

Change Your Attitude About Money in 10 Easy Steps

By Lynette Holloway
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It's no secret that African Americans face unique challenges to their financial security that are unlike those of white households. An estimated 42 percent of African American households use credit for basic expenses, such as rent, groceries and utilities, according to The Challenge

education of youth in the Tri-State New York area.

Lamb is author of Do I Look Like An ATM? A Parent's Guide To Raising Financially Educated African-American Children. She suggests 10 ways to make your money work for you:

1. Examine your "money-logue"

Review your inner dialogue about money: how you think, believe and speak

3. Shop for quality financial services

Instead of choosing financial institutions with the best commercials, research bankrate.com for the financial institutions that provide the highest compound interest rate for investments; or the lowest mortgage rate.

4. Pay yourself first

Seriously. Examine whether you believe that your life is worth saving and that you alone have an emergency fund for when "life happens," or you encounter hardship. That fund should cover at least 4 months' worth of expenses.

5. Watch your credit

Your credit report should

be your bestseller. Review it for errors, including names, addresses, incorrect claims and violations of statute of limitations. The government makes a free report available at annualcreditreport.com.

6. Monitor your social media reputation

Examine your online reputation. People of color are already targeted by toxic sub-prime loans, high interest rates and sub-par financial services. Social media conversations and posts provide financial institutions with a treasure trove of information to determine a person's credit worthiness.

7. Invest in what

you know

Clueless as to which stock or mutual fund to own? Look around your home and list the products and services of publicly traded companies to which you are already loyal. Use low-cost sites such as sharebuilder.com that allow you to invest in companies with a modest investment.

8. Just say, "no." Cash is king

In exchange for a discount, companies try to recruit new customers with "point-of-sale" high interest, high late fee credit cards. Just say no. One debit card is all one needs. "If you don't have the cash, don't buy it."

9. Sight unseen: Direct deposit

Open a direct deposit CD or IRA account, which provide higher interest rates than traditional savings accounts. Determine that a percentage of your income is automatically withdrawn.

10. Start now

Money attracts money. Your path to financial liberation may seem lonely at first, especially if family and friends choose not to join you. Avoid having a money-logue only when experiencing an emergency or if it's New Year's Eve. Becoming financially secure and financially educated is the only way that your money can grow.

Move the healthy and empowering discussion of personal finance front and center in family life and make it a goal-setting team activity

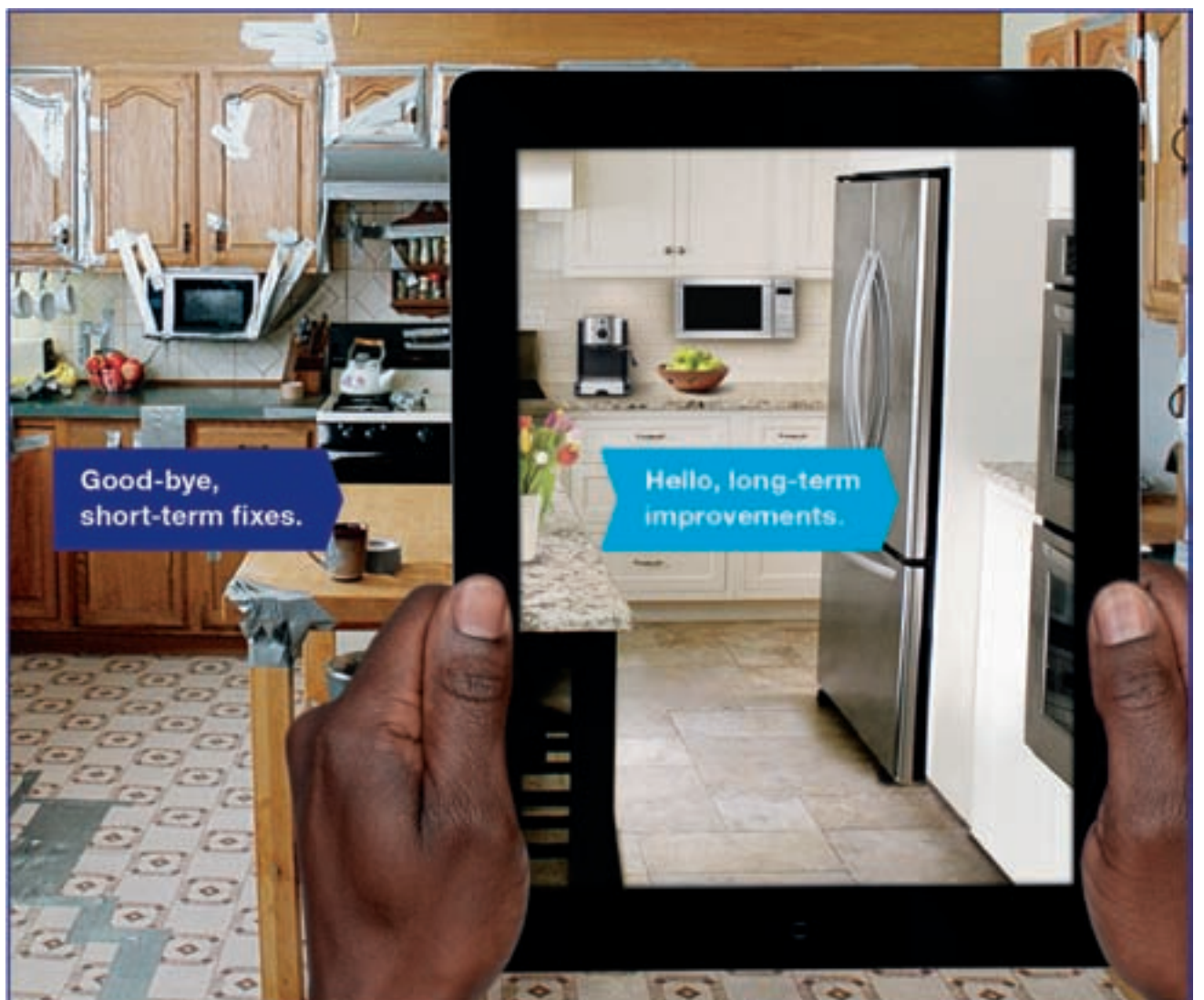
of Credit Card Debt for the African American Middle Class, a report released last year by the NAACP. Moreover, 99 percent of blacks, who started new businesses using credit, are struggling to pay off those expenses, compared to just 80 percent of whites, the report says.

The good news is that it's never too late to overhaul your financial situation. One of the first steps is changing your attitude toward money, according to Sabrina Lamb, founder and CEO of the Worldof-Money.org, an organization dedicated to the financial

about it to yourself. Eliminate words that reflect lack or loss. Examine if your financial behaviors lean toward asset or liability accumulation and make a change. Use your current financial situation as a pathway to prosperity to help overcome shame and regret.

2. Make "saving" culturally cool

Examine your family's culture as it relates to money management. Move the healthy and empowering discussion of personal finance front and center in family life and make it a goal-setting team activity.



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Why Track Spending?

By Jenna Knobloch on behalf of Innovative Changes, www.innovativechanges.org

How much exactly should you budget for food every month? How about gas for your car? Tracking your spending is to budgeting like a measuring cup is to cooking. Without it, you'll have a harder time making everything come out right. Furthermore, when you aren't tracking your spending, it is easy to forget those small purchases that really add up. If you are a smoker, how many packs do you buy? What about coffee and energy drinks? Not including these in your budget can leave you short by the end of the month.

Ways to Track Spending

Luckily, in our modern era there are a variety of options for keeping track of your spending.

The most basic and old-fashioned of all: write it down. Carry a small notebook or piece of paper and write down everything you buy and how much you spent. Then when you are budgeting, you can add up how much you actually spent in each category and use that to estimate costs for the next month.

If you don't want to be constantly carrying a pen around, save your receipts! You can keep them in your wallet and then put them in a safe place so that you can have a record of everything you've bought when it's time for budgeting.

Do you like to use your debit card for most of your transactions instead of cash? Check out Mint.com. It is a secure site that links with your bank accounts and measures how much you spend for you! They even make charts and graphs for you to visualize your spending patterns.

Continuing to Track Spending

Continuing to track your spending is not only a great way to keep your budget up to date, but a way to remind yourself how much you have to spend for the month. It can take trial and error to see what works for you, but you'll be amazed how much easier budgeting is when you know where your money is going.