A better house, is it possible?

You have a goal: improving your house for your family, but you think that your economic situation won’t allow you to take out a loan. A huge part of the solution is learning how to manage your money better, we invite you to follow along and learn.

Try to answer the following questions, first individually and then as a group.

Question #1

Your money, Investment or Expense?

Hey, I invested my money in a stereo!

Wow, a new stereo? But were you making an investment or just spending money?

What? Aren’t they the same thing?

Hey, I invested my money in a stereo!

Yes! Your money is now going to be spent differently.

It’s called an investment!

Of course not, the stereo wasn’t necessary, you already had an old one that worked just fine. Besides, you know you need to improve your house.

You’re right. I should have thought about it better and used that money to improve my house.

Question #2

Necessary Expenses
Unnecessary Expenses
Do you know the difference?

Unnecessary expenses aren’t bad, you just need to prioritize and reduce them so that you can use the money for your necessary expenses and/or investing purposes.

Can necessary expenses turn into an investment?

The advantage to knowing how to use your money is that it helps you to control your expenses so you can invest in something that you need as well as want: a better house.

Question #3

What is a Family Budget?

A budget is an itemized plan of your income and expenses. It allows you to see how much money you make, where it goes and how to balance your income with your expenses. It is a very important tool that disciplines, organizes and allows us to see if we can use the payment and saving capacity that we need to invest in our goals for example, improving your house.

What benefit comes from making a budget?

You can:
• Avoid spending more than you make.
• See where your money is being spent.
• Know how to increase your payment and saving capacity.

The way to figure out if you are spending more or less than you make is as follows:

Income – Expenses = Savings/Deficit

Figure out your saving capacity:

Income
Expenses
Savings or Deficit?

Income-Expenses=Savings/Deficit

Try to answer the following questions, first individually and then as a group.

Question #4

Your money, Investment or Expense?

Does your family have a budget?

You can put your money to good use.

Do you invest your money or spend it?

Necessary expenses or unnecessary expenses, you decide.
Habitat for Humanity is one way to help you get a better home. Would you like to know more about us?

Habitat for Humanity is a movement involving volunteers, churches, businesses, NGOs, governments and families, all working towards eradicating substandard housing.

Habitat offers loans, technical assistance and training so that families may improve their housing and contribute to improving their quality of life for your family.

Since 1976, Habitat has helped thousands of low-income families around the world improve their living conditions.

Savings Deficit
The main benefit of saving is the ability to be able to cope with any unforeseen situations that may arise.

Savings is putting some of your income aside to have money available.

Savings is turning off unused lights.

Savings is not letting the water run.

Question #4
What are savings? And what does it mean to you to save?

Consider the following concepts:

Concept 1:
A loan is an option for families that manage their money well.

Habitat for Humanity offers housing loans in accordance with the needs and means of low income families.

A loan is based on credibility and trust. It enables you to satisfy a need as well as improve the quality of life for your family.

By taking out a loan you are responsible to use it properly so that it is helpful and not harmful to your well being.

In order for your family to practice good payment habits, there are two essential elements to keep in mind:

1- Controlling your expenses.
2- Willingness to Pay

Your person or family’s responsibility to pay off your debt doesn’t depend on how much your income is, but rather on your commitment to pay.

In order to maintain and increase the value of your house, it is important to take care of and maintain it as needed.

The value of your house, your best investment.

• Your house is an investment. Usually the value of your newly built or improved house appreciates over time, even the property itself increases in value. For this reason, each payment you make is an investment that will give you better economic profits and better living conditions needed for the integral development of your family.

• Improving your quality of life. A proper house improves the environmental conditions in which your family lives.

• Benefits vs. sacrifices. By making your loan payments punctually you are ensuring a future investment.

You decide:

By paying punctually you are helping other families.

Your house, is your best investment.