field Specialist, 641.464.3333, lash@iastate.edu; Kelsey Bailey, Guthrie County Extension Education Director, 641.747.2276, kstans@iastate.edu; OR your local ISU Extension county office.

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