

MODULE 4

PLANNING MY ABILITY TO PAY





WIRTSCHAFTSWISSEN

FÜR JEDERMANN LEICHT GEMACHT

SINCERE

WELCOME

Do you feel the same?

Do you have difficulties in the area of finance? This is about how you deal with the money you earn.

In this brochure you can inform yourself and make yourself smarter in the economic area.



“Money is the opposite of the weather.

Nobody talks about it, but everyone does something with it.”

Rebecca Johnson



TABLE OF CONTENTS

THE WIWI PROJECT IS A FINANCIAL PROJECT.
IN THIS TRAINING PROGRAM YOU CAN LEARN IMPORTANT
INFORMATION THAT WILL EXPAND YOUR FINANCIAL
KNOWLEDGE.

Character	01.	How can I always pay my bills?	02.
What much income do I have?	03.	What much expenses do I have?	04.
What does a budget look like?	05.	What is a debt trap?	06.
How can I improve my budget	07.	How much should be saved?	08.
What expenses can I reduce?	09.		

01

CHARACTER



MAIN CHARACTER

In all **modules** we show figures. The figures are imaginary and wear clothing from the Middle Ages. They should help to explain so that the topic is easier for you to understand. The figures were chosen so that you don't confuse them with real people.



The Farmer

That's you, if you are a male.

The Midwife

That's you, if you are a female





The Mayor

He always comes to explain difficult technical things to you.

EXACTLY/ SPECIFIC

The Judge

He always explains something important to you “**IMPORTANT!**”



The Knight

The knight always explains what you have to watch out for with: “**DANGER/CAUTION**”.



02

How can I always
pay my bills?



How can I always pay my bills?

Your account shows you your ability to pay. As you saw in Module 1, there are many expenses and few incomes in your account. You always have to control your account. Not every month is the same. There are months when you get a lot of bills such as tax and utility bills. And months, there is additional money, e.g. Christmas money.



Warum muss ich mein Geld
- also meine Finanzen - planen?

Damit Du immer
den Überblick
über Dein Geld hast.

Naja - ich habe
das auch so gut
im Griff.
Kann meinen Konto-Stand
aimmer in der App
anschauen.

Das ist auch gut so.
Aber wie planst Du größere
Ausgaben wie Reisen,
neue Anschaffungen oder den
plötzlichen Ersatz von wichtigen
Geräten? Du musst das nicht
jeden Tag machen. Aber planen
vermeidet, dass Du in Geld-
Schwierigkeiten
kommst.



What income do I Have?



The budget planning shows you how much money you really have available. That means your ability to pay in personal life. This is what known as liquidity planning in personal life. This is absolutely essential to see if you are "liquid". That's why you should check it regularly. You may also need to adjust your behavior and spending. Do you have your money availability - including liquidity - under control? So you are "liquid", then you can pay all the bills and continue to participate financially in everyday life.

The income is quite clear, because unfortunately there are only a few positions. By far the most important item is your salary or – if you are currently unemployed – your unemployment benefit.

- * salary
- * zial-GSeold
- * unemployment money
- * ensioPn / early retirement
- * children money
- * allowances e.g. housing benefit, etc.

Of course, not only your net salary is interesting, i.e. what are you actually paid. There are big differences in salaries between countries. Europeans had an average net salary of €14,739.00 in 2019. But the differences in the individual countries are very big:



In some countries the net Employee is only 50% of the gross, depending on the personal situation of the employee. The largest items here are social security contributions, especially pensions. If you only look at the gross salary, you have a big problem with illness or with your pension.

EXACTLY/ SPECIFIC

	Liechtenstein	€ 67.550
	Switzerland	€ 42.067
	Luxembourg	€ 35.096
	Germany	€ 23.779
	Belgium	€ 20.886
	Netherlands	€ 20.416
	France	€ 20.306
	Austria	€ 19.226
	Italy	€ 17.799
	EUROPE	€ 14.739
	Spain	€ 14.636
	Czech Republic	€ 9.959
	Poland	€ 7.589

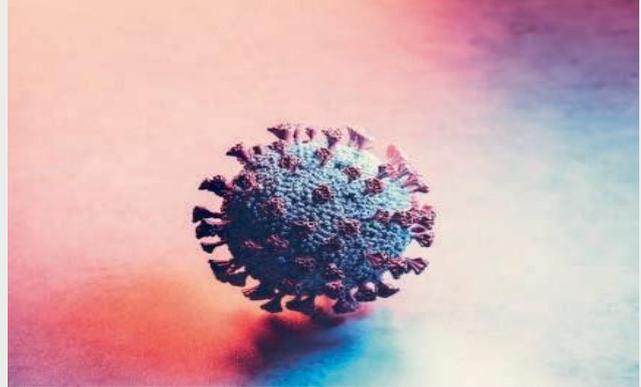
Source: GfK, Statistica.com

You must not simply compare the different net salaries in the individual countries. Each country also has different costs for rent, car, insurance, groceries, etc. This ratio of the net salary and the cost of living is also known as purchasing power. And it's similar in the different countries.

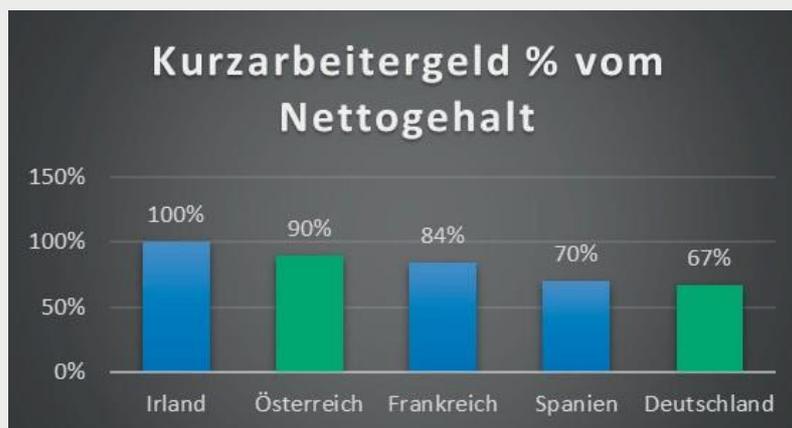
IMPORTANT



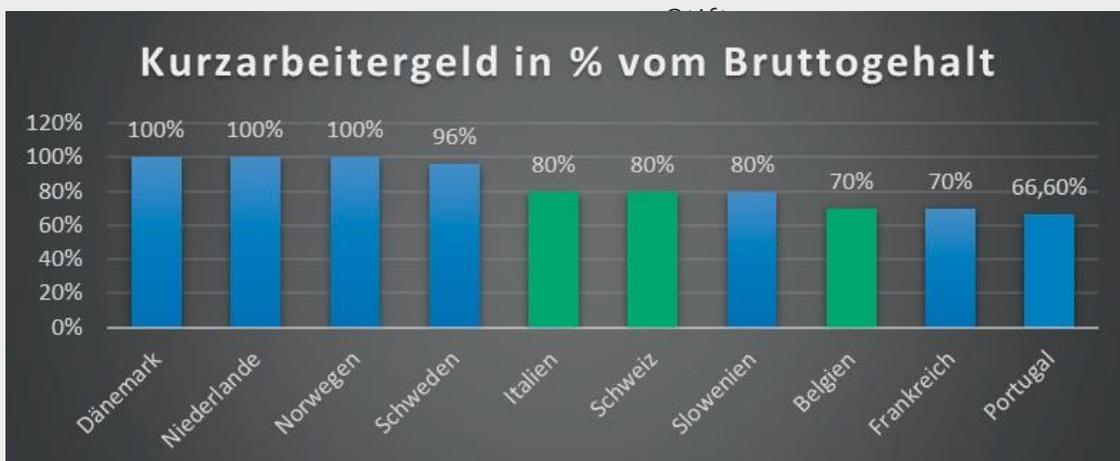
Especially during the crises of the last few years, many had to go on short-time work. Short-time work is a state instrument. Your employer uses this if he suddenly has no more work for you. Above all, if problems are caused by an external event such as Covid-19 or a financial crisis, he can apply for short-time work benefits. Then he doesn't have to fire you and the employment office and your company pay you a large part of your wages.



Unfortunately, the short-time allowance does not replace your entire salary. You can also save a little money during this time because you no longer have to drive to work. An overview of the Covid 19 crisis as of 2021 shows the differences in the individual countries in terms of short-time work benefits.



Source: Hans-Böckler-



Here, too, there are big differences in the short-time work allowance in the countries. So be glad it even exists.

Wir können auch noch
Beihilfen zum Einkommen
beantragen.
Weißt Du das?

Na klar.
Kindergeld bekommt jeder.
Wenn Du nicht so viel
verdienst, kannst Du auch
Beihilfen zum Beispiel
für Wohnen beantragen.

Klingt gut.
Aber ist das kompliziert?

Na ja,
wie immer viel
Papierkram, aber es kann sich
lohnen. Am besten beim
Sozialamt mal anfragen oder
im Internet schauen.
Da steht dann, ob und
was man als Zuschüsse
bekommt.

Stimmt.
Aber man bekommt
die auch nur, wenn man
wirklich ganz wenig oder kein
Einkommen hat. Aber dafür sind
diese Beihilfen keine Kredite. Die
musst Du nicht zurückzahlen.
Wir können uns ja mal
erkundigen.



What expenses do I have?

In contrast to your income, your expenses are much more confusing. There are a lot. The expenses that you have in the same amount each month are fixed expenses. Fixed because the altitude doesn't change - or at least not continuously throughout the year. These are also usually debited directly from your account. We presented this in Module 1.

Your fixed expenses are:

- * **Rent or installment real estate loan**
- * **Advance payments Additional costs for gas, water, electricity**
- * **insurance**
- * **uSetern for car/motorcycle**
- * **credit installments**
- * **Communication: internet, telephone, smartphone, streaming, gaming**
- * **Sports clubs**
- * **union contribution**
- * **aTschen money for children**

What does a budget plan look like?

A typical budget plan. We have already filled it in with numbers – i.e. entered income and expenses. This was created with an Excel spreadsheet, which you can download from our web platform:

www.wiwi-project.eu



EXACTLY/ SPECIFIC

Creating a budget is easier with a PC and a spreadsheet than with pen and paper. But some still prefer to do it with pen and paper.

If you have a PC, you can think about how to fill it out. If you don't have a PC because you do everything with your smartphone, then print out the blank plan and fill it in with a pen. Also works fine. All you have to do then is add up the numbers yourself.



HAUSHALTS-PLAN MONAT: FAMILIE GESCHIEDEN 1 KIND		
Ist-Zustand		
EINNAHMEN	Du	PartnerIn
Lohn/Gehalt (netto)	€ 2.050,00	€ 900,00
Rente/Pension (netto)		
Ersatzeinkünfte:		
Kindergeld	€ 320,00	
Zuschüsse		€ 80,00
TOTAL EINNAHMEN HAUSHALT PRO MONAT	€ 3.350,00	
AUSGABEN		
FIXE AUSGABEN		
<i>Alimente für Kinder 1. Ehe</i>	€ 100,00	
<i>Wohnungskosten</i>		
Miete	€ 900,00	
Rate Hypothekarkredit wenn Eigentum		
Öl / Gas für Heizung	€ 50,00	
Strom	€ 25,00	
Wasser	€ 20,00	
Müllgebühr	€ 10,00	
Immobiliensteuer wenn Eigentum		
<i>Versicherungen</i>		
Feuerversicherung	€ 10,00	
Familienhaftpflicht	€ 10,00	
BU	€ 60,00	€ 30,00
Hausrat	€ 10,00	
<i>Fahrtkosten</i>		
Bus / Zug-Abonnement		€ 20,00
Autoversicherung	€ 20,00	
Autosteuer	€ 15,00	
<i>Kredite</i>		
Autokredit	€ 200,00	
Ratenkredit TV	€ 15,00	
Ratenkredit Möbel		€ 15,00
Ratenkredit Urlaubsreise	€ 10,00	€ 10,00
<i>Gesundheitskosten</i>		
Krankenkassenbeitrag	€ 180,00	€ 60,00
Zusatzversicherung/Hospitalia	€ 15,00	€ 15,00
Arzt-Zusatzkosten	€ 20,00	€ 25,00
<i>Kommunikation</i>		
Telefon + Internet Festnetz	€ 40,00	
Mobilfunk inkl. Kids	€ 25,00	€ 15,00
Fernseh/Radiogeühren/Sky/Netflix/Streaming		€ 10,00
Abo online Gaming	€ 15,00	
<i>Rechtsschutz/Vorsorge</i>		
Rechtsschutz	€ 10,00	
Beitrag Gewerkschaft	€ 5,00	
<i>Sportverein / Fitnessstudio</i>	€ 5,00	€ 15,00
<i>Taschengeld Kids</i>	€ 15,00	€ 15,00
TOTAL FIXE AUSGABEN	€ 1.785,00	€ 230,00
VARIABLE AUSGABEN		
Nahrungsmittel/Getränke	€ 300,00	€ 180,00
Zusatz Diät		€ 20,00
Tabak	€ 20,00	
Reinigungsmittel, Kosmetik, Hygiene	€ 25,00	€ 30,00
Benzin	€ 75,00	
Reparaturen / Service	€ 60,00	
Apotheke	€ 12,00	€ 60,00
Coiffeur - Jahr umgerechnet Monat	€ 5,00	€ 20,00
Schulkosten (Bücher, Mittagessen, Ausflug)	€ 20,00	
Tiere	€ 15,00	
Restaurant / Ausgehen / Freizeit	€ 100,00	€ 100,00
Möbel, Elektrogeräte - Jahr umgerechnet Monat	€ 80,00	€ 60,00
Kleidung	€ 25,00	€ 35,00
Verschiedenes	€ 40,00	€ 40,00
TOTAL VARIABLE AUSGABEN	€ 777,00	€ 545,00
TOTAL AUSGABEN HAUSHALT PRO MONAT	€ 3.337,00	
SALDO [Einnahmen - Ausgaben]	€ 13,00	

Notes on the House Halt Plan:

- You are divorced and now living in your second marriage.
- you have a child
- You also have a child from your first marriage. That lives with his mother.
- You are both employed. You go to work by car, your wife takes public transport.
- You live for rent.
- You only have one car, you bought it with a car loan.
- You also bought a new TV and furniture with Purchase Credits. You really wanted the things, but your account was dead at the time
- "not liquid".
- You also really wanted to do the last holiday trip. That's why you paid for them online with a loan.
- The whole family has smart phones. You also have a Netflix and online gaming subscription.
- You have all the important insurance [see module 3].
- You are a member of the local sports club,



You buy your drinks and groceries in the supermarket. You go to a restaurant or a pub with friends from time to time.



Ist das ein guter
oder ein schlechter
Haushalts-Plan?
13,00 € sind am Ende
vom Monat übrig.
Reicht das?

Das ist schon recht
knapp. 13,00 € ist kein
großer Puffer. Schnell sind
Deine variablen Ausgaben
100,00 € mehr im Monat.
Dann bist Du sofort im
Minus.

Stimmt.
Ein Mini-Puffer.
Mal mehr mit dem Auto
gefahren, schon musst Du
wieder tanken. Einmal auf
ein Konzert, das ist auch
teuer. Oder eine Party geben,
da kommen schnell mehr
Ausgaben
zusammen.

Ja.
Ganz schnell sind noch
mal 100,00 € ausgegeben.
Und ich habe ja nichts gespart.
Gebe ich immer mehr als die
13,00 € aus, dann mache ich
Schulden.

Oje..



It is best if you correct all income and expenses with your real values. This exercise is also good for you to see what expenses you have.

IMPORTANT



Once a year you have to pay the tax and insurance for your car. Look for these expenses in the documents or in your account. They must be used in the budget per month, divide the amount by 12. Then enter the result in the line under expenses.

If an expense category is missing, simply add it as a new line. If you cannot download the Excel, here is the form on the next page to fill out:

HAUSHALTS-PLAN MONAT		
EINNAHMEN	Du	PartnerIn
Lohn/Gehalt (netto)		
Rente/Pension (netto)		
Ersatzeinkünfte:		
Kindergeld		
Zuschüsse		
TOTAL EINNAHMEN HAUSHALT PRO MONAT	€	-
AUSGABEN		
FIXE AUSGABEN		
<i>Alimente für Kinder 1. Ehe</i>		
Wohnungskosten		
Miete		
Rate Hypothekarkredit wenn Eigentum		
Öl / Gas für Heizung		
Strom		
Wasser		
Müllgebühr		
Immobiliensteuer wenn Eigentum		
Versicherungen		
Feuerversicherung		
Familienhaftpflicht		
BU		
Hausrat		
Fahrtkosten		
Bus / Zug-Abonnement		
Autoversicherung		
Autosteuer		
Kredite		
Autokredit		
Ratenkredit TV		
Ratenkredit Möbel		
Ratenkredit Urlaubsreise		
Gesundheitskosten		
Krankenkassenbeitrag		
Zusatzversicherung/Hospitalia		
Arzt-Zusatzkosten		
Kommunikation		
Telefon + Internet Festnetz		
Mobilfunk inkl. Kids		
Fernseh/Radiogebühren/Sky/Netflix/Streaming		
Abo online Gaming		
Rechtsschutz/Vorsorge		
Rechtsschutz		
Beitrag Gewerkschaft		
Sportverein / Fitnessstudio		
Taschengeld Kids		
TOTAL FIXE AUSGABEN	€	- €
VARIABLE AUSGABEN		
Nahrungsmittel/Getränke		
Zusatz Diät		
Tabak		
Reinigungsmittel, Kosmetik, Hygiene		
Benzin		
Reparaturen / Service		
Apotheke		
Coiffeur - Jahr umgerechnet Monat		
Schulkosten (Bücher, Mittagessen, Ausflug)		
Tiere		
Restaurant / Ausgehen / Freizeit		
Möbel, Elektrogeräte - Jahr umgerechnet Monat		
Kleidung		
Verschiedenes		
TOTAL VARIABLE AUSGABEN	€	- €
TOTAL AUSGABEN HAUSHALT PRO MONAT	€	-
SALDO [Einnahmen - Ausgaben]	€	-

If you are no longer "liquid", i.e. you have no more money, you have to update your budget plan. There you can see exactly where you have spent more money. If you're falling deeper and deeper into the red on your account, it's time to review all of your spending.

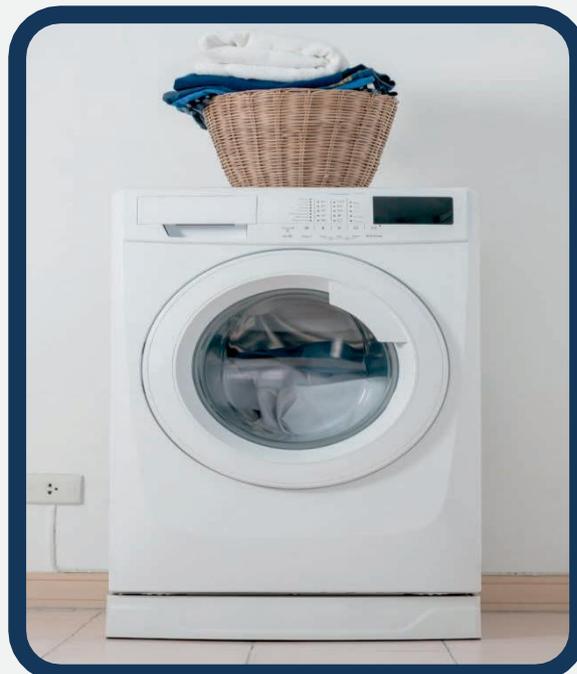
Otherwise you will soon no longer be able to pay your bills – especially the fixed expenses. The bank refuses the debit because your account is too low. Now you have a real problem:

you are in debt You are in the debt trap.

If you cannot get on with your high expenses and your debts, contact the debt advice center or the consumer protection center [VSZ]. Take your house hold plan with you. Otherwise, this must first be done with you.

Debt counseling is only possible with a budget plan in order to be able to save on expenses.

IMPORTANT



Wie kann mein Haushaltsplan verbessert werden?

Was kann ich machen, wenn ich einige Zeit lang einige EURO am Ende vom Monat übrig habe?

Na ja, ein oder zwei Monate mal etwas übrig haben ist ganz normal. Dann kommen Monate, da brauchst Du mehr Geld. Also solltest Du immer den Rest sparen. Und Du musst an Deine Alters- Rente denken.

Ja stimmt. In den letzten Monaten habe ich leider immer mehr Geld ausgegeben. Jetzt bin ich ziemlich im Minus auf meinem Konto.

Dann muss ich mich jetzt mit dem Einsparen meiner Ausgaben beschäftigen.

Ich will nicht in der Schulden-Falle landen!

Oje. Du brauchst unbedingt einen Puffer. Sonst landest Du in der Schulden-Falle. Was machst Du, wenn Du plötzlich krank wirst? Deine Wasch-Maschine geht kaputt und Du musst eine neue kaufen?



How much should be saved?

Whoever you ask, you'll get different answers. The 50/30/20 rule is often quoted:



50% basic expenses: rent, food, mobility



30% Personal expenses: free time, hobbies,



20% Savings & Investing: Reserves, stocks, real estate



IMPORTANT

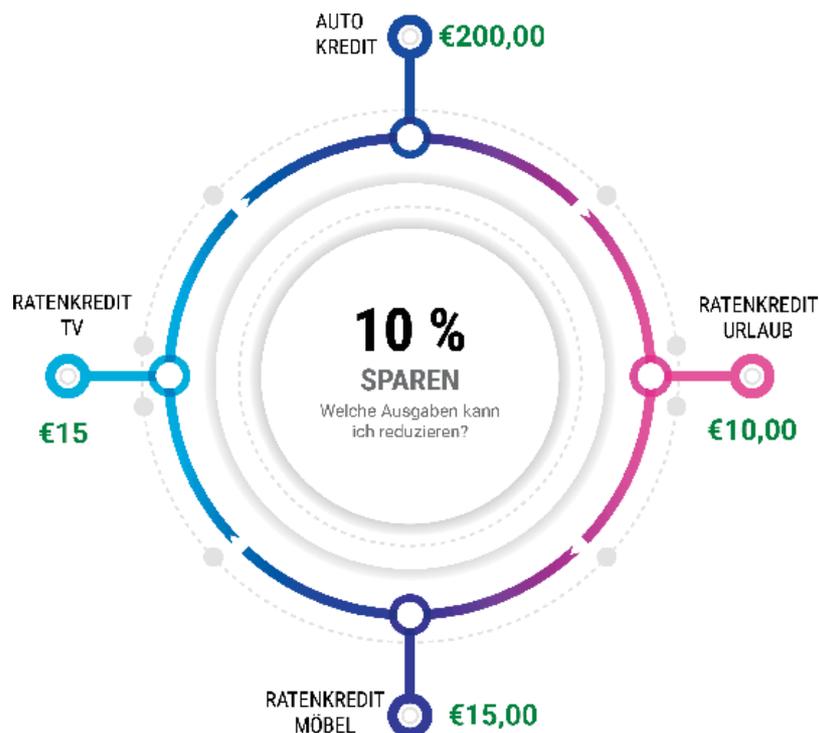


Does saving make sense for you? So, for example, always save and invest 20% of your income? This is called the savings rate – here 20%.

If you have an income of €1,200.00 net per month and save €100.00 - not even 10% - that is a real achievement.

If you have €5000.00 net, then 20% is €1000.00 and you still have €4000 left. This is easy to do.

So we look again at the budget plan and calculate what is feasible. Let's determine a savings rate of 10%. How can this work?



What expenses can I reduce?

This is always the crucial question if you don't have a very high income. Any debt counselor will do this exercise with you. But now we're doing it voluntarily so that, it doesn't come to that.

The following expenses can actually be reduced without having to completely change your life:

Credits:

As you were introduced to in module 2, you should only buy things if you have money for them. So save first and then buy. If you are "not liquid", the purchase or the trip will have to wait.

In the example of budget planning, we do without these loans. So that would look like this:

Previously

Credits		
Car loan	€ 200,00	
Installment loan TV	€ 15,00	
Installment loan furniture		€ 15,00
Installment loan holiday trip	€ 10,00	€ 10,00

Afterward

Credits		
Car loan	€ -	
Installment loan TV	€ -	€ -
Installment loan furniture	€ -	€ -
Installment loan holiday trip	€ -	€ -

You now save €250.00 every month!

IMPORTANT



A real estate loan would make sense. As already explained in Module 1. You save the rent for that. So, if you have this, the rate for the real estate loan remains within the fixed expenses. The rent is gone for this. You only get this loan when you have already saved 30% of the price for your apartment. You or the both of you must already have a good income for this. Fortunately, there are also cheap houses and apartments in the country.

Communication

Today life does not work without communication. But you can save money here. Either you switch to a cheaper provider. Or you show a good offer from the competition to your current provider. Your current provider often gives you better conditions all of a sudden. But you have to address this. They don't contact you voluntarily.



Previously

Telecommunications		
Telephone + internet landline	€ 40,00	
Mobile communications including kids	€ 25,00	€ 15,00
TV/Radio Fees/Sky/Netflix/Streaming		€ 10,00
Online gaming subscription	€ 15,00	

Afterward

Telecommunications		
Telephone + internet landline	€ 30,00	
Mobile communications including kids	€ 20,00	€ 10,00
TV/Radio Fees/Sky/Netflix/Streaming		€ 10,00
Online gaming subscription	€ 5,00	

And again you save €30.00 every month!

Additional costs for housing

The same applies to the additional costs of gas and electricity as to communication. Find a cheaper provider. Talk to your current provider. Either he reduces his conditions or you go to the new provider. It's very easy and the new provider does almost everything for you with the re-registration. You should also check your refrigerator, your computer and your lamps: are these energy-saving devices? If you pay attention to this the next time you go shopping, you can save half of your electricity.



Previously

Oil / gas for heating	€	40,00
Electricity	€	25,00

Afterward

Oil / gas for heating	€	40,00
Electricity	€	25,00

And again you save €15.00 every month!

You could also quit smoking. That's now reduced to half in the budget.



Previously

Tobacco	€	20,00
---------	---	-------

Afterward

Tobacco	€	10,00
---------	---	-------

And again you save €10.00 every month!

In total, you save €305.00 per month just by reducing your expenses and without major restrictions in your life.

The household income is unchanged at €2,950.00.

REVENUE	You	Your partner
Wage/salary (net)	€ 2.050,00	€ 900,00

The savings of 305.00 € are exactly **10.3% savings of income** [$305/2950 = 10.34\%$].

Spending money is easier than saving money. It is tedious and annoying to look at fixed expenses from existing contracts. You often have one contract signed and it runs and runs. The money will be deducted from your account every month.

But there are often many ways to save on these expenses as well. The budget forces you to take everything "in hand" again. Then you have to ask yourself the following questions:

do I even need this?

Can't I get this cheaper now? That pays off.

IMPORTANT



Das ging ja eigentlich ganz
„schmerzfrei“
mit den Einsparungen.
Das sind jetzt 305,00 €
Jeden Monat!

Genau.
Das sind 10% vom Nettoeinkommen.
Vorhin haben die von 20%
Sparen gesprochen!?

Das mit den 20% ist
eine Formel für alle. Beim
Einkommen von insgesamt
2.950,00 € pro Monat
sind 10% Sparen schon
richtig gut.

Wir können es
nun sparen in einem
Spar-Fond, damit es immer
mehr Geld wird. Übrigens, trotz
der Einsparungen bleiben noch
immer die 13,00 € als Mini-Puffer
über die Monate.



HAUSHALTS-PLAN MONAT: FAMILIE GESCHIEDEN 1 KIND		
weniger Ausgaben dafür Sparen		
EINNAHMEN	Du	PartnerIn
Lohn/Gehalt (netto)	€ 2.050,00	€ 900,00
Rente/Pension (netto)		
Ersatz Einkünfte:		
Kindergeld	€ 320,00	
Zuschüsse		€ 80,00
TOTAL EINNAHMEN HAUSHALT PRO MONAT	€ 3.350,00	
AUSGABEN		
FIXE AUSGABEN		
<i>Alimente für Kinder 1. Ehe</i>	€ 100,00	
<i>Wohnungskosten</i>		
Miete	€ 900,00	
Rate Hypothekarkredit wenn Eigentum		
Öl / Gas für Heizung	€ 40,00	
Strom	€ 20,00	
Wasser	€ 20,00	
Müllgebühr	€ 10,00	
Immobiliensteuer wenn Eigentum		
<i>Versicherungen</i>		
Feuerversicherung	€ 10,00	
Familienhaftpflicht	€ 10,00	
BU	€ 60,00	€ 30,00
Hausrat	€ 10,00	
<i>Fahrtkosten</i>		
Bus / Zug-Abonnement		€ 20,00
Autoversicherung	€ 20,00	
Autosteuer	€ 15,00	
<i>Kredite</i>		
Autokredit	€ -	
Ratenkredit TV	€ -	€ -
Ratenkredit Möbel	€ -	€ -
Ratenkredit Urlaubsreise	€ -	€ -
<i>Gesundheitskosten</i>		
Krankenkassenbeitrag	€ 180,00	€ 60,00
Zusatzversicherung/Hospitalia	€ 15,00	€ 15,00
Arzt-Zusatzkosten	€ 20,00	€ 25,00
<i>Kommunikation</i>		
Telefon + Internet Festnetz	€ 30,00	
Mobilfunk inkl. Kids	€ 20,00	€ 10,00
Fernseh/Radiogeühren/Sky/Netflix/Streaming		€ 10,00
Abo online Gaming	€ 5,00	
<i>Rechtsschutz/Vorsorge</i>		
Rechtsschutz	€ 10,00	
Beitrag Gewerkschaft	€ 5,00	
<i>Sportverein / Fitnessstudio</i>	€ 5,00	€ 15,00
<i>Taschengeld Kids</i>	€ 15,00	€ 15,00
TOTAL FIXE AUSGABEN	€ 1.520,00	€ 200,00
VARIABLE AUSGABEN		
Nahrungsmittel/Getränke	€ 300,00	€ 180,00
Zusatz Diät		€ 20,00
Tabak	€ 10,00	
Reinigungsmittel, Kosmetik, Hygiene	€ 25,00	€ 30,00
Benzin	€ 75,00	
Reparaturen / Service	€ 60,00	
Apotheke	€ 12,00	€ 60,00
Coiffeur - Jahr umgerechnet Monat	€ 5,00	€ 20,00
Schulkosten (Bücher, Mittagessen, Ausflug)	€ 20,00	
Tiere	€ 15,00	
Restaurant / Ausgehen / Freizeit	€ 100,00	€ 100,00
Möbel, Elektrogeräte - Jahr umgerechnet Monat	€ 80,00	€ 60,00
Kleidung	€ 25,00	€ 35,00
Verschiedenes	€ 40,00	€ 40,00
TOTAL VARIABLE AUSGABEN	€ 767,00	€ 545,00
TOTAL AUSGABEN HAUSHALT PRO MONAT	€ 3.032,00	
SALDO [Einnahmen - Ausgaben]	€ 318,00	
Fonds-Sparplan	€ 250,00	€ 55,00
SALDO NACH ALTERSVORSORGE	€ 13,00	



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