

Small Steps to Health and Wealth

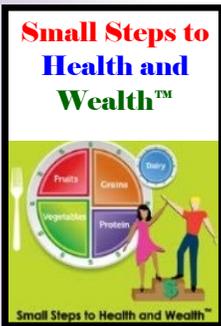
Strategy 16 - Live "The Power of Ten" (Wealth)

For more information or to schedule Health and Wealth sessions, please contact Elizabeth Trejo:

(713) 274-0950

etrejo@ag.tamu.edu

Texas A&M
AgriLife Extension
9449 Grant Road
Houston, Texas 77070



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Beware of little expenses;
a small leak will sink a great ship.
benjamin franklin



"We must not, in trying to think about how we can make a big difference, ignore the small daily differences we can make which, over time, add up to big differences that we often cannot foresee." - *Marian Wright Edelman*

Use "The Power of 10" to take small steps to improve finances. It could be reflective of saving 10% of your gross income or reducing debt by \$10 a week.

Consider saving \$1 a day, plus pocket change, in a can or jar by reducing daily expenses by \$1. You should be able to save about \$50 a month or \$600 in a year. Increase the daily savings amount to \$2, plus loose change, and you'll have over \$1,000 in savings.

For an incentive to save money, calculate the amount you could have by increasing your savings by one more percentage point (e.g., 5% of

pay from 4%). If the annual salary is \$35,000 a 4% savings would be \$1400 and a 5% savings would be \$1750. The additional savings of \$350 distributed throughout the year is only an extra \$29 per month – less than the cost of dinner and a movie.

Over time, work towards saving 10% of your gross income every paycheck.

Try to reduce flexible expenses such as entertainment or clothing purchases by 10 percent. Then, take the money saved and apply to credit card debt with high interest rates or put into a savings account.

Get the Family Involved in the Decisions

Financial decisions affect the whole family so make the changes as a family, regardless of age. Discuss the need to change spending priorities in order to begin saving.

Your expenditures hold the key to how well you do when trying to save. If your family does not follow a Spending Plan, this is the time to start. Be creative about how to cut expenses. Here are some suggestions to help save:

- ⇒ Before making purchases above a certain dollar amount, discuss the potential purchase with other family members.
- ⇒ Control impulse buying. Before buying anything, ask yourself: "Is this purchase absolutely necessary? Can we live without it for now?"
- ⇒ Comparison shop. Use coupons. Go to price-competitive stores. Look for cash discounts. Shop at thrift or discount stores. Repair rather than replace. Eliminate waste.
- ⇒ Team up with a relative, friend or neighbor to save money...buy in bulk and divide the product.
- ⇒ Be creative in planning extra-curricular activities. Instead of eating out and going to a movie, get a pizza and have movie night at home, spend a day at the park, take advantage of free and low-cost community events, or have a cooking night at home where the entire family plans and prepares a meal.
- ⇒ Postpone the purchases of noncritical items (for example, furniture, a flat-screen television or remodeling) whenever possible.
- ⇒ Stop buying on credit.