

Independent Living

From

A to Z



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Are You Ready?

Do you want to move out because you feel mature and ready or are you trying to avoid rules and restrictions from parents?

Ask yourself these questions:

- ✓ Do you have a job?
- ✓ Can you hold down a job?
- ✓ Where do you want to live?
- ✓ How much income do you have?
- ✓ What expenses do you currently owe?
- ✓ What's your credit rating?
- ✓ Do you have a bank account?
- ✓ Do you have transportation?
- ✓ Will you have a roommate?
- ✓ How much money do you have saved?
- ✓ Do you own household items?
- ✓ Do you know how to plan and prepare meals?
- ✓ How will you do your laundry?
- ✓ Who will care for your child?
- ✓ Can you get yourself up each morning?
- ✓ Can you do household chores on your own?
- ✓ Do you mind being alone?
- ✓ Do you have reliable child care?
- ✓ Would you understand the lease agreement?
- ✓ Could you take care of yourself if you got sick?



anking Services

Financial Institutions offer several services to help you manage your money.

- ✓ Savings account- this is a safe short-term investment to earn interest. The federal government backs these accounts with the FDIC, Federal Deposit Insurance Corp.
- ✓ Market Money Accounts – a higher rate of interest
- ✓ CD or Certificate of Deposit – The bank holds your money for a set period of time and you will be penalized if you withdraw before it reaches maturity.
- ✓ Checking accounts – a place to hold your money and it's available to you at any time. Usually doesn't earn interest but you'll be charged fees for this account. The bank tracks your deposits and withdrawals but you must also keep accurate records so you know exactly how much you have available.
- ✓ ATM- you have 24-7 access to your money through the ATM at your bank or a machine at another location. There are fees involved and maximum amounts of transactions
- ✓ Online Banking – you can deposit and manage your money online. Most bills can be paid online as well.
- ✓ Mortgages – to buy a house
- ✓ Loans – to purchase big ticket items
- ✓ Safe Deposit Box – to secure papers and property
- ✓ Debit Card – to use instead of cash or credit



Choose a healthy lifestyle

Your livelihood will depend on your health status from the moment you move out and support yourself and your family. Your family's health will affect your financial well-being as well. If you are ill and miss work or are unproductive, that will affect your paycheck in a big way. If your child is ill you might miss work or lose sleep caring for the child and that may affect your paycheck too.

So, what healthy choices can you make for yourself and family?

- ✓ Get enough rest, at least 7 hours per night
- ✓ Exercise at least 30 minutes 5 days per week
- ✓ Eat fresh produce (fruits and vegetables)
- ✓ Limit red meat
- ✓ Increase fish
- ✓ Include a Meatless Meal once per week
- ✓ Meditate, do yoga, read, listen to music
- ✓ Avoid fatty foods
- ✓ Avoid processed foods
- ✓ Avoid sweets
- ✓ Get flu vaccines
- ✓ Keep immunizations current for yourself and family
- ✓ Drink plenty of water everyday
- ✓ Have a healthy attitude
- ✓ Avoid smoking or second-hand smoke
- ✓ Clean with green products
- ✓ Avoid drugs and alcohol
- ✓ Have a hobby or play sports



Determine your spending plan

There are the 6 steps to budgeting: 1) Assess your financial situation, 2) Set financial goals, 3) Create a budget based on projected income and expenses, 4) Monitor spending patterns, 5) Compare your budget to what you've actually spent, 6) Review progress and revise as needed.

- How to calculate estimated Net Income (take home pay):
 - ✓ Monthly gross income x .22% tax = deductions.
 - ✓ Monthly Gross income – Deductions = Net Income
- Net Income is used to pay for the following Fixed and Flexible expenses:

FIXED EXPENSES

- ✓ Mortgage/rent
- ✓ Electric/Gas
- ✓ Utilities
- ✓ Phone
- ✓ Internet Service
- ✓ Car Loans
- ✓ College Loans
- ✓ Insurance: car, home

FLEXIBLE EXPENSES

- ✓ Groceries
- ✓ Clothing
- ✓ Recreation
- ✓ Savings
- ✓ Health
- ✓ Allowances
- ✓ Hair/Grooming
- ✓ Laundry
- ✓ Gifts/Christmas
- ✓ Diapers/Formula

Be realistic! If you can't pay for these then get a roommate or don't move out!



Employment Success

Imagine if you owned a business. What characteristics would you want from your employees?

- ✓ To be productive, hardworking
- ✓ To be positive, confident
- ✓ To be helpful, friendly, patient
- ✓ To be a team member and get along with others
- ✓ To leave your troubles out of the work environment
- ✓ To be on time, dependable
- ✓ To be neat and clean, dressed appropriately
- ✓ To be flexible, adapt to change
- ✓ To keep your skills current
- ✓ To learn and grow
- ✓ To make healthy choices



Feeding Your Family

Feeding your family is more than cooking food. There is so much that goes into planning meals and purchasing things your family likes to eat. You have the responsibility to instill healthy eating habits that will last a life time.

- ✓ Plan a menu around the items you have in your freezer and pantry
- ✓ Check weekly specials and coupons in newspapers & online.
- ✓ Utilize discount grocery stores with lower prices
- ✓ Buy in bulk if possible
- ✓ Make a grocery list, grouped by type of product in the store (produce, deli, meat, dairy, frozen, canned).
- ✓ avoid packaged and processed foods to make meals healthier
- ✓ Purchase fresh produce when possible.
- ✓ Homemade meals are cost effective
- ✓ Ask your relatives for family recipes
- ✓ Try new recipes in cookbooks and the on the internet
- ✓ Use the slow-cooker to have a meal ready after work
- ✓ Involve your children in meal planning and preparation
- ✓ Try making freezer meals during the weekend

*It's important for families to spend time around the table
and catch up with everyone's day.*

*All devices should be put away and television turned off.
Always ask, "What was the best part of your day?"*



Get Politically Active

You have wanted to grow up and move out for so long. There are probably many things you planned on doing with your home and life on your own. But one of the things most young people don't think about doing once they turn 18 is getting involved in politics. It's not only your right, but it's your responsibility to know what's happening and who is making the decisions.

- ✓ How are the taxes used?
- ✓ Who is running the city where you live?
- ✓ How are the schools funded?
- ✓ How high are tax rates for the lower and middle class?
- ✓ Do the politicians work on issues that make the world a better place for your children?
- ✓ Or are they unproductive and stagnant?

Find something you care about and then voice your opinion. Write letters to the decision makers, lobby, petition and most importantly vote! You can make a difference! What are some current issues people are talking about in your state?

- Same sex marriage
- legalization of marijuana
- tax policies
- voting rights of all people
- water shortage in California
- transportation funds to fix our broken infrastructure
- Medicaid budgets that threaten the Affordable Care Act
- carbon emissions and climate change



House Hunting

- ✓ Figure out your housing budget. Best rule of thumb is 30% of your net income (take home pay).
- ✓ Consider the following when choosing a location: distance to work, school districts, safe neighborhood,
- ✓ Always ask friends and family if they know of any available places.
- ✓ Check Craig's List or Padmapper.com for apartment locator.
- ✓ Take time to check each potential apartment. Do the faucets work? Do the windows lock? Is it clean and odor free? Does it come with appliances?
- ✓ You will complete a rental application and must have proof of employment and photo ID. You will also need to know your bank account information, previous addresses, and references.
- ✓ The landlord will do a credit check to verify employment, credit history, credit score and criminal background.
- ✓ The Lease Agreement is a legal contract which outlines the rules and expectations that the landlord and tenant promise to follow.
- ✓ Security deposit is required and will be used if you damage the unit or leave while still owing rent.
- ✓ Public Housing Programs are available and include Metropolitan Housing Authority and other low income housing organizations.



Invest in your future

Think of the people you know who have retired. Are they living on a lower fixed income? Social security and pension plans alone are not enough to live on. You haven't even started your career yet but when you do you'll need to start planning for retirement! According to www.schwabplann.com , for every 5 years you put off investing for retirement you will have to double your monthly investing amount to achieve the retirement income needed to sustain independence as a retiree.

Not only are you trying to figure out how much income you need to support yourself and your family over the next 45 – 50 years, but you're estimating how much you'll need to maintain a particular retirement lifestyle. Do you plan on staying in your home, having the mortgage paid off, and living a modest life style? Or do you plan on traveling, golfing, and living in a retirement community?

Most expenses will decrease: taxes, savings expenses, shelter, education, apparel, and transportation. However, there will be cost increases for health care, utilities, and entertainment. Most financial planners estimate a replacement wage ratio of 70% - 80%.

The banking institutions do not pay a very high interest rate so you will need to seek long-term investments like stocks, bonds and mutual funds. Also, take advantage of workplace retirement plans and IRAs.



ust have fun!

Every budget should have a little bit of money set aside for family fun. If you need a larger amount of money for a trip or day at a theme park then saving money over time can make that happen without disrupting your budget.

Try to find some things that cost little or no money:

- ✓ Swimming
- ✓ Zoo
- ✓ Movies
- ✓ Museums
- ✓ Playing board games, cards
- ✓ Renting movies
- ✓ Library story time or summer reading programs
- ✓ Take walks in the metro parks
- ✓ Go to a park with playground equipment
- ✓ Make a play date with other children
- ✓ Get family & friends together for a cookout
- ✓ Go camping in the backyard
- ✓ Winter activities (snowman, sledding)

*Recreation is important for families
and brings everyone closer together.*



now about insurance

You will need insurance for several areas of your life. Some are even required by law. Insurance gives you protection against financial loss in exchange for a fee known as the premium.

- ✓ Motor insurance- includes comprehensive, third party, or fire/theft.
- ✓ Renter's insurance- covers the replacement of your property within a dwelling you are renting.
- ✓ Household insurance- provides coverage against loss due to fire, lightning, exposure, natural disaster, or damage from burst pipes.
- ✓ Health insurance will protect you from high medical costs
 - Prescription
 - Dental
 - Vision
 - Critical illness
 - Disability
- ✓ Life insurance – pays an amount of money to the beneficiaries in the event of death of the insured.



laundry Lowdown

Taking care of clothes will make them last longer and look nice.

- ✓ All new clothing should be washed before wearing.
- ✓ Read and follow the care labels
- ✓ Sort clothes by color, amount of soil, type of fabric, size of item. Washing heavy denim jeans or towels with t- shirts, summer skirts or dresses will damage the lighter weight fabric.
- ✓ Close all zippers and hooks. These can snag or cut other clothes.
- ✓ Pretreat stains as soon as possible.
- ✓ Use the proper amount and type of laundry product, water temperature, and washing action. High agitation or spin could damage delicate clothing.
- ✓ Dry according to the care label
- ✓ Promptly hang or fold neatly
- ✓ Spot removal for baby stains (baby food, formula, spit-up) will take special treatment. Bleach is too harsh for their skin!
- ✓ Place tiny or delicate items in a mesh bag so they don't get lost or damaged.

*If you take care of your clothes you can earn more money
when taking items to consignment shops!*



Make Minor Repairs

What would you do if the toilet kept running or over flowed? Would you know how to turn off the water? People end up paying expensive costs for repair services on things that they could easily fix themselves. Check online for DIY information or ask the sales people at your local hardware store.

You should have some basic household tools for making minor repairs to the dwelling or your furnishings. Can you think of examples how you could use the following tools in your home?

- ✓ Hammer
- ✓ Screwdriver
- ✓ Pliers
- ✓ Nails, screws
- ✓ Super glue, wood glue

If you are a renter, then call the landlord for repairs to your unit.

Tools may come in handy for crafts and hobbies too!



Never Miss Payments

Your fixed expenses are usually due on the same day each month and the amount of payment will stay the same. But a credit card balance can change from month to month depending on your spending activity.

You should set up an organized system to help you pay your bills on time. You might want to process these payments every Sunday evening. If you're mailing the payments then you must allow at least a week for the payment to arrive and get processed. Or you could set up automatic payments with each company online and the payments will be deducted from your bank account. You just have to remember to have money in the account before the date of payment or you will be overdrawn. For a fee, some banks offer to transfer money from savings to the checking account to avoid an overdraft and then charging you for NSF (non-sufficient funds).

When you miss payments or bounce checks creditors will forward this information to a credit reporting agency and points will be deducted, affecting your credit score. A lower credit rating can have a negative impact on several areas of your life:

- ✓ Potential and current employers can view the report
- ✓ Credit card and Loan institutions will evaluate your rating
- ✓ Landlords can review your credit rating
- ✓ Mobile service providers and utility companies check credit ratings



rganize Documents

So, you want to visit Niagara Falls, Canada and need a passport? You'll have to present proof of address (utility bills or valid driver's license) and a birth certificate. Do you know exactly where yours is located at this very moment? Many things are now received and stored electronically but you will still need a filing system for important documents.

- ✓ Bank records – checking and savings accounts
- ✓ Budgeting records
- ✓ Credit cards
- ✓ Educational records, transcripts, diplomas
- ✓ Investments – stocks, bonds, trusts, retirement
- ✓ Genealogy- birth, medical history and death records
- ✓ Health records – immunizations, illnesses, treatments, billing invoices
- ✓ Income and employment records
- ✓ Insurance policies – home, health, motor
- ✓ Mortgages and loans
- ✓ Personal- wills, birth/death certificates, social security cards, marriage certificates, baptisms
- ✓ Taxes – donations
- ✓ Real estate – deeds, rental – lease agreement
- ✓ Receipts – in case you need to return an item
- ✓ Warranties – for household products



Plan for Budget Busters

There are many “possessions” adults accumulate over time and most of them will eventually break or stop working. Sometimes this will cause a huge inconvenience and can be expensive to fix or replace. An example of a major Budget Buster is when the transmission goes out on your car. A minor Budget Buster is when you’re invited to a wedding and need a gift.

The best way to be prepared for Budget Busters is to have a substantial amount of money in your savings account and to deposit money in savings on a regular basis. Use the money in savings for emergencies only.

You can prevent Budget Busters by planning for many events that will come up:

- ✓ Start a Christmas savings for gifts
- ✓ Start saving for a trip or vacation
- ✓ Save money from your grocery budget for the Thanksgiving dinner you will be hosting at your house
- ✓ Save money from your clothing budget for school or winter clothes.
- ✓ Save for a down payment on your first home.



Quaint New Home

Someday you'll move into your first home. How exciting! Before you make it your very own you'll need to make a spending plan. You may have to start out with used items but saving for the new furniture is a great financial goal.

- ✓ Measure the area available in your home before shopping for a piece of furniture.
- ✓ Draw a floor plan and determine the size and type of furniture you're looking for.
- ✓ Make sure furniture will fit through doorways
- ✓ Go to thrift shops, yard sales and discount stores
- ✓ Ask family for used furniture they no longer need.
- ✓ Check Facebook for local community sales sites.
- ✓ Learn how to decorate on a dime by making your own accessories and decorations (check Pinterest for ideas).



Reflect on Spending

One of the most important parts of budgeting is reflecting on your spending habits and determining if you need to make adjustments. You may discover that you're taking money out of savings to pay for living expenses.

Your spending habits will show what's really important to you. Some people want to stay out of debt, others want to travel, or save for a home. Some people live in the moment and spend on impulse.

- ✓ Are you living within your means? Or do you continue to run out of money because of overspending?
- ✓ Can you cut back in some areas like clothing and entertainment?
- ✓ Can you cut grocery costs by shopping in another location?
- ✓ Can you drive less to save gas money?
- ✓ Do you need to get another job to make ends meet?

Try to be more mindful of your spending habits.



You can learn to save money on groceries, clothing, vacations, and haircuts. Just about anything!

Here are some tips:

- ✓ Be aware of your budget and stay within your allotted amount for all expenses.
- ✓ Avoid impulsive buying. Be careful of products placed near registers.
- ✓ Make a list for groceries or the clothing items you're looking for and stick to it.
- ✓ Check the quality. If it's going to break after one use then it's not worth the cost savings.
- ✓ Watch for seasonal sales for particular items
- ✓ Buy clothing at the end of the season.
- ✓ Clip coupons from newspapers, mailings and check online
- ✓ Avoid buying items on shelves at eye level where high priced items are kept.
- ✓ Comparison shop. There's an app for that!
- ✓ Purchase store brands instead of name brand items
- ✓ Don't shop for groceries on an empty stomach
- ✓ Buy second hand at thrift stores, Goodwill, consignment shops



Time Management

When you manage your time you can gain control of your life. You can be the one who decides what and when most things can be done instead of waiting for things to happen.

If rocks represented your important tasks and a jar represented your time what would happen if you filled the jar with rocks. Would you have time to do other things?

Yes, if the less important tasks were represented by sand, you could fill the jar with plenty of other activities that surround the most important tasks. After the rocks and sand is there any more time left for the automatic tasks you do in a given day?

Yes, if you poured water into the jar it would flow easily between your important tasks and other activities.

- ✓ Learn to plan ahead
- ✓ Evaluate what needs to be done each day
- ✓ Make to-do lists, prioritize and check off
- ✓ Keep track of appointments on a calendar or your device
- ✓ Learn to say no
- ✓ Learn to delegate
- ✓ Stay organized
- ✓ Develop a routine
- ✓ Use digital technology for time management needs



You will need to start building your credit rating in slow and manageable steps. To have a FICO score you have to have an account open and a creditor reporting activity for at least six months. Keeping your credit history in good standing is vital to establishing financial well-being.

- Apply for and use a secured credit card which is backed by cash up-front. Purchase one item of at least \$100 and then make three consecutive payments over the next three months.
- Apply for a Credit Builder Loan. The money you borrow will be held by a lender and will be released after the loan is paid.
- Get a co-signer, usually a relative, to help you get a loan.
- Become an authorized user on someone's credit card

Types of credit

- Installment credit – fixed payment. Set up an auto payment online
- Revolving credit – retail, financial institutions that issue credit cards.

Shop for credit – evaluate and compare the annual percentage rate (APR), finance charges, annual fees, credit limit, late payment and grace period.



Visualize Your Future

Before you can set goals for the things you want in life you have to look at the big picture and see yourself in the future. Will you be married? Where would you like to live? Will you have children? What kind of hobbies will you have? Will you own your own business or work for someone else? What kind of car will you drive? Will you own your own house or live in an apartment? Will you go to college to obtain the skills for your career?

Try this visualization activity:

- Imagine your life as you would like it to be 10 years from now when you are grown up and out of school. PAUSE –
- It is morning and you have just awakened. What do you see? PAUSE –
- Now you go to your closet to get dressed. What do you see in your closet? What do you choose to wear to work today? PAUSE –
- Now you are eating breakfast. What do you see? PAUSE –
- You are now ready to leave for work. Where do you go? How do you get there? PAUSE –
- Who do you see in your workplace? What are they doing? PAUSE –
- What are your feelings about the work you are doing? PAUSE –
- It is now lunchtime. What are you doing? How long do you take for lunch? PAUSE –
- You are now at work and it is close to the end of the day. What are you doing? What time is it? PAUSE –
- Where are you going now that work is finished?

It's important to do this activity periodically and it's perfectly normal to change your goals throughout your life.



histle while you work

All housekeeping chores will be your responsibility to keep your home safe and sanitary for your family.

- ✓ Daily chores include making your bed, picking up clothes, straightening up living space, doing dishes, and sweeping the floors.
- ✓ Weekly chores include changing sheets, cleaning bathrooms, dusting, vacuuming, mopping floors, laundry.
- ✓ Don't forget to clean out the fridge. Throw away left overs more than 3 days old. Wipe down all surfaces with warm, soapy water.
- ✓ Laundry See page 14
- ✓ Kitchen stove top, oven, exhaust/fan
- ✓ Windows, check screens for safety issues.
- ✓ Use green cleaning or natural products to make your child's environment healthier. Check online for recipes to make natural cleaning products.

E amine Your Relationships

There are four main types of relationships you will have in life:

- Family
- Friendship
- Romantic
- Professional

It takes a tremendous amount of time and energy to develop and maintain healthy relationships. The most important factors in all relationships are communication, respect and trust. You must have the freedom to be yourself, share your feelings, beliefs and values, have common interests and be able to laugh together.

Unhealthy relationships generally start out good but unresolved conflict may lead to negative situations:

- Making degrading or threatening comments
- Ignoring or isolating you
- Physically abusing you
- Financially controlling you

It's important to protect yourself from people who disregard your right to a happy and healthy relationship.

Oxford University Professor, Robin Dunbar asserts that the part of the brain used for conscious thought and language, the neocortex, limits us to managing 150 friends, no matter how sociable we are.



our child counts on you

Someday your children will be ready to move out and live on their own. What can you do you help them prepare for this big step?

One of the most important skills your child will need to learn is financial literacy. Start giving an allowance as early as you can. The best rule of thumb is to begin at age 4 and give \$1.00 per year of age. Open a savings account and have the child deposit half of the money. Allow the child to then use the remaining money to spend as they wish. Going to the bank to deposit their money can become an invaluable life-long habit. They will learn mathematic skills like addition, subtraction as well as learning the concept of needs vs wants.

Chores help kids feel responsible and like a part of the family. Children may need guidance depending on their age.

- ✓ Pet care
- ✓ Time management
- ✓ Homework
- ✓ Reading
- ✓ Recreation
- ✓ Kitchen skills- help plan the menu, picking out groceries and putting away, preparing food, setting and clearing table, washing, drying, and putting dishes away.

*Try not to use plastic in front of your child.
They must learn the value of real money!*



illions of kids leave home

Your parents will be torn when you move out. They will be happy for you but they will worry a lot.

- ✓ Keep in touch and keep them involved with their grandchild. They will miss the daily interaction.
- ✓ Always ask for help before a problem gets out of hand.
- ✓ Make sure you have the income needed to support your family.
- ✓ Continue to learn academically,
- ✓ Know yourself and continue to grow.