

Personal finance management assignment

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Personal finance management is a topic that very few actually understand. There were no finance classes given when I was coming into adulthood. So I had no understanding of credit scores, credit reports, and credit cards. Nor did I have a clue about Interest rates and what It meant to have good credit. I was In the dark about finance period. Over the years, I have learned about debt, bad credit, and collections. These are things that I came to learn very well and struggled with not knowing how to fix these issues.

I did not know the importance of making credit card payments or any type of payments on time. At the start of this course I was \$89, 000 in debt. I could not get a line of credit or approved for an apartment with that much debt listed on my credit report. I was literally in financial ruins and had no clue how to get out of it. I signed up for debt relief programs and I ended up owing money and still had no debt relief. So I decided to contact an attorney and we discussed different forms of debt relief programs and bankruptcy.

Although bankruptcy Is a last resort method that was the best choice for my current situation. I am newly divorced and I had shared debt from my past marriage, doctor bills, credit card bills, student loans, and Just a wide range of miscellaneous debts. The choice to file a chapter 7 bankruptcy was my only option. I was able to keep my possessions and all of my debt was discharged with the exception of my student loans. Now I am in the process of rebuilding my credit and this course came at the most perfect time of my life.

I have learned so much from this course pertaining to finance that I can use on my journey in rebuilding my credit and making a healthier financial situation for myself. I learned the difference between open and close ended

credit and how it works. Mortgage loans and automobile loans are examples of closed-end credit. An agreement, or contract, lists the repayment terms, such as the number of payments, the payment amount, and how much the credit will cost.

Charge cards and bank cards are examples of open-end credit and unless you pay off the debt in full each month, you will often have to pay a high-rate of interest or other kinds of finance charges for the use of credit. I also learned about investing into stocks, bonds, and mutual funds, these are great ways to allow your money to grow and build interest. I had no understanding about investing money to make more money or saving for detriment. These are all things that I am interested in learning more about and incorporating these ideas in my financial plans for the future.

I have learned more about filing bankruptcy and what to expect post-bankruptcy. I know that I have to wait two years to purchase a home and that is one of my desired goals. I will take the next two years and work on rebuilding my credit. Adapting a financial plan would be a great start for me at this point. I have also decided to sign up with a program that keeps track of my credit report and that will allow me to know at all times what is going on with my credit.

Rebuilding credit requires you to take out lines of credit and this step is where I could use the help in understanding what types of credit would be best for me. Being that my bankruptcy is fairly recent I was told to wait to apply because I knew barely anything about interest and what it does to money owed. You end up owing double if your payments are not paid on

time or accounts are not paid in full and I understand that concept now but I was clearly in the dark when it came to understanding all of the different areas of finance and money management.

Living outside of my means was the main reason I ended up in so much debt. So learning how to budget my earnings and making responsible decisions when spending is a way that I am learning to better my financial situation. Outside of information pertaining to credit, I have learned about different areas that are not widely spoken about such as taxes, life insurance, health insurance, 401 K, Medicare, and Medicaid. These all are different things that need to be understood during adulthood that I am just now understand about.

There are so many forms of health and life insurance that it makes it hard to figure out which policy would work better for my family and I. There are government based insurance plans, low income plans, and plans geared toward older adults. I have not carried insurance on myself or my children and I understand that there is a purpose in having such coverage. This class offered so much information about so many different things at the right time in my life. It has helped me to understand how important having a grasp on your financial situation is.

There is more to just getting a paycheck, cashing it, and spending it. There has to be a budget and a plan put in place. Making future plans is also a great decision. Knowing that you will have money for later expenses is always a great feeling than living check to check. I have learned so many different strategies pertaining to managing my finances from this course.

Regardless to being knowledgeable of personal finance or having very little understanding of the subject taking a course of this type will expose you to so much more than just managing money.

I learned about home loans, Aria's, taxes, credit and the different forms of it, living wills, investments, retirement plans, and so much more. I have learned to set up a financial and budgeting plan to maintain my finances on a month to month basis and long term. Having the opportunity to be a part of a finance course has opened my eyes to what I should be striving for financially.

Although I still have questions regarding the different types of retirement plans, how exactly do home loans work and which one would be a better fit for me, which life insurance plans should I choose to go with, and where should I start if I wanted to invest.

I still have a lot of financial questions that I need answers to but I have gathered so much information from this class that will at least put me in the right direction for financial success. Even the thought of contacting a financial planner may be an excellent choice for me at this point. Being that I have all of this great information to incorporate into my life and I am starting over financially it might not be a bad idea. I do have a great deal of confidence that I will have financial success from this point forward. I have never been in and although I confided in an attorney and he helped me initially to get back on track, it was this finance management course that gave me the understanding that I needed to make good financial choices. I understand the importance making good financial choices and what the outcome can be whether it is good or bad. Unfortunately, I had to experience bad credit, collections, wage arrangements, court judgments, and low credit

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scores because I did not have the information that I was given through this class back then.