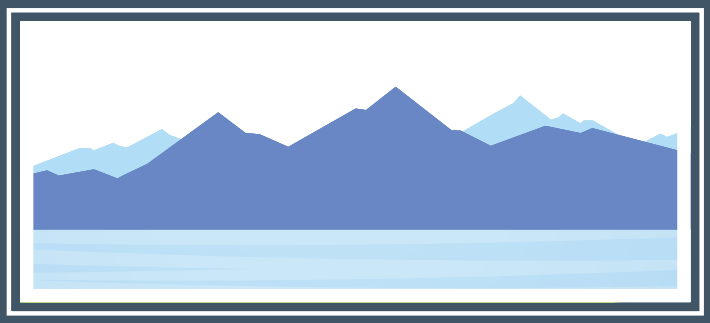
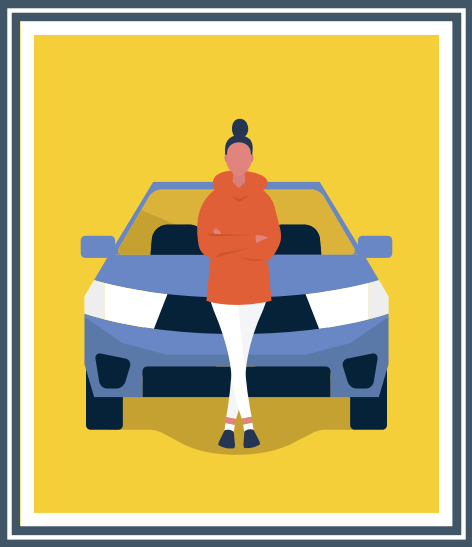






Building a Better Financial Future

MONEY MOVES FOR LIVING ON YOUR OWN

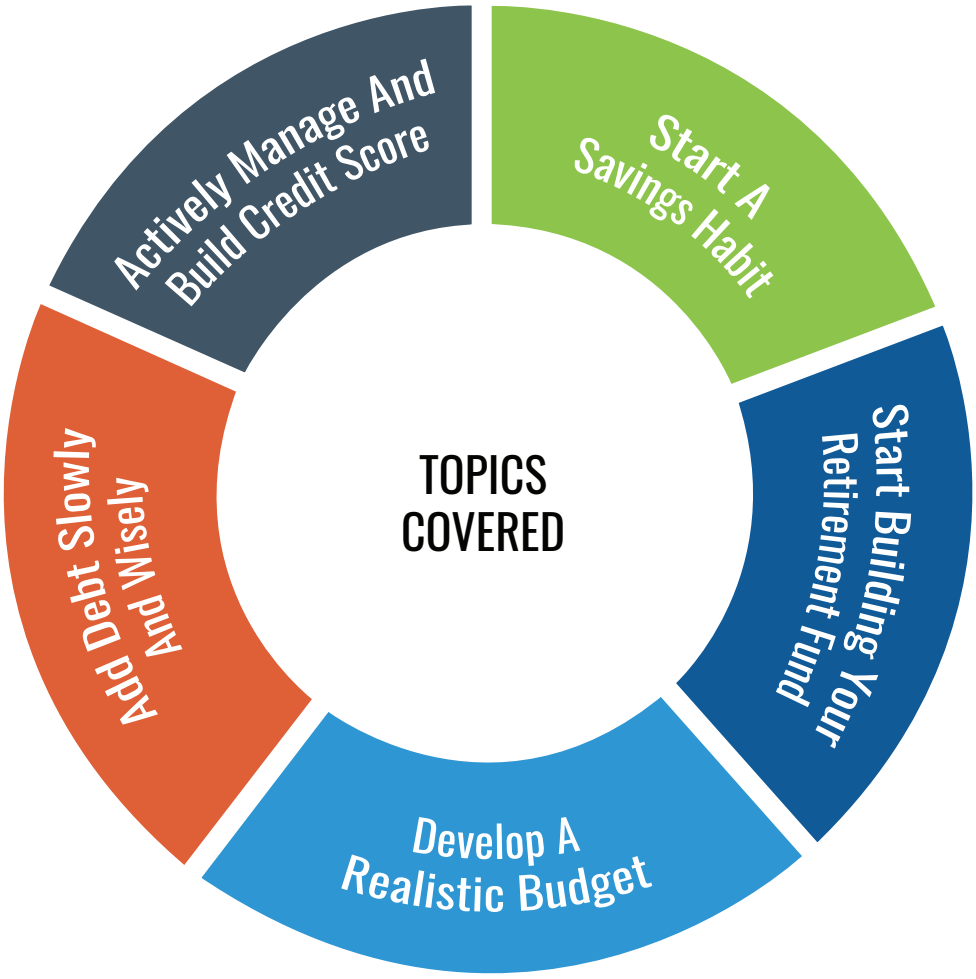




"You can truly make a difference in your financial situation through the actions and decisions you make every day with your money"



BUILDING A BETTER FINANCIAL FUTURE | LIVING ON YOUR OWN



KEY TAKEAWAYS

1. Saving for the unexpected is key to avoiding financial problems & living life with a working budget.
2. Retirement savings needs to start with the first day of work to have the best chance for retirement success.
3. A balanced monthly budget is more important than individual category performance.
4. Managing your debt and your credit score are extremely important to achieve financial success.

START A SAVINGS HABIT

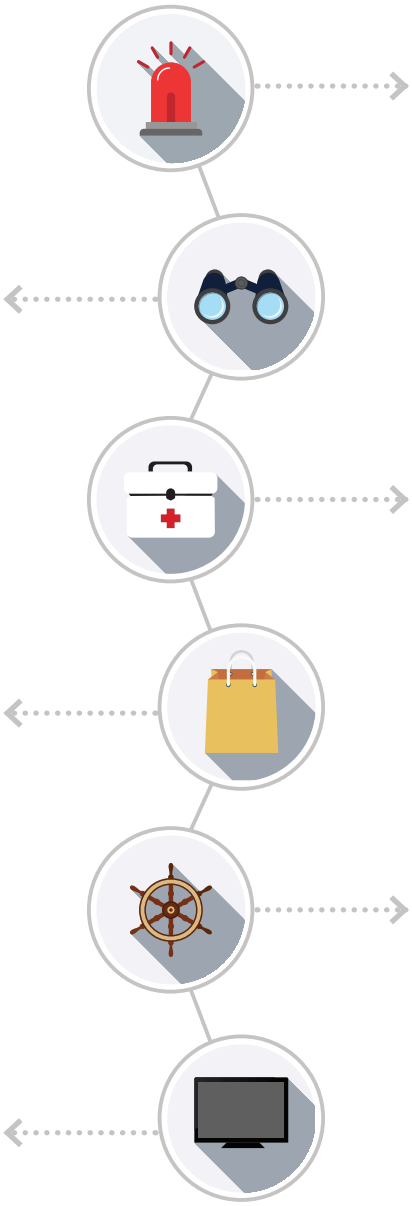
A saving habit is best accomplished by setting up an automatic transfer(s) from where your payroll is deposited. These deposits should go into specific accounts for specific purposes so that you can easily track your progress. Discipline is the key to building your savings to have funds available when there is an unexpected expense and to avoid using credit to fund your desired lifestyle. Giving your savings accounts a specific purpose is one of the best methods to help reinforce your savings habit.

COACHING POINTS

- Have at least six different savings accounts
- Save at least 13.5% of gross pay in these funds
- Increase the amount each year by $1 or more per paycheck per account
- Avoid paying routine medical expenses with HSA
- A vacation/travel fund should be one of these six funds
- Your accumulated balances should drive your spending decisions

START A SAVINGS HABIT

These are a few examples of specific accounts and amounts based off a bi-weekly pay schedule and a salary of $25,000 per year. Adjust accordingly if you are paid differently or a different amount or have other reasons to save.



Short Term Emergency Fund

Pay for unexpected expenses like car repairs.
Start with $15 per paycheck.

Long Term Emergency Fund

For catastrophic events such as loss/reduction of income.
Start with $25 per paycheck.

Medical Emergency Fund

For medical expenses, use the Health Savings Account when available.
$40 or more per paycheck is suggested.

Holiday & Gift Spending Fund

For holidays, special occasions, and birthdays.
Start with $25 per paycheck.

Vacation & Travel Fund

This is the fun account.
Start with $15 per paycheck.

Major Purchases Fund

This is for purchasing furniture, electronics, & other household items.
Start with $15 per paycheck.

Other funds you might need over the course of time include:
Wedding
New Baby
Education for Self

START A SAVINGS HABIT

Calculating your savings amounts:

Gross amount per paycheck: $_____

Savings account type	Percentage	Result
Short term emergency fund	1.5% of gross paycheck amount	$ 0.00
Long term emergency fund	2.5% of gross paycheck amount	$ 0.00
Holiday & gift spending fund	2.5% of gross paycheck amount	$ 0.00
Vacation & travel fund	1.5% of gross paycheck amount	$ 0.00
Major purchases fund	1.5% of gross paycheck amount	$ 0.00
Health Savings Account	4% of gross paycheck amount	$ 0.00
	TOTAL SAVINGS	**$ 0.00**



START BUILDING YOUR RETIREMENT FUND

Starting to fund retirement the day you begin working is probably one of the smartest moves to make when starting out. It's simple if your company offers a 401k, just enroll in your company's plan with your first paycheck and you might not ever miss the funds used to build your retirement. There is only one way to fund your retirement and that is by saving enough and if you don't, you might have to work longer than you plan or live more frugally in retirement. Starting early only makes it easier to reach your retirement goals.

COACHING POINTS

- Your goal is at least 10% of your funds annually for retirement
- When including employer match, goal is 15% or more
- Consider saving outside of your retirement plan for the future
- Commission income requires more discipline to reach retirement goals
- Starting early means you will contribute less to reach your goals

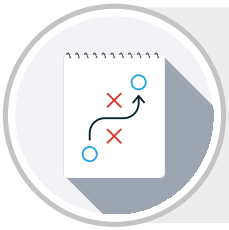
START BUILDING YOUR RETIREMENT FUND

Following are some of the most important efforts you should undertake if you want to achieve your retirement goals in the most painless manner.



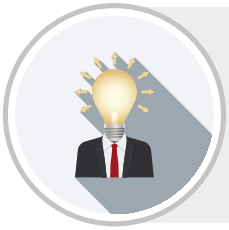
Contributions

- Start with first paycheck
- Minimum amount company match
- Enroll in automatic annual increases



Future Considerations

- Transfer 401k funds with new employment
- Contribute more with bonuses
- Increase until reaching maximum allowed



Important to Know

- 401k contributions can be pre-tax or after-tax
- Withdrawals at retirement age are penalty free
- Early withdrawals have a 10% penalty



Own Your Own Business

- Use individual retirement accounts (IRA)
- Or a simplified employee pension or SEP IRA
- Contribute the maximum allowed



Other Retirement Tips

- Consider side hustles for more cash
- Don't ever reduce contributions
- Avoid using the 401k loan feature



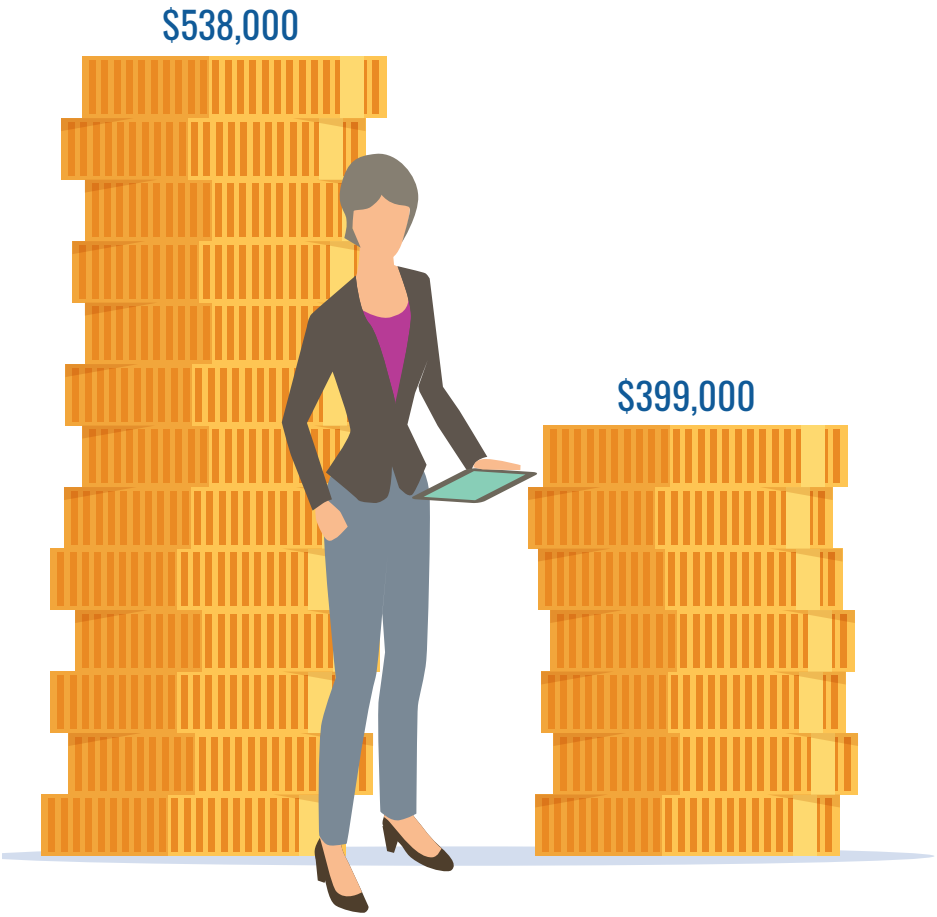
401k Enrollment Tips

- Use plan resources to optimize investment options
- Take the appropriate amount of risk
- Understand the options within your plan

WHY DOES IT MATTER?

Starting early has the greatest impact on your future success, the example below says it best:

Employee A and employee B start at the same company, making the same salary of $30,000. Employee A starts with 5% of their salary going to their retirement plan and increases the contribution every year until reaching 10% of salary in year 6. Employee B waits 10 years before starting but starts at 10% at the age of 35. Both employees receive salary raises each year and both retire at the age of 65. Employee A has nearly $538,000 saved for retirement while Employee B was only able to achieve $399,000 for retirement. This example assumes a 5% return on their fund. Employee A only contributed about $26,000 more than Employee B and yet has nearly $140,000 more in retirement funds.



DEVELOP A REALISTIC BUDGET

A budget is the most important financial tool for making decisions from how much to spend on a car to how much to spend on a vacation. It doesn't have to be a complex budget and using an app is perfectly fine. The key is using actual costs and take home salary numbers and realizing any budget is going to be adjusted over time. Without a budget, you are likely to incur more debt because you will never have any funds to make major purchases. You are also more likely to spend too much on housing and transportation.

COACHING POINTS

- A balanced monthly budget is more important than individual category performance
- Review at least 3 previous months of spending to set your budget goals
- Always look for ways to trim expenses or increase your income
- Savings should always be part of your budget for short and long term needs
- Budget for non-monthly expenses each month and save until needed

SUCCESSFUL BUDGETING

- Using realistic amounts for income and expenses
- Finding a method that works for you
- Planning for the unexpected
- Sticking with it until you optimize it
- Making adjustments as your life changes
- An emergency fund is key for successful budgeting

DEVELOP A REALISTIC BUDGET

Limiting the number of categories that are tracked is a best practice for success. The following are top suggested categories for successful budgeting.



Housing
Rent
Insurance
Mortgage
Maintenance

Basic Utilities
Gas
Electric
Water
Sewage

Insurance
Life
Disability

Debt Payments
Student loan
Credit card
Other

Savings
Emergency
Vacation
Holiday



Electronics
Cable
Streaming
Phone

Leisure
Entertainment
Dining Out
Gourmet Coffee

Necessities
Groceries
Personal Care

Transportation
Car payment
Insurance
Gas/Maintenance
Ride Sharing

Miscellaneous
Fitness/Exercise
Gifts
Clothing
Travel
Pet Expenses
Charitable Giving

DEVELOP A REALISTIC BUDGET

There are different ways to budget, find the one that fits your needs and helps you achieve your financial goals, following are a few of the many types of budgets to consider:

PIE BASED APPROACH	50 30 20	80 20
50 15 5 MONEY GUIDE	60% SOLUTION	ZERO BASED
TRADITIONAL/ DETAILED	WEEKLY TRANSACTION	ENVELOPE/SUB ACCOUNT SYSTEM

STEPS TO DEVELOP A SUCCESSFUL BUDGET

- Determine your monthly take-home pay
- Calculate an average of your last 3 months expenses by category
- Run the numbers and see if you are spending less than you earn
- Make adjustments to expenses if you are spending too much
- Track expenses and income each week using your preferred method
- Change spending or increase income to make budget balance
- Review monthly outcome and adjust for the coming month

ADD DEBT SLOWLY AND WISELY

Adding debt wisely, especially credit card debt, is critical when first starting out. If you have significant student loans, excessive credit card debt could be crushing. Dealing with student loans might also require trimming other spending such as living space and transportation costs. Use your budget to determine the debt load that works for your financial situation so that you don't have to allocate too much of your income to pay your debt.

COACHING POINTS

- Each type of loan has a maximum repayment timeline for best management
- Use your budget as a tool to decide on amount of debt to incur
- Student loan payments are important to manage before adding debt
- Too much debt too quickly can create an unmanageable situation
- Paying loans late is one of the primary ways to harm your credit score

ADD DEBT SLOWLY AND WISELY

When adding debt, here are a few important considerations that should always be remembered:

1

Be very careful with "buy now and pay later"

- The rates can be higher than credit cards
- Not paying off may incur additional charges

2

Don't always take 0% auto loan financing

- Cash back may be worth more than 0% interest
- Term may be shorter than you want

3

Payoff the right debt first

- Not always the highest rate
- Focus on one at a time for best results

4

Be a smart borrower

- Always look to refinance to a lower rate
- Consider consolidating to decrease number of loans

It is important that you keep in mind that each debt has a timeline that is a best practice for how long it should take to pay down debt in order to avoid excessive interest charges.

Credit cards:
No more than 36 months

Car loans
No more than 60 months

Personal loans
No more than 48 months

Store charge cards
No more than 24 months

ADD DEBT SLOWLY AND WISELY

When buying a home consider not only what you are approved for but what is also coming for your budget to decide how much you want to borrow for a house. You may wish to borrow less to have money for other financial matters such as:

1. Saving for retirement
2. Building an emergency fund
3. Paying off other debt, especially high interest debt

The normal rule of thumb is to purchase a house that is 2 ½ times your annual income however a better idea is to focus on a payment compared to your net monthly income.



Guideline for a conservative approach is having all housing expenses – mortgage payments, insurance, and taxes – at:

No More Than 25% of Your Net Monthly Income

This method ensures that your house will not be a burden on your monthly budget and ongoing financial situation.

ACTIVELY MANAGE AND BUILD YOUR CREDIT SCORE

Probably the most important advice is to actively manage and build your credit score. A poor score will end up costing your more. A strong score will ensure that you are not denied any opportunities or forced to pay a higher rate. Building and maintaining your scores isn't necessarily difficult however it does require active involvement and regular attention.

COACHING POINTS

Your credit score and credit report are two of the most important pieces of information that lenders and others will want to make decisions on working with you.

Managing your credit score is best accomplished by not having poor credit that needs to be repaired but rather building good credit from the beginning.

Your credit score and report are impacted by more than just loan repayments, medical bills and other service providers can send derogatory information as well.

Lenders often have credit starter and credit repair programs that can be beneficial in building or repairing your credit.

Other expenses can be increased because of a poor credit score including insurance premiums that utilize this information to make rate decisions.

ACTIVELY MANAGE AND BUILD YOUR CREDIT SCORE

A credit score and a credit report are two different tools used by lenders. They are intertwined however.



Credit Score

Most common is the FICO score and it ranges from 300 to 850 with a higher score being better

Over 800 is an excellent score and under 600 means you will have a more difficult time obtaining credit

Lenders use the score to determine loan rates and approval, insurance companies might use it as part of premium determination and other service providers use it to decide if service will be offered

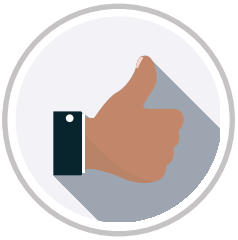


Credit Report

Contains all of the information that is reported about you from addresses, names used, amount of credit, type of credit and payment history

Credit reports also contain information about judgements, liens and collection items

Credit agencies use this information to calculate credit score that is based off all the above information



Ways to Improve Your Score

Establish credit by taking out different types of loans

Pay all of your loans on time

Keep credit line utilization under 35%

Don't close credit cards that have been paid off



How You Might Hurt Your Score

Paying over 30 days late repeatedly

Adding several loans in a short period of time

Having judgements or collection items for medical bills, speeding tickets or some other non-loan bill that wasn't paid

ACTIVELY MANAGE AND BUILD YOUR CREDIT SCORE

Get a copy of your credit report every year to look for mistakes

Visit AnnualCreditReport.com	Directly from the Bureaus: Equifax, Experian, TransUnion

Freezing your credit - this means that no one can gain access to your credit reports or obtain new credit without having access to a special PIN for each account and providing 24 hour notice.



Freezing your credit can be done online at each of credit reporting agencies. Just be certain to not lose your information to unfreeze your account or you might have a delay when you need your credit.

Building a Better Financial Future

MONEY MOVES FOR LIVING ON YOUR OWN

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