

COMMON SENSE MONEY GUIDE FOR WOMEN



DEBRA L. MORRISON, CFP®
Ms. MORRISON SPEAKS

**COMMON SENSE MONEY
GUIDE
FOR WOMEN
Saving, Making & Managing
Money**

By Debra L. Morrison, CFP®

<http://msmorrisonsspeaks.com>



For My Beloved Grand Mother

Hannah Pauline Morrison

March 13, 1896 ~ June 18, 1979

Whose Own Common Sense

And Twinkling Sense Of Humor

Inspires Me Every Day

PREFACE

HONORING GRANDMA MORRISON

I was raised as the second of four children on a 100-acre beef cattle farm that has been in the Morrison family now for over 100 years! We worked hard with morning chores and evening chores, seven days a week, and learned to be handy with tools nearly as soon as we could walk. The myriad of responsibilities on the farm were always interesting to say the least. We balanced finishing a seemingly endless list of tasks, with always needing to be mindful of the weather. So when storm clouds formed overhead, you knew everything went into high gear, especially if you still had hay cut, lying on the ground, not yet baled. The sense of urgency was extreme in cold weather as well, as new calves would freeze to death if you didn't find where the cow had wandered to to birth it. Invariably, it was to the farthest end of the pasture, in sub-zero temperatures, of course!

All this to say, we didn't have much spare time. One sunny afternoon, however, I had stopped at my grandma's house, ditching my bike at the edge of her porch, to run in for a drink of water. She came out and we actually sat down together on the porch for a minute. Absentmindedly, we admired her huge maple tree at the edge of the yard. I surveyed the tree unlike I had done before. I had biked by that tree thousands of times, on the way to our barn or on the way home. I never noticed just how tall it was, especially to a little squirt like me, age 6. I heard myself blurt out, "I'm gonna climb that tree to the top!" I immediately thought I shouldn't have said that

out loud, since she would probably stop me. Instead she got up from her rocker and said “wait a minute” as she headed inside.

A couple of minutes later, she re-emerged waving one of my Grandfather’s big red handkerchiefs. “There’s no sense in climbing to the top, without leaving a mark that you’ve been there!”

How cool is THAT! I was psyched! Not only was she not going to stop me, she was going to cheerlead! And that she did. I hoisted myself up that trunk—which was about 4 times as big as I was—and onto that first branch, and the rest is history. I had to stop about 4 times just to spot her amidst the leaves, and I’d holler down, “can you see me Grandma?” to which she cheerfully responded, “yes, keep on, you’re almost there”. I’ll never forget reaching the tippy top, swaying in the breeze, looking down on my grandma with her arms stretched wide above her head, yelling, “You did it!” We both beamed with delight, and I tied the handkerchief tightly to the top tree branch. She urged me to tie it tight so it would stay, and I gave it another knot.

I know now how little encouragement she got from my grandfather, yet she was eager to be our cheerleader, and particularly my cheerleader, always positive, always full of encouragement. She instilled a real “can do” attitude in me that I will enjoy for the rest of my life, and also one which I hope to pass onto the people with whom I am in contact.

We Can Do It Women! And when we make it to the top of our worlds, we need to leave our mark and our legacy for the whole world to see.

Now, to the business at hand – coming to grips with your money! I have been blessed with an understanding of money, and my mission is to ensure that as many women as possible will come to comprehend the whole topic, too. Yes, the technical side of trading and futures can get pretty complex, but on the whole, money is just a tool. A tool that offers freedom, flexibility and a great way to share your time and talent.

So, step right up, folks. Here is my handbook –

THE COMMON SENSE MONEY GUIDE FOR WOMEN

Saving, Making and Managing Money

Enjoy!

Debra

Debra Morrison

<http://msmorrisonSpeaks.com>

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FOR WOMEN

Saving, Making & Managing Money

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Introduction

In school, we spent *years* learning about science, language, math, and social studies from text books, but we spent *very little* time – if at all – on *real* life skills like saving, making, and managing money.

Somehow, we're supposed to just "pick up" how to manage our finances, as if innate to us! The truth is, money management is *not* a skill that we're all born with – it's acquired.

The good news is that WE can *easily* learn the skills AND have fun all at the same time!

In this guide, we'll go over several key areas including:

- Creating and staying with a budget
- Cutting expenses without sacrificing your lifestyle
- Saving money every day
- Getting out of debt
- Boosting your income
- Refinancing your mortgage
- How to boost your credit score
- Protecting your identity

At the end of each chapter, there are a series of self-reflection questions and action steps. Take some time to answer these questions and implement these steps. After all, your financial success is up to you!

CHAPTER 2:

STAYING WITHIN YOUR BUDGET

Now that you've examined your income and expenses and created your budget, is it workable for you? *The best budget is the one that works for you.* As you use it, feel free to adjust the amounts in the expense categories according to your realistic needs.

For example, if you had designated \$300 per month for gas, but the gas prices rise, you may need to go back and raise the amount in the budget. *Keep your budget up to date so you can continue to enjoy its benefits—so that it REMAINS a relevant tool.*

Remember, this is about YOU. YOU will create the categories, YOU will determine fixed and variable expenses, and YOU will reap the rewards. So, no secrets here...it's all about you, and truthfulness to yourself. You're worth it and I believe in YOU.

We Can Do It Women™!

Does your budget have workable even logical amounts, but you find that you're still having difficulty staying within your budget? Try the *Envelope Method* to easily keep track of your spending in each category.

THE ENVELOPE METHOD

The Envelope Method requires you to move to a cash-only system. Although this may sound like a challenge, it's really easier than you think!

This technique is an easy 3-step process:

- 1. Divide and conquer.** Each payday, ***cash your paycheck at your bank***, then divide the cash into different envelopes for each expense category.
 - For example, label one envelope *Rent* or *Mortgage*, one envelope *Groceries*, one envelope *Car Payment*, and continue in that manner until you have an envelope for every expense. Include an envelope for daily spending money for things like lunch or parking.
 - To determine how much to put into each envelope, look at your monthly budget and then divide the monthly expense by 2 if you get paid twice each month or 4 if you get paid every week. So if you get paid every week and your grocery bill is \$400/month, take \$100 out of each paycheck and put it into the *Groceries* envelope.
- 2. Use cash for your expenses.** Once your paycheck is divided up, it's very easy to keep track of your spending. That *Groceries* envelope, for example, is your grocery money for the week. ***Spend it wisely.*** Once you spend the money in that envelope,

that's it for that week. Look in the envelope on Wednesday just as a way to remind yourself of the balance remaining so you can plan effectively.

3. **Effortlessly limit daily spending.** Each day, put the cash from that day's *Spending Money* envelope into your pocket or purse. That's your spending money for the day. ***When it's gone, stop spending!***
 - Making a separate envelope for each day's spending money helps you stay within your budget without having to keep a mental figure of your balance in your mind at all times.

Besides making it easy to limit your spending to the budgeted amount, the Envelope Method also gives you a better sense of your money.

When you pay cash, you're more likely to see the real impact of your spending, even if it's small expenses. As you'll notice, small expenses *really* add up!

TIPS TO REDUCE YOUR EXPENSES

If you find that you're spending more than you make, you have two options:

1. Make more money.
2. Reduce the amount that you spend.

There are many techniques you can implement to bring in more money. These methods are discussed in a later module dedicated to increasing your income.

It's usually more difficult to reduce your *fixed* expenses, though it's not impossible. For example, if you rent an apartment and your lease is about to expire, perhaps you can find an apartment that costs less.

If your cable package features channels you don't use, inquire about changing to a less expensive plan. In the same way, you may be able to reduce your cell phone plan.

Most likely, you'll make cuts in the variable expenses. Things like entertainment, food, gas, and even energy expenses can easily be reduced.

ENERGY SAVINGS

With energy, it's fairly simple to reduce your bill. Turn lights off when you leave the room and switch to more energy efficient bulbs. Unplug your electronic devices when they aren't being used, because they use energy even when they're turned off if they're still plugged in. It's true!

Adjust the setting on your hot water heater. I turned mine down to just above the vacation setting, and it still provides me with plenty of hot water for my daily needs without overheating mega gallons of

water each day to temperatures that would probably scald me, if I turned the hot up all the way. I saved almost \$30 a month! Plus turn it off when you're away to save even more.

Buying a thermostat that can be programmed, (OR learning to use the one that's already on the wall...ahem ladies) can also save a ton of money in both winter and summer, for those of us living in seasonal environments.

If you have some money tucked away, newer models of appliances – like washers, dryers, and refrigerators – are also much more energy efficient and can pay for themselves in energy savings within a relatively short amount of time. Plus, you may check with your accountant or the IRS website to see if your purchases of energy efficient appliances or certain home improvements, like a new roof or adding insulation or energy-efficient heating and air-conditioning systems or windows could qualify you for an income tax credit.

Other expense categories, like food and entertainment, have more options when it comes to saving money.

FOOD SAVINGS

Buying groceries is a necessary expense, but one over which you maintain a lot of control. A run to the grocery store can be devastating to your wallet if you allow it, but it can also be one of the best places to save money.

Here are some excellent ways to reduce the amount of money you spend at the grocery store:

1. **Sales.** Most grocery stores usually do a good job of putting everyday items on sale. If you buy the product on a regular basis, you might as well take advantage of the discounted price, and buy it when it's on sale. Ask the store manager for details.
 - The savings on each item may not be much, but you'll find that a few cents deducted here and there add up quite quickly.
 - Planning your weekly menu around what's on sale that week can turn into some significant savings.

2. **Savings Card Programs.** Plenty of grocery stores have implemented savings card programs, which give you a wider range of discounts to take advantage of. For many of us, groceries are one of our biggest expenses, so the more ways we can save at the store, the better.
 - On rare occasions, they might even have a blanket discount, like 10% off the total bill, at certain times of the year. ***Watch for these promotions*** so you can make the best use of them.

3. **Coupons. *Your most potent weapon against the grocery bill is coupons.*** You can find them in newspapers, flyers, and hundreds more online. These coupons can range from five cents to 100% off the cost of the item. You can't get better than free!

- While a coupon for a certain product may limit you to one product per coupon, you can often pick up several of that item by simply using a coupon with each item. It's easy to obtain multiple coupons.
- Some stores even double the amount you see on the coupon, so you'll definitely want to look into which stores have such a program because it can add up to big savings very quickly.
- One thing you don't want to do is underestimate the power of the coupon! ***It's possible to buy two hundred dollars' worth of groceries, hand them a stack of coupons, and only end up paying a tiny fraction of the price.*** Ask any cashier if they have customers who do that regularly, and they'll agree!
- Reducing your grocery bill by hundreds of dollars with coupons is surely a quick way to balance your budget while still eating like royalty! Plus I turn this into a little competitive FUN game with myself from week to week, as to how much I've saved off my total bill.

4. Stockpiling. Buying in bulk has become a trend when it comes to grocery shopping. Stores like Sam's Club and Costco thrive on selling items in bulk at a low price. When used in moderation, buying in bulk can be a great way to save money.

- Be careful not to get carried away when shopping in stores that sell in bulk. Plan out what you may be able to use before the expiration date and shop accordingly. Keep in mind, also, the

amount of storage space you have available in your home, yet also consider whether buying a freezer MAY be a cost saver for you. Try freezing ½ of your meat purchases and dating the zip lock bag to remind you of its shelf life.

- One of the benefits of stockpiling is that you don't have to go to the grocery store as often. ***Fewer trips to the grocery store save you time, gas, and grocery money.*** I make far fewer impulse purchases; read take-out orders, when I can simply reach into my freezer and pull out any number of choices for dinner, which can easily and quickly be defrosted; voila!
- You can take advantage of buying in bulk even if you're single. Divide the cost and the spoils of your treasure trip with some friends. This way, all of you can save money and still avoid the inconveniences of stockpiling large amounts of stuff.

When you take advantage of these methods to save money on your regular expenses, it leaves room in your budget to increase your spending in other categories. In turn, staying within your budget becomes a whole lot easier!

SELF-REFLECTION QUESTIONS

1. How can I reduce the amount of energy I use?
2. Do my favorite stores offer deals, discounts, or additional savings on top of coupons?
3. Do I take advantage of the benefits of buying in bulk?

ACTION TIPS

1. Reduce your energy use as much as possible. This helps your wallet as well as the planet.
2. Sign up for savings card programs where you shop regularly.
3. Coupons are a powerful weapon against the grocery register. Find coupons for the items you buy all the time. Remember, the more coupons you have, the more money you'll save!

For more information please visit our website at [**www.WomenNavigatingFinances.com**](http://www.WomenNavigatingFinances.com) or call 1-973-706-8924. I offer group & individual financial coaching for women, so, if you think we might be a good fit, I hope you'll feel comfortable calling or emailing me at: Team@WomenNavigatingFinances.com.

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