



Video Summary

VIDEO NUMBER: _____

Viewer Confirmation Words

To receive a certification for bankruptcy purposes, individuals must complete an approved instructional course on personal financial management. Such courses are required to be two hours long. To prove that you have watched the Financial Victory video, six (6) words will appear on the screen during the two-hour program. You will not be able to fast forward or rewind the video, but you may replay any section you wish.

Fill in the 6 viewer confirmation words from the Video number you watched below:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Unit One: The Role of Money

Why we lack financial knowledge. Communication about money is key. Distinguishing between needs and wants is essential. Honestly evaluate your financial strengths and weaknesses in the areas of knowledge, discipline and courage.

Unit Two: Goal-Setting for Success!

Having a written goal map will increase your success in getting what you want. Be successful by following these steps: (1) Make your goal specific and measurable; (2) Check that your goal is realistic but challenging; (3) Think of possible obstacles to achieving your goal; (4) And think of some solutions to the obstacles. (5) Review your goal map often to measure your progress and add to your map. Three "Essential Goals" we should all share are enough insurance, an emergency fund, and retirement savings. Without these, we may lose everything else. "Set to get," then "let your vision drive your decisions." Set your goals effectively to achieve them and let your goals drive your spending and saving behavior.

Unit Three: Creating a Spending Plan

There are fixed, variable and periodic expenses. It's not a "budget," a spending plan is your plan to spend your money in a way that lets you get what you want! Income and expenses can vary, but if you spend according to an accurate monthly average of your net income and expenses (including your goals), you will be successful. Track spending to discover and eliminate money leaks and review your plan often. Even if drastic action is required, there are always choices. Make a habit of keeping financial records. If you cannot increase your income, see the Fixed Income Financial Tips article on Butterfly's FE Library page.

Unit Four: Using Credit Wisely

Credit is borrowing money for a price. A lower interest rate and/or paying a loan off more quickly will save you money. Before using credit, ask yourself: (1) Can I save the money and avoid using credit; (2) will the thing I am buying on credit will have value after I finish paying for it and; (3) whether this use of credit helps me reach my financial goals. "Save your credit, you won't regret it!" If you don't charge anything you don't already have the money for, you'll be able to pay any credit card bills in full each month to avoid the minimum payment trap. Do the arithmetic on any offer that "sounds" good. Understand the different types of credit and be alert to debt warning signs.

Unit Five: Gaining Control of Your Credit Report

In deciding whether to give you credit, and how much you'll pay for credit, lenders look at three things: (1) Your credit report; (2) your credit score and; (3) the lender's own standards. Credit reports are different from credit scores. Credit reports come mainly from three Credit Reporting Agencies or CRAs. You're entitled to one free credit report per year from each of the three CRAs if you go through www.annualcreditreport.com. Federal law gives you the right to correct, add and remove information in your credit report—Edit your credit! Info from your credit report is what is used to compute your credit score. Credit Scores are not free, they cost about \$20. The most used credit score is the FICO® score from www.myfico.com. There are other companies that can give you reports, but the "big three" CRAs and FICO are the most widely used.

Unit Six: Consumer Skills and Review

Advertising, packaging, salespeople and our culture can all influence our spending behavior without our even realizing it. To be a smart consumer, thoroughly research purchases first. Shop before you buy. Delay purchases to create a cooling off period. Comparison shop, try to negotiate, use the power of cash over credit where possible and use your walk away power! Know what you can afford and what the purchase is worth to you. Never stop learning about financial matters: the government offers great information that is free. For other sources of information, look at the source's credentials, what they are charging for their information and whether the source is rigid about it's way being the only way to success. Beware of scams and deceptive practices. If it sounds too good to be true, it generally is. There is no easy or quick way to get rich. There are laws to protect you. Visit your State's Attorney General's website for more information.