



Financial Tools for the Trades

Here are some financial tools and strategies to help you, reduce financial worries, plan for the unexpected, and live a comfortable lifestyle.

Set financial goals.

- There are 3 types of financial goals – short term (within six months) – medium term (six months to one year) – long term (one or more years away). Be sure to write them down.
- Experts say that you are more likely to reach your goals if you write them down and keep them where you can see them. It is good to include what your goal is, how much it will cost and when you want it

What's Covered:

This Tool Box Talk provides a summary of good financial practices.

For Discussion Leaders:

What are your financial needs, wants and realities now and in the future? Make preparations to learn about the trade/occupation and meet employer's expectations. But have you considered how your financial situation will be impacted during your career?

Experts say that you should spend no more than 15% to 20% of your take-home pay to repay debts to creditors each month. How much debt do you have?

Discussion Notes:

Create a spending plan.

A spending plan is one of the most important tools in managing finances. It's often recommended as the first step toward any goal from buying a car, paying down debt, to buying a house. A good spending plan can give you more control over your money. Spending plans don't work if you set your goals so tight that there is no room for movement or so loose that there is too much room for unnoticed spending. The purpose of a spending plan is to help you have more control over your money so you can make good choices that support your financial goals.

Learn to handle credit and manage debt.

- There will be situations when you need to make a major purchase but you might not have the cash on hand to cover the purchase. By pre-planning how you handle credit, you can reduce the stress related to using credit and, hopefully, avoid the pitfalls of excess debt.
- Many of you may find you're in financial crises because of things beyond your control. You could be laid off from work, could become sick or have an accident, or their home or car could need major repairs. However, people fall into debt trouble because often don't manage their finances wisely.

Learn the difference between savings and investing.

Both will help you get the things you want, but each serves a different purpose.

- Saving is for smaller, shorter-term goals like going on vacation, buying a car or building your emergency fund. You want to have ready and easy access to your money - when you need it.
- Investing is for bigger, longer-term goals (at least 5 years away) like a house or retirement. When money is invested, it is not as easy to get your hands on it. Investing carries risk – the greater the risk, the higher your potential return or loss of your money.

Points to Remember!

- 1) Set financial goals.
- 2) Create a spending plan.
- 3) Learn to manage credit and manage debt.
- 4) Learn the difference.
- 5) Plan for periods of unemployment.

Sample Spending Plan

My Spending Plan For Month: _____		
MONTHLY INCOME	Estimate/Goal	Actual Earned