



# Are You in Charge of Your Financial Life?

Now is the time to take the reins...





## STEP 1: DEFINE YOUR CURRENT GOALS

Where do you want to be in the future?

What do you want your financial life to look like in 5 years? If you don't plan for it, it most likely will not happen. Use this worksheet to put all your financial goals in front of you.

Start with the goals listed or make changes if you wish. Describe each goal specifically so you can measure your progress. What is your current plan for each goal? Do you need a better plan? Most people don't have enough resources to fund all of their goals 100%. There are usually compromises that have to be made.

# 5 YEAR GOALS

GOAL	DESCRIPTION	AMOUNT NEEDED
Emergency Funds		
Debt Reduction		
Improve Credit Score		
Retirement		
Education		
Life Insurance		
Estate Planning		
Major Purchases		
Opportunity Fund		
Other (Vacations)		
Other		



## STEP 2. ASSESS YOUR CURRENT SITUATION

### Where are you now?

Your Cash Flow Statement is a measure of a typical month's cash flow. It starts with your Take-home (post-tax and withholding) paycheck and includes all monthly expenses.

Start by looking at your previous 3 months' expenses to record how you are currently spending your paychecks. Then take a good look at each item. You only have one chance to spend each paycheck. Is this the best use of your money or could it be used more wisely?

Question every expense! Do you need a particular item, are you paying too much? Could you free up some money from your monthly spending to start saving for more important goals? What are you giving up in the future?

The objective is to have a Zero Surplus/Shortfall. Any surplus should be automatically saved in a separate account earmarked towards its particular purpose (retirement, emergency, major purchase, annual expenses, vacations, etc.)



# CASH FLOW STATEMENT

		Current		New	
Income		Current		New	
Take-Home		Spouse Take-Home		Additional Income	
Total		Savings		Additional Retirement	
Education		Emergency Fund		Annual Expense Account	
Major Purchase Fund		Vacation Fund		Total	
Debt Payments		Mortgage		Home Equity Loan	
Auto Loan		Auto Loan		Student Loan	
Student Loan		Credit Card		Credit Card	
Total		Total		Net Cash Flow	
Surplus/Shortfall		Surplus/Shortfall		Surplus/Shortfall	



## STEP 2 (continued): ASSESS YOUR CURRENT SITUATION

The best way to make financial decisions is to put the facts in front of you. Your Balance Sheet (or your Net Worth Statement) is your Scorecard. Whenever you make a financial decision, think about how it will impact your "score".

Look for ways to improve your net worth, not only today, but how changes to it will impact your current budget and your future financial position. This can be done by saving regularly to increase your assets and/or paying off debt to decrease your liabilities.

Are there certain assets that would be better used to pay off debt? Sometimes, paying off high interest rate credit cards with low interest rate savings can make an impact immediately on your ability to start savings for your financial goals.



# BALANCE SHEET

Assets (What you own)			Liabilities (What you owe)		
Personal Items	Current	New	Rate	Current	New
Home					
Second Home					
Auto 1					
Auto 2					
Auto 3					
Personal Belongings					
Real Estate					
Business					
Cash or Cash Equivalent			Other Outstanding Debt		
Checking account					
Savings account					
Emergency Fund					
CD					
Money market account					
Life insurance					
Investments					
401(k)					
401(k)					
IRA					
IRA					
Roth IRA					
Pension					
Investment Account					
Assets Total			Liabilities Total		
Estimated Net Worth:					



## STEP 3: DETERMINE YOUR FINANCIAL PRIORITIES

Most people don't have the luxury nor the means to accomplish their financial goals all at once. Here are some guidelines to help you focus on building a financial foundation which is a core component to creating a sense of financial wellness.

Financial stability starts by having a little bit of money set aside in case something unexpected comes up. Get in the habit of saving part of each paycheck in a separate account for emergencies.

Make contributing to your company's 401(k) up to the match one of your highest priorities so that you are not giving up free money.

High interest rate debt is one of the biggest obstacles to achieving your financial goals. Use the debt blaster calculator to see how adding a small amount can decrease the time and interest on these debts.

Once you have completed these first three steps its time to start saving for a fully funded emergency and retirement fund.



# HOW TO DETERMINE YOUR FINANCIAL PRIORITIES

Created for you by  
 **FINANCIAL FINESSE**

Do you have at least \$1,000 in savings to cover emergency expenses?



 **SURE DO!**

**You're covered.**

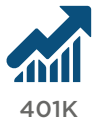
This will come in handy in case unexpected medical, auto, or home costs come up.

**NOT QUITE.** 

**TAKE ACTION**  
**Adjust your budget.**

Use these Mostly Painless Ways To Save to find some extra cash to start a savings account.  
[http://goff.im/Ways\\_to\\_Save\\_Money](http://goff.im/Ways_to_Save_Money)

Are you saving enough in your 401k plan to capture your employer's match?



 **OF COURSE!**

**You're earning free money.**

You're not only saving in taxes but also basically giving yourself a well-deserved raise.

**WHAT'S A MATCH?** 

**TAKE ACTION**  
**Increase your contributions.**

Money may be tight but make sure to at least save enough to qualify for the company match if you have one.

Do you have any high interest debt (e.g. greater than 4-6%)?



**% THANKFULLY, NO.**

**Not all debt is created equal.**

Low interest student loans or mortgage debt are okay since the interest may be tax deductible and can build your credit score. However, try to keep these payments under 25% of your monthly income.

**UNFORTUNATELY, YES.** 

**TAKE ACTION**  
**Pay off highest interest debt first.**

You CAN become debt free. Use the Debt Blaster Calculator to create your plan of attack.  
[http://goff.im/debt\\_blaster](http://goff.im/debt_blaster)

Do you have enough savings to cover 3-6 months of necessary expenses?



 **YES, SIR!**

**Under Control.**

Did you know it typically takes 1 month to find a job for every \$10,000 you make?

**I WISH.** 

**TAKE ACTION**  
**Pay yourself first.**

Set up an automatic transfer from your paycheck into a separate savings account until you've built up enough savings.

Are you on track to replace at least 80% of your income in retirement?



 **ABSOLUTELY!**

**Stay on track.**

Congrats. You're on track since expenses tend to drop in retirement, but make sure to run a projection yearly to stay that way. Now go do the happy dance!

**NOT QUITE.** 

**TAKE ACTION**  
**Run a projection.**

Use the Retirement Calculator to see where you stand and try to increase contributions as needed.  
[http://goff.im/retirement\\_estimator](http://goff.im/retirement_estimator)

**TAKE ACTION NOW!**



## STEP 4. TAKE THE REINS

What are the specific tasks you are going to complete in the next day, week or month to ensure that you meet your financial goals?

Here are some examples:

1. Plan out my next 3 paychecks. Set limits on my variable expenses that I will not exceed and track these expenses throughout the month - due today.
2. Open an emergency fund account and set up automatic transfers each paycheck - due tomorrow.
3. Fill out the Debt Blaster Calculator. Add \$xxx to my highest interest rate loan each month to decrease the length of the loan and my total interest paid - due next Tuesday.
4. Increase contributions to my 401(k) by 1% now and set up reminder to increase annually at time of annual raise - due by end of month.



# ACTION STEPS

Immediate

Due Date

1

2

3

4

Future

Due Date

5

6

7

8

This is an analysis based on the information you have provided in the input section. These are general estimates and should not be used as the sole basis for making financial decisions. Before making saving and investing decisions, consider all of your assets, including, for example, equity in a home, savings accounts, and other investments you may own. The results provided are an estimate based on the information provided in the input fields. Actual results may vary. This calculator and the estimates provided should not be used as the sole basis for making financial decisions. Financial Finesse provides information and education on a variety of topics, including education on investment fundamentals. We do not provide investment, tax, or legal advice. We do not recommend particular investment funds or strategies. Such advice should be obtained from a qualified financial, legal, or tax advisor based on your individual

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