

# ABCs of FINANCIAL FITNESS



## Presentation 1: Cash Flow

### Discussion Questions

#### Expenses

1. If we're lucky enough, we will find a surplus after we've identified our average monthly expenses and deducted them from our monthly income. But sometimes there is a deficit, especially during difficult economic times like we are experiencing. And when there is a deficit it's critical to take a closer look at our expenses. Often times there are expenses that can be misleading. Maybe you have decided to cancel your cable bill thinking that would save you money each month. Yet instead you subscribed to several streaming services. The streaming services may actually add up to the same amount you were paying for your monthly cable. These are sneaky expenses and a common mistake many people make.

Let's identify some of these misleading expenses.

2. What types of tools do you use to track your spending?
  - a. Manually, like excel?
  - b. Pen and Paper?
  - c. Online tool like Mint?
  - d. Nothing?

#### Fixing a deficit?

What tips do you have for reducing spending?

- a. Wants vs. Needs
- b. Pre-paid cards
- c. Debit Cards

#### Savings

3. 50/30/20 rule. Have a discussion on where some expenses may fall. Where does saving for an emergency fund fall? How about college savings for your kids? Health expenses?
4. Sometimes it's easy to put something off because you feel like the budget already is so tight that there is very little room for anything else like saving for retirement.

The truth is, "Starting small does make a difference."

What small purchases do you make in an average month that could be cut – or at least reduced – so that you could save as little as an extra \$25 a month.

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