

# Contents

<b>Preface</b> .....	<b>ix</b>
<b>Acknowledgments</b> .....	<b>xi</b>
<b>How This Book Can Help You</b> .....	<b>1</b>
Money Management in Family Child Care .....	1
First Steps Toward Financial Health .....	4
What This Book Doesn't Cover .....	6
<b>Part I: Manage Your Money</b>	
<b>Chapter One: Reduce Your Spending</b> .....	<b>9</b>
Track Your Spending Exercise .....	10
The Culture of Spending .....	12
Don't Show Your Love by Spending .....	12
Strategies for Reducing Your Expenses .....	15
<b>Chapter Two: Increase Your Savings</b> .....	<b>19</b>
Where to Find the Money .....	20
Short-Term and Long-Term Savings .....	21
Where to Put Your Short-Term Savings .....	22
How to Get Started .....	25
Teach Your Children to Save .....	26
<b>Chapter Three: Get Out of Debt</b> .....	<b>29</b>
Your Credit Rating .....	30
Credit Card Debt .....	31
How to Pay Down Your Debts .....	33
Credit Counseling Services .....	35

<b>Chapter Four: Raise Your Income</b> .....	<b>37</b>
Care for More Children .....	38
Raise Your Rates .....	40
Increase Your Fees .....	45
More Strategies for Increasing Your Income .....	50
<b>Chapter Five: Set Your Financial Goals</b> .....	<b>55</b>
Prioritize Your Goals .....	55
Develop a Financial Plan .....	58

## **Part II: Understand Your Options**

<b>Chapter Six: Buying a Car or Van</b> .....	<b>63</b>
How Much Should You Spend? .....	63
Should You Buy New or Used? .....	64
Should You Buy or Lease? .....	65
Should You Spend More for the Tax Deduction? .....	65
How to Pay for Your Next Vehicle .....	66
What Are the Insurance Costs? .....	69
<b>Chapter Seven: Getting a Business Grant or Loan</b> .....	<b>71</b>
Getting a Grant .....	71
Getting a Business Loan .....	74
<b>Chapter Eight: Hiring Employees</b> .....	<b>79</b>
Who Is an “Employee”? .....	79
Requirements for Employers .....	80
Compare the Costs and Benefits .....	81
Checklist for Hiring an Employee .....	83
<b>Chapter Nine: Moving Your Business Out of Your Home</b> .....	<b>85</b>
The Pros and Cons of Moving Your Business .....	85
The Financial Consequences .....	86
Checklist of Other Issues .....	88
<b>Chapter Ten: Handling Major Transitions</b> .....	<b>89</b>
Getting a Divorce .....	89
Closing Your Business .....	93

## Part III: Prepare for Retirement

<b>Chapter Eleven: Social Security and Pensions</b> . . . . .	<b>101</b>
Pensions . . . . .	102
Social Security . . . . .	103
Earned Income . . . . .	109
Investment Income . . . . .	109
<b>Chapter Twelve: How Much Should You Be Saving?</b> . . . . .	<b>111</b>
Estimate How Much You Need to Save . . . . .	112
Experiment with Your Assumptions . . . . .	114
Refine Your Estimate . . . . .	116
You Aren't Alone . . . . .	117
<b>Chapter Thirteen: How You'll Reach Your Savings Goal.</b> . . . . .	<b>121</b>
Can You Afford to Save for Retirement? . . . . .	121
Start with Small Steps. . . . .	123
How Money Grows Over Time . . . . .	123
Where to Find the Money to Save . . . . .	126
<b>Chapter Fourteen: The Five Rules of Investing</b> . . . . .	<b>129</b>
Rule 1: Invest for the Long Term . . . . .	130
Rule 2: Balance Your Investments . . . . .	132
Rule 3: Diversify Your Investments . . . . .	135
Rule 4: Shop Around for Low Fees . . . . .	137
Rule 5: Educate Yourself about Investing . . . . .	138
<b>Chapter Fifteen: Choosing Your Investments</b> . . . . .	<b>141</b>
Stock Mutual Funds . . . . .	141
Index Funds. . . . .	144
Life Cycle Funds. . . . .	149
Employer 401(k) and 403(b) Plans. . . . .	151
More Advanced Investment Options . . . . .	152
Choose Your First Investments. . . . .	155
How to Get Started . . . . .	157

<b>Chapter Sixteen: Choosing Your IRA Plans</b> .....	<b>161</b>
How IRAs Work .....	161
Why IRAs Are So Important .....	162
The Six Major IRA Plans .....	164
Choosing Between the IRA Plans .....	173
Tax Credit for Low-Income Taxpayers .....	176
Prioritize Your Retirement Investments .....	177
How to Set Up an IRA .....	178
<b>Chapter Seventeen: Working with a Financial Advisor</b> .....	<b>179</b>
Finding a Financial Advisor .....	180
Choosing a Financial Advisor .....	182
Working with Your Financial Advisor .....	184
<b>It's Not Just about the Money</b> .....	<b>187</b>
 <b>Appendix</b>	
<b>Resources</b> .....	<b>189</b>
Web Resources .....	191