J. Cooke:  Now, who's going to introduce our third speaker will be Cindy Henning who is from our Atlanta Regional Office.

C. Henning  Thanks, Jackie, and good afternoon, everyone. It's my pleasure today to introduce Dorothea Bernique from Charleston, South Carolina. Dorothea has been an independent representative in financial services since 2001 and a budget counselor and coach since 1999. She is licensed in the State of South Carolina as an insurance, mortgage and investment agent, and is a registered representative of NASD, which is the National Association of Securities Dealers.

Dorothea is very dedicated and committed to seeing others become educated and empowered in the area of finances, and she's especially dedicated to women. She is the founder and CEO of Increasing HOPE, which stands for Helping Others Prosper Economically, where Dorothea teaches and trains individuals on how to implement money management skills and strategies. Dorothea can also be heard on the radio right in the Charleston area weekly in Money Matter Mondays. Please join me in welcoming Dorothea Bernique.
D. Bernique

Thank you so much. It's a pleasure to be here today, and I'd like to just thank Jane and Jacqueline for the opportunity to speak with the ladies today. I would like to say also that Jennifer and Leanne have done a wonderful job in setting a foundation, and I was left with the task of speaking on, in reference to, are you tracking your spending and/or budgeting?

My favorite area is actually the budgeting category or area because I feel like it's foundational in establishing all of the other goals that we would like to accomplish. A budget tells us where your money is going, how much income is coming in, and exactly what you're doing with it. I wanted today to speak a little bit about some of the obstacles that we run into when we are deciding to go forward in this area.

For some of us, for some of you, it may be new for you to address your finances in this way in an organized manner. I know sometimes it can be a little bit intimidating because it hasn't been something that we were taught in the past. But one of the first things that we can do as far as tracking our spending is use a ledger or a checkbook or track your spending by just writing down everywhere that you spend money. Also, what you might want to do is also remember to account for any automatic deductions from your checking account, remember to ascertain that all your checks are accounted for, make sure that you assign one person, if
you're married, one person takes care of keeping up with the spending in your family.

I think Leanne did a very good job of explaining the net worth document, and I had a lot of that material in what I was going to talk about, but basically, establishing your net worth or your statement of income and expense. I think a budget, which we start out using that on, first of all, from day to day, week to week, month to month, the information that you ascertain from that, that you get from that can be used and is the information that would be used in determining a statement of income and expense.

So exactly what is your income? And that would come from working, from your actual annual income, investment income, your current annual savings and your current annual expenses. Once we track that and we know what that is, then, of course, you would again separate the expenses from the income. And then by being on a budget, you can ascertain whether or not your are exceeding some of the boundaries that you’ve set for yourself, because, basically, what a budget does is establish boundaries for your spending. If you keep yourself within your boundaries, then we will negate some of the obstacles that we run into.

I wanted to address briefly some of the excuses or some of the myths that
we run into as we attempt to go forward in this area, because, again, it can be sometimes very intimidating for us. One of the first things that we might hear is that, “I've tried to budget before, I've tried to get my finances in order, and I really don't understand what is a statement of income and expenses, what is a statement of financial position. I've tried it, and it didn't work for me.”

To that I would say that, actually, you're in the best position to succeed because you can benefit from your previous mistakes and the experiences that you've already had. So you already know that it's going to take a lot of effort, but you can be determined to make a long-lasting change in your life by just being committed to the change, and then use the mistakes that you had to benefit from, and to learn from your experiences that you've already had.

Another myth that we hear sometimes is that, “I live on a variable income and, therefore, I can't budget” or “It's hard for me to ascertain what my income is because it's always fluctuating or changing.” So although your income varies, you still need to follow a budget to ensure that your expenses do not exceed your average variable income. And again, the statement of income and expenses will help you be able to determine what that is, and therefore, you can then determine at least a basis, a baseline, for income, even though your income is variable.
The next myth or myth number three that we sometimes come up against is that, “It's impossible for me to determine what my contingencies or unplanned expenses may be.” We're always going to have things that come up that are unplanned. But as soon as you begin a budget or you establish some type of history with your income and expense statement, then the better you can predict future occurrences and include that in your income and expenses and your obligation, and you can build contingencies from your budget, actually.

Number four, sometimes you might think, “Well, I'm not actually mathematically inclined,” but in going forward in the process that you entered into with learning about your finances through Wi$e Up, knowing simple addition and subtraction is enough. You don't have to know geometry or complex algebra equations or anything like that. There are other tools that we can use, such as the calculator and the computer and computer programs, but basically, knowledge of your addition and subtraction is all you need to know to go forward in making and setting your goals.

Next, sometimes we might hear the adage or the excuse that “I'm not the financial type,” and basically, you don't have to be the financial type. You don't need a business degree. You don't need stock market knowledge.
You don’t need an accounting background in order to go forward in this area. All you are simply doing is keeping track of money that is coming in and money that is going out.

Next, some of our listeners may say, “Well, basically, I don’t even earn enough money or have enough income to establish a budget or to have an income and expense statement.” The smaller your income, normally, the stronger your need is to actually have a plan in place. When you budget, you limit excess spending, and it’s as if your income actually grows. So you will find that the more control that you get, the more money it will seem that you have.

Our next myth is we may go to the other extreme and ascertain that, “Well, I earn too much income to worry about a budget or worry about keeping up with my spending.” Unfortunately, normally, when our income rises or we do have a great income, our spending is also great. So actually setting up a plan and keeping to your plan will help you ensure that, as your income grows, your family benefits from that extra income and it doesn't just go out to unnecessary spending.

Our next myth we will discuss is we have money problems because we don't have enough income. Basically, money problems are not always a result of not having enough money. They tend to result from
overspending our money. So setting a plan in place, ascertaining what your income and your expenses are can actually help you locate areas in which your spending may be out of control.

Last, but not least, sometimes we determine that we actually don't have time to keep track of our financial situation or to keep track of a budget. In answer to that, it normally takes up far more time to handle a mess than it does to actually keep your finances in order. There's an old adage that goes, and we've all heard it, “An ounce of prevention is worth a pound of cure.” So, basically, if you would just take the time to sit down, ascertain what your net worth is by completing your statement of financial position, and then come up with your statement of what your current income and expenses are, sit down and determine what your long-range, short-term and intermediate goals are, you will find that it will take a lot less time for you to keep your finances in order.

In closing, I would just like to encourage all of the ladies out there that are taking the step to go forward and going to another level in the area of your finances and just getting control of that area to be committed to this and realize that commitment is what will transform the goals that you set for yourself into a reality. It will speak volumes of your intention--the fact that you are committed to this. The action, your actions, will speak louder than words.
Many times we say that we would like to accomplish things, but it's going to be your action, which will show your true level of commitment to change in the area of your finances. Commitment is what makes character and it's going to be commitment that will give you your day-to-day triumph in the area of your finances. I just want to let you know that you can make it happen, you can change.

I just would like to thank everyone on the conference call today for the opportunity to be a speaker, and I was quite nervous, which I think you can ascertain, but it was just wonderful to have this opportunity, and I would just like to turn it back over now to our conference leader.

J. Cooke Thank you so much, Dorothea. Thanks for that great presentation and explaining to us about all the different myths that we all suffer under and dispelling those for us, so that we can be committed and make a plan.