

Article published Jan 17, 2010

Flex financial muscles this year with free aid

Free resources offer help with budgeting, savings and debt-free goals.

By KIM KILBRIDE *Tribune Staff Writer*

SOUTH BEND -- Denise Deloach unloaded a handful of receipts from her wallet onto a table in Edie Sutton's office on a recent afternoon.

One was for eyeglasses. Another was for stamps. There was even one from a fast-food place for the few bucks she'd spent on a meal.

Then the single mom from South Bend and Sutton, an educator with the Purdue Cooperative Extension office of St. Joseph County, got to work reviewing her budget for the rest of the month.

When Sutton showed Deloach the amount she'd have left after paying for the necessities and squirreling away \$40 into her savings account, she cringed, but said she'd manage.

Deloach has been seeing Sutton for budgeting assistance for a few months now. She's been accepted into the Habitat for Humanity program and is saving for a down payment -- \$1,500 -- on her first house.

"I'm halfway there," she said.

Sutton doesn't tell her how to spend her money, but rather helps Deloach see where it goes, right down to the dime.

"In all the decisions (about money) that she makes now," Sutton said, "home ownership is kind of an umbrella."

For anyone wishing to get their finances in shape this year, Sutton can help you, too. And her advice is 100 percent free.

As part of her work for the Extension, Sutton puts on community classes on budgeting, among other topics. But she also offers one-on-one personal-finance assistance.

For most clients, she recommends meeting face to face once a month for about six months.

Using a series of worksheets and an envelope for tracking expenses, Sutton helps people plan where their money will be spent, as well as follows up at the month's end to review how well

they did. Sutton said one major problem that many people have with their budgets is "spending leaks."

If you spend \$3 a day, five days a week on coffee, for example, that's \$780 a year, she said.

"Where else could that money have gone," she asked, "toward a bill or a vacation or even for Christmas next year?"

The first time Sutton meets with a client, she asks what their financial goals are, whether it's to save for a specific purpose or to become debt free.

Then, she helps develop a plan for meeting those aspirations. "We think so much for the moment and don't plan for the future," she said ... "My goal is for (clients) to see where their money goes and then to decide if that's what they want."

More help

GreenPath Debt Solutions, which has local offices in Mishawaka and Elkhart, also offers free budget counseling, even to people who don't sign up for a formal debt management program.

Amanda Walker, manager of the two area locations, said during the first free session with new clients, counselors will review their income and expenses and generate a computerized budget.

At the end of the session, the client will leave with a printout of his or her budget, along with an action plan of items to accomplish within the next month. They might include everything from shopping around for less expensive cell phone and insurance plans, she said, to setting up an automated savings account. Follow-up services are also available, she said, if initiated by the client.

"Most people call us because they're having some sort of financial difficulty," she said. But, they often learn that had they established and followed a budget years ago, they could have avoided their current problems with money.

A budget is an important tool for people from all financial backgrounds, Sutton, from the Purdue Extension, said.

As for Deloach, the single mom saving for a down payment on her first home, learning to manage her money has been an eye-opening experience, and one that's helped build her self-esteem, she said.

As her recent session with Sutton came to a close, Deloach confirmed that she's on track with her savings. "Uh-huh. You are," Sutton said.

Staff writer Kim Kilbride:
kkilbride@sbtinfo.com
(574) 247-7759