

Managing your money and achieving your goal of a better house.



1

A better house, is it possible?

You have a goal: improving your house for your family, but you think that your economic situation won't allow you to take out a loan.

A huge part of the solution is learning how to manage your money better, we invite you to follow along and learn.

Try to answer the following questions, first individually and then as a group.



You can put your money to good use.

2

Question #1 Your money, Investment or Expense?



Do you invest your money or spend it?

3

Question #2 Necessary Expenses Unnecessary Expenses Do you know the difference?



Unnecessary expenses aren't bad, you just need to prioritize and reduce them so that you can use the money for your necessary expenses and/or investing purposes.

Can necessary expenses turn into an investment?

The advantage to knowing how to use your money is that it helps you to control your expenses so you can invest in something that you need as well as want: a better house.

Family Expenses

Necessary	Unnecessary

Necessary expenses or unnecessary expenses, you decide.

4

Question #3 What is a Family Budget?

A budget is an itemized plan of our income and expenses. The budget helps us see how much money we make, where it goes and how to balance our income with our expenses. It is a very important tool that disciplines, organizes and allows us to see if we have the payment and saving capacity that we need to invest in our goals- for example, improving your house.

What benefit comes from making a budget?

You can:

- Avoid spending more than you make.
- See where your money is being spent.
- Know how to increase your payment and saving capacity.

The way to figure out if you are spending more or less than you make is as follows:



$$\text{Income} - \text{Expenses} = \text{Savings/Deficit}$$

Figure out your saving capacity:

Income
- Expenses

Savings or
Deficit?

Does your family have a budget?

Habitat for Humanity is one way to help you get a better house. Would you like to know more about us?



Habitat offers loans to families with housing needs. With our tools you will learn how to manage your family finances better.

Would you like to know more about Habitat? Communicate directly with the regional office in your area. www.habitatlatino.org Rights Reserved.

5 Question #4
What are savings? And what does it mean to you to save?



The main benefit of saving is the ability to be able to cope with any unforeseen situations that may arise.

Are you saving?

6 Consider the following concepts:
Concept 1: A loan is an option for families that manage their money well.

Habitat for Humanity offers housing loans in accordance with the needs and means of low income families.

A loan is based on credibility and trust. It enables you to satisfy a need as well as improve the quality of life for your family.

By taking out a loan you are responsible to use it properly so that it is helpful and not harmful to your well being.



When you mistreat your loan and don't pay on time you accumulate too much debt and can't complete your loan payments or other commitments you've made. This can lead to economic problems and you could lose your credibility, making it difficult to apply for loans in the future.

Learn how to manage your money with Habitat

7 **Concept 2: The responsibility to pay is a decision**

In order for your family to practice good payment habits, there are two essential elements to keep in mind:

1- Controlling your expenses.

Each person should value the importance of being consistent and honest when it comes to their payment commitments. This is reflected in the responsible manner you manage your family expenses, as to achieve the proposed savings needed to improve your house.

2- Willingness to Pay

Your person or family's responsibility to pay off your debt doesn't depend on how much your income is, but rather on your commitment to pay.



By paying punctually you are helping other families

8 **Concept 3: The value of your house, your best investment.**

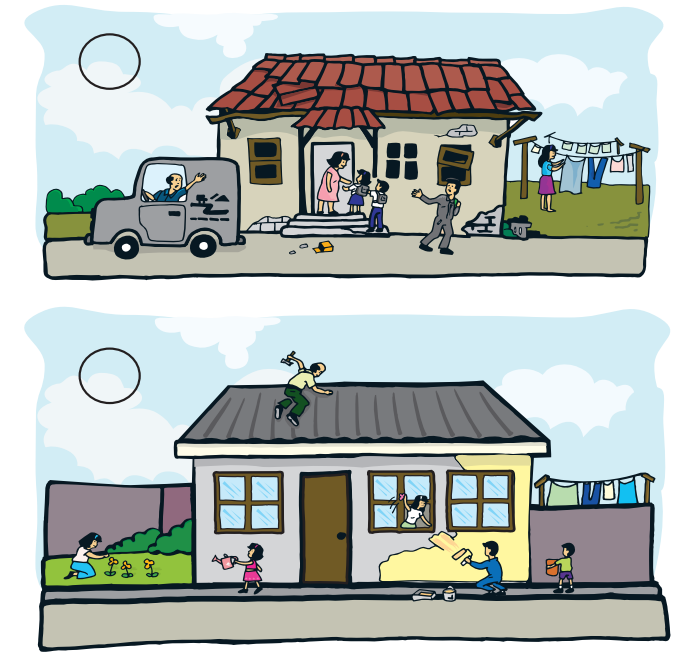
• **Your house is an investment.** Usually the value of your newly built or improved house appreciates over time, even the property itself increases in value. For this reason, each payment you make is an investment that will give you greater economic profits and better living conditions needed for the integral development of your family.

In order to maintain and increase the value of your house, it is important to take care of and maintain it as needed.

• **Improving your quality of life.** A proper house improves the environmental conditions in which your family lives.

• **Benefits vs. sacrifices.** By making your loan payments punctually you are ensuring a future investment.

You decide:



Your house, is your best investment.