



VALUING PEOPLE. VALUING MONEY.
MANAGING IN TOUGH TIMES INITIATIVE

FAMILY FINANCIAL MANAGEMENT

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THIS MONTH'S TOPIC: Resolve to Save!

A new year is often considered a time for new beginnings or self-improvement. Frequently, this is symbolized as a New Year's resolution. Typical New Year's resolutions include weight loss, improving health, spending more time with family, and debt reduction or money management. It is estimated that nearly 50 percent of individuals make a New Year's resolution. Although many individuals find it difficult to maintain a New Year's resolution for an extended period, there are several steps to improve the likelihood of success. Establishing a New Year's Resolution gives you or your family a goal to work toward during the next twelve months.

A SMART goal or New Year's Resolution is **S**pecific, **M**easurable, **A**ttainable, **R**elevant, and **T**imed. A specific goal states exactly what you want to accomplish, such as reducing your credit card by a certain amount or percent, or saving an exact amount. A measurable resolution is one in which you can evaluate progress. An attainable goal is realistic. For example, many individuals may set a goal to win the lottery to help with debt reduction; however, winning the lottery is not attainable for most people. A relevant resolution is important to you or your family. If your goal is relevant you are more likely to achieve it. Finally, you should establish a time frame to achieve the goal. If you want to reduce debt by \$1,200 by the end of 2012, you know that you have 12 months to achieve the goal.



Once you have established your SMART New Year's Resolution, the next step is to write it down on paper. Post your resolution in a spot you will see every day. It is important to keep your resolution in front of you, so that you do not forget why you are taking steps to change a certain behavior.

Written by: Jennifer Hunter, Ph.D., Assistant Extension Professor, Family Financial Management.



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Youth Savings Accounts

According to a recent study, only one half of teens own a savings account (Varcoe et. al. 2005). Why not make this New Year's resolution a fairly painless one that will be easy to keep: open a savings account for your child. Teaching your child at an early age to save on a regular basis is a great way to start good financial behaviors. Financial literacy starts with a frank discussion between you and your child on how to manage money.

1. Give your child an allowance (the amount is inconsequential).
2. Show him/her on paper how saving should be a component of a budget.
3. Empower your child by allowing her to determine the percentages used to spend, invest, save, etc. her money on paper.
4. Set a good example by saving a portion of your income.
5. Explain to him how compound interest means making money just by placing it in an account that draws interest. Even low interest rates compound money while protecting the principal.
6. Find a program such as Kentucky 4-H Means Business where youth get hands-on experience both making and budgeting money.

For more information on how you can assist your child in financial matters and the Kentucky 4-H Means Business program, contact Dr. Stephanie Blevins at the Kentucky 4-H Office; 859-257-5961 ext. 240.

Written By: Stephanie Blevins, Ph.D., Extension Specialist for 4-H Youth Development

Varcoe, K., Martin, A., Devitto, Z., & Go, C. (2005). Using a financial education curriculum for teens. *Financial Counseling and Planning*, 16 (1).

Saving Resolutions: Save Green, Go Green

The beginning of a new year often includes resolutions of weight loss and exercise. In addition to these traditional resolutions, many Americans also pledge to save money. This year save money and go green.

- Use ingredients such as baking soda and vinegar to make your own nontoxic cleaning solutions.
- Compost kitchen scraps and yard waste. Use compost as an alternative to purchasing fertilizers.
- Avoid eating out. Eating out, especially fast food, can create a lot of waste from packaging. Instead, pack a snack or meal. If possible, use local produce and products.
- Turn off lights, televisions, computers, and other electrical devices when not in use to decrease energy consumption.
- Shop at consignment shops, thrift stores, and yard sales. Remember: "One man's trash is another man's treasure."
- Drive sensibly to improve your gas mileage. Speeding, rapid acceleration, and hard braking can lower your highway gas mileage by 33 percent and your city mileage by 5 percent.

Written by: Ashley Osborne, Extension Associate for Environmental and Natural Resource Issues.

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