GreenPath Debt Solutions is committed to helping people understand how to manage their money, and we feel that through education and knowledge comes empowerment. We recommend that you consider our financial education course ***My Path to Financial Freedom***. This eight (8) module e-course is available on CD, and plays right on your home computer. Topics include Credit, Budgeting, Smart Shopping, Housing, and ID Theft. In addition, please bookmark ***GreenPath University*** (*www.greenpath.com/university*) — our website devoted to financial education. Here you'll find lots of articles, helpful videos, games, and calculators to help you learn all in a fun and engaging way!

GreenPath debt solutions

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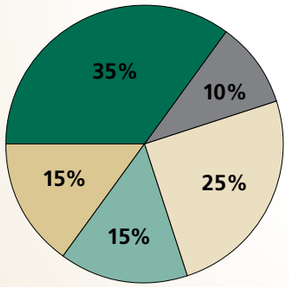
TRACK, TRIM AND TARGET

Once you start tracking expenses, you may be surprised to discover where some of your hard-earned money is going — snacks, coffee, gasoline, dining out, vacations, new clothes, etc. Some of these are easily trimmed. Cutting back is usually a better place to start than completely eliminating. Be realistic. It will help you to be better prepared for unexpected costs.

SOME GUIDELINES

The chart below shows some guidelines on how much of your income should be allocated towards different spending categories. If you live in an area where transportation is higher than normal or rents/mortgages are higher, you may need to make adjustments. Also, if you would like to add a section for gifts, or charitable giving, then you'll need to subtract from another area.

SPENDING PLAN PIE CHART



Housing 35%
Mortage/Rent
Repairs
Taxes
Utilities
Insurance

Debt 15%
Student Loans
Credit Cards
Personal Loans

Transportation 15%
Car Payments
Gas
Insurance
Repairs
Parking/Tolls
Train/Bus Fees

Other Living Expenses 25%
Groceries
Vacations
Entertainment
Clothing

Savings 10%

Maria C., Counselor

START TODAY

Reaching your financial goals takes more than setting up a budget. It can be hard to stick to a budget, because your spending tends to change over time, which means your budgets should, too. But once you have a good grasp of how you're spending every month, budgeting becomes a lot easier, and so will reaching your goals.

At GreenPath, we tell many of our clients that, in most cases, you can't hit the rewind button! Instead, look forward, be positive, and commit to learning good money management practices.

MONEY MANAGEMENT

SAVINGS CAN HELP YOU ACHIEVE ANY FINANCIAL GOAL. WHETHER IT'S A COMFORTABLE RETIREMENT, A DOWN PAYMENT FOR A HOUSE OR A NEW CAR, YOU CAN GET THERE BY CONSISTENTLY SETTING MONEY ASIDE.

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Savings can help you achieve any financial goal. Whether it's a comfortable retirement, a down payment for a house or a new car, you can get there by consistently setting money aside. And best of all, you can have what you want, without getting way deep in debt. If you're like most people, you don't save as much as you'd like or maybe you don't save at all.

In general, Americans spend more than they earn, considering that the national personal savings rate has dipped to the lowest point since the Great Depression. Today's high gasoline, energy and food prices may make saving seem less possible than ever. With a little planning and effort, saving money is not only possible, it's easy!

MAKE SAVING A PRIORITY

You'll be more likely to save money, if you make it a priority. Sit down and figure out what you'd like to save money for — retirement, a house, car, an emergency fund, or college — and how much it will cost. Then make your plan:

- Set a timeline for when you'd like to reach your goal.
- Set a schedule, by dividing the total goal amount by the number of weeks, months or pay periods between now and your goal date.
- Be vigilant by treating your savings contribution just like any other must-pay expense, such as rent or utilities.

PAY YOURSELF FIRST

You're probably inclined to pay everyone else first — whether it's your landlord or your grocer or the phone company. But it's so important to start paying yourself first by saving money. Use an automatic payroll deduction — it's easy! Once you've made a contribution to your own financial well-being, then you can divide up your money to cover everything else. If you are a smart consumer, you'll more than likely have enough left over to cover everything you need.

FIND MONEY TO SAVE

It can seem difficult sometimes just to make ends meet, but chances are you have extra money you didn't even know about. Here are some ways to find it:

David W., Counselor

GreenPath Counseling Session

- **Keep track of everything you spend for a week.** You might be surprised what you're buying, and what you can do without.
- **Make more purchases with cash, less with credit.** This can help you stick to a budget and avoid impulse purchases. Simply decide ahead of time how much you want to spend and then set aside an amount in cash before you go shopping.
- **Lower some bills.** Some creditors will consider lowering the interest rate, if they're asked. Also, conserving energy (heating and cooling, electricity, water) can make a big difference. Cancel services you don't need. Shop smart. Understand that saving even $15 per week adds up to over $750 annually.
- **Rank your non-essential (or flexible) expenses.** Keep the ones you like the best (health club, cell phone) and cut the items on the bottom of the list you really don't need (satellite radio, new shoes, etc.).
- **Watch your food expenses.** Pack a lunch. Cook more dinners at home. Dining out uses up a lot of money that could be saved.
- **Don't try to keep up with the "Jones'".** Live your own life — don't follow others' leads. Constant stress because of finances is a red flag that you are living beyond your means.

BUDGETING

If you are like many Americans, you may find that you are spending more than you're saving and steadily going deeper into debt as a result. This is an easy and common pattern to fall into, and one that requires some planning and discipline to reverse.

The first step is creating a budget. As unpleasant as this may sound, creating a budget is nothing more than examining your income and monthly expenses in order to determine exactly how much money you have coming in and where you're spending that money. Once you've got a clear understanding of your current budget, your challenge is to find places where you can spend less (or earn more) in order to achieve your financial goals. GreenPath has developed a great Budgeting Worksheet to help you get started. The goal — learn to live within your means! In other words, don't spend more money per month than you bring in.

QUESTION YOUR NEEDS AND WANTS

What do you want? What do you really need? Evaluate your current financial situation. Take a look at the big picture. Make two lists — one for NEEDS and one for WANTS. As you make the list, ask yourself:

- Why do I want it?
- How would things be different if I did not have it?
- What other things would change if I had it? (for better or worse)
- Which things are important to me?
- Does this match my values?