



*The Color of Money: Five
“S.T.E.P.S.” To Building A
Foundation For Your Financial
Future*

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Five “S.T.E.P.S.” To Building Lasting Wealth

Save Automatically

Take Advantage Of Time

Eliminate Debt

Put Your Eggs In Different Baskets

Spend Less Than You Earn



Emergency Fund

Aim to save at least three to six months of living expenses. This would include:

- Rent/Mortgage
- Food
- Utilities
- Cable
- Cell phone

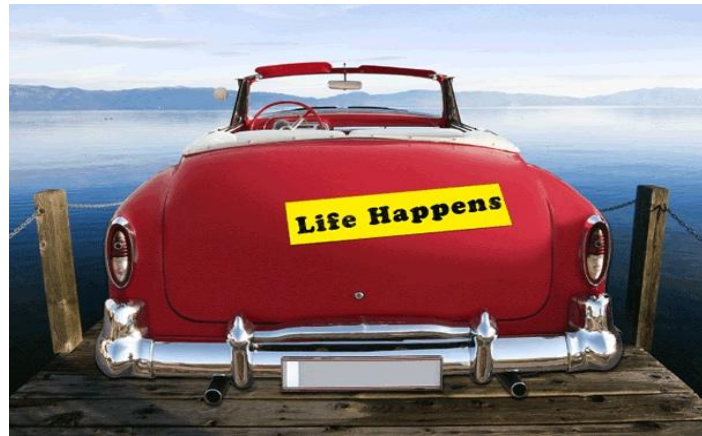
All the expenses it takes to run your household.

Tip: Don't get an ATM card for your emergency fund account.



Life Happens Fund

Establish a life-happens fund to take care of the things in life that happen such as car repairs.



Having a life happens fund prevents you from depleting your emergency fund.

Suggested Percentages For Major Budget Items

<u>Category</u>	Percentage Range
Tithe	1. 10%
Offering/Charitable Giving	2. 2 – 10%
Saving/investing	3. 2 – 10%
Housing (mortgage/rent, insurance, taxes)	4. 26 - 36%
Food (groceries, dining out, workday meals)	5. 12 - 30%
Utilities (gas, electricity, water, cell, landline)	6. 4 - 8%
Transportation (car loan, gas, public transit)	7. 6 - 15%
Medical (dental, prescriptions, health ins.)	8. 4 - 10%
Child care (if applicable)	9. 6 - 16%
Non-mortgage debt obligations (ex. credit card, personal loans)	10. 5 - 10%
Clothing	11. 4 - 6%
Recreation/entertainment	12. 2 - 8%

"Don't max out your cards."

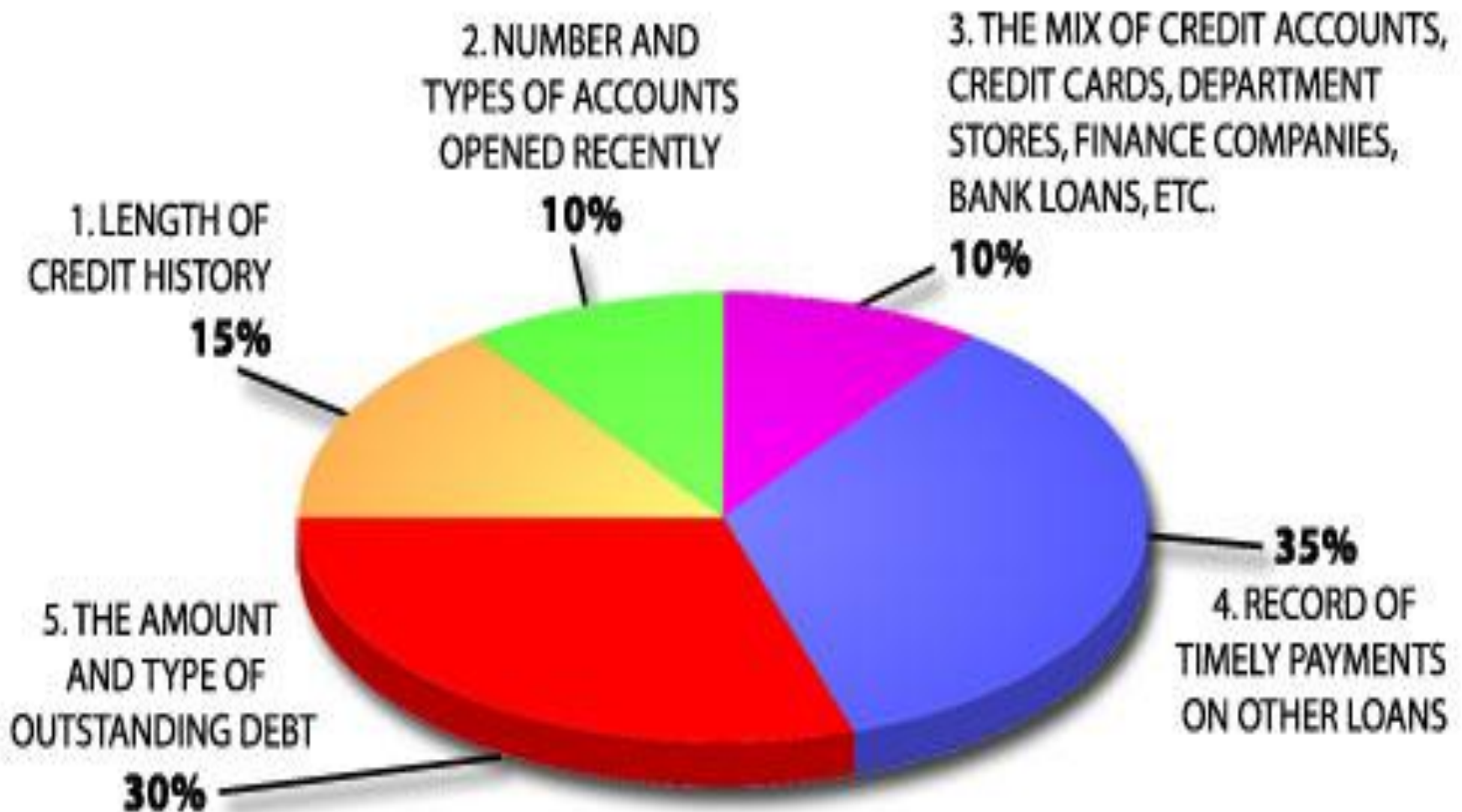
The “30 Percent” Rule: Don't use more than 30% of your available credit on any one card, or more than 30% of your total available credit.

Ex. Limit: \$10,000

Use Only: \$3,000



FICO SCORE BREAKDOWN



Your Credit Affects What You Pay

30 Yr fixed mortgage

15 Yr home equity loan

36 month auto loan

FICO® score	APR ?	Monthly payment
760-850	5.675%	\$1,736
700-759	5.897%	\$1,779
660-699	6.181%	\$1,834
620-659	6.991%	\$1,994
580-619	9.024%	\$2,419
500-579	10.310%	\$2,702

Location

National Avg.



Loan amount

\$300,000

Recalculate