

PALO PINTO GENERAL HOSPITAL

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Health Promotion Series-Financial Literacy

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Take Control of Your Money One Step at a Time

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Building a new future with money is a lot like building a home. You don't add the roof until you've finished framing, and you don't frame until the foundation is secure. Dave Ramsey's Baby Steps are designed to help you out of debt and stress and into a life of saving and giving. We're all in different places with money. Start right where you are and get where you want to be. Know-how is 20% of the equation. Behavior change and self-discipline make up the other 80%. You can do it! Just follow the steps.

Here's The Process:

\$1,000 to Start an Emergency Fund

An emergency fund is for those unexpected events in life you can't plan for. Whether there's a plumbing issue and everything but the kitchen sink is draining, or your brakes are squealing at every stop sign, you can be ready!



Pay Off All Debt but the House



List all debts but the house in order. The smallest balance should be your number one priority. Don't worry about interest rates unless two debts have similar payoffs. If that's the case, then list the higher interest rate debt first.

3 to 6 Months of Expenses in Savings

This step is all about building a full emergency fund. It's time to kick debt for good, with 3–6 months' worth of emergency savings. Sit down and calculate how much you need to live on for 3–6 months (for most that's between \$10,000–15,000) and start saving to protect yourself against life's bigger surprises like the loss of a job. You'll never be in debt again—no matter what comes your way.

Invest 15% of Household Income Into Retirement

Now it's time to get serious about retirement. With no payments and a full emergency fund, put 15% toward the retirement of your dreams. Between your 401(k), Roth IRA, and Traditional IRA, you have a lot of options. Find the fit that is right for you. The money you were using to attack debt can now help build your future.



College Funding for Children

College tuitions and housing expenses continue to rise. Don't let college sneak up on you. Saving now will put you ahead of the game when your kids graduate from high school. Two smart ways to save for your kids' college are a 529 college savings fund or an ESA (education savings account). These are both tax-advantaged savings vehicles that let you save money for your kids' education expenses.

Pay Off Home Early

It takes the average family five to seven years to pay their home off early. Just imagine life with no mortgage. There's only one more debt standing in the way of freedom from all debt! Apply all the extra money toward paying off your home. Not only are you paying off your home early, you'll be saving tens of thousands of dollars in interest fees.

Build Wealth and Give

This is the last step and by far the most fun. It's time to live and give like no one else! Build wealth, become insanely generous, and leave an inheritance for future generations. You know what people with no debt and no payments can do? Anything they want! Now that's leaving a legacy.



Great, So Where Do I Start?

The first step in taking control of your money is to create some cushion between you and life's little emergencies. Start by getting [\\$1,000 in savings](#). It's easier than you think, and it's absolutely worth it.

Most people can do it in a month or less, and these tools can help you get started.