



# Financial Health Booklet



Let's start the path to financial wellness together!

# Take Control of Your Financial Goals

*Do you feel in control of your money? If you don't, our goal is that by the end of our time together, you will!*

This booklet will give you the knowledge and confidence you need to manage your financial situation. It will help you better understand your finances, create a manageable budget, start saving money, chip away at your debt, and more!

You don't have to figure your finances out on your own. By working together, we can help you build financial wellness, one step at a time.

**Are you ready to soar financially?  
Let's do this!**



MEMBER ADVISOR: \_\_\_\_\_

PHONE NUMBER: \_\_\_\_\_

EMAIL: \_\_\_\_\_



# Launching Point

*Here are a few simple exercises to assess  
your money situation.*



## Pre-Assessment

Date: \_\_\_\_\_

Answer each question based on your current financial situation.

**I could handle a major unexpected expense.**

- Completely
- Very well
- Somewhat
- Very little
- Not at all

**Because of my money situation, I feel like I will never have the things I want in life.**

- Always
- Most of the time
- Sometimes
- Not at all

**After paying monthly bills and expenses, I have money left over.**

- Always
- Most of the time
- Sometimes
- Not at all
- I use credit to pay for bills and expenses.

**I use a personal budget to set goals and track my spending and saving.**

- Always
- Most of the time
- Sometimes
- Not at all

**I am able to put money into savings monthly.**

- Always
- Most of the time
- Sometimes
- Not at all

**I could buy anything I want right now because my credit score is good.**

- Completely
- Very well
- Somewhat
- Very little
- Not at all

**Notes:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Post-Assessment

Date: \_\_\_\_\_

How well does each statement describe you or your financial situation?

**I could handle a major unexpected expense.**

- Completely
- Very well
- Somewhat
- Very little
- Not at all

**Because of my money situation, I feel like I will never have the things I want in life.**

- Always
- Most of the time
- Sometimes
- Not at all

**After paying monthly bills and expenses, I have money left over.**

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Notes: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



# Money Goals

*Financial goals can be broken down into two categories: short-term and long-term.*

*Short-term goals* can be accomplished in a relatively short period (i.e., a day, week, or month).

EXAMPLES INCLUDE:

- Starting an emergency fund
- Spending less on dining out
- Saving gas money

*Long-term goals* are accomplished over a longer period, usually a few months or more.

EXAMPLES INCLUDE:

- Buying a house
- Becoming debt free
- Increasing my credit score



## *S.M.A.R.T. Goals*

Any goal you set should be S.M.A.R.T.

- S** Specific — Your goal is well-defined.
- M** Measurable — You can track the progress of your goal.
- A** Achievable — Action can be taken to accomplish your goal.
- R** Relevant — Your goal is consistent with your long-term goals.
- T** Time-Bound — Your goal has a clear deadline.

Write two short-term financial goals that are important to you:

1.

2.

Write two long-term financial goals that are important to you:

1.

2.

Identifying your money goals is the first step in creating your financial health playbook. Writing them down is the second step — but it's equally important.

In the following pages, we will expand on these goals by asking you to write down the actions you will take to achieve them and the date you'll complete them.

## Example Short-Term Money Goal

Date: June 1, 2024

Describe your money goal.

I want to save at least \$200 by 8 / 01 / 24.

I want to do this start an emergency savings fund in case of an unexpected expense.

To reach my goal by this date, I will need to save \$25 per week.

## Your Short-Term Money Goal #1

Date:

Describe your money goal.

I want to \_\_\_\_\_ by \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

I want to do this \_\_\_\_\_.

To reach my goal by this date, I will need to \_\_\_\_\_.

## Your Short-Term Money Goal #2

Date:

Describe your money goal.

I want to \_\_\_\_\_ by \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

I want to do this \_\_\_\_\_.

To reach my goal by this date, I will need to \_\_\_\_\_.

Notes:

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_



## Example Long-Term Money Goal

Date: June 1, 2024

Describe your money goal.

I want to pay \$2,000 toward my credit card by 07 / 01 / 25.

I want to do this to have peace of mind and be more financially secure.

To reach my goal by this date, I will need to pay an \$166 more per month toward my credit card payment.

## Your Short-Term Money Goal #1

Date:

Describe your money goal.

I want to \_\_\_\_\_ by \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

I want to do this \_\_\_\_\_.

To reach my goal by this date, I will need to \_\_\_\_\_.

## Your Short-Term Money Goal #2

Date:

Describe your money goal.

I want to \_\_\_\_\_ by \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

I want to do this \_\_\_\_\_.

To reach my goal by this date, I will need to \_\_\_\_\_.

Notes:

Horizontal lines for notes



# Budget

*A budget is your foundation for building financial health. It's vital to your success!*

## *How to Create a Budget*

1. Add up your monthly income from all sources.
2. Separate non-negotiable expenses into categories.
3. These are the items that you need to live, including rent or mortgage, car payments, groceries, utilities, childcare, and insurance. These expenses may also be deductions from your work pay — such as taxes, 401(k) contributions, healthcare, child support, or garnishments.
4. Designate money for paying debts and building savings.
5. After allocating income to non-negotiables, debt, and savings, you can now designate money for discretionary spending (i.e., items you want but don't need).
6. After establishing your spending in each category, your net balance should be zero. This means every dollar earned will be allocated to a category. If your expenses are more than your income, adjustments should be made.
7. Throughout the month, do your best to stay within the amount budgeted for each category.

## Housing

Try to spend no more than 35% of net income on housing. Depending on whether you rent or own, that can include mortgage/rent, utilities, insurance, taxes, and home maintenance.

## Savings

Save at least 10% of your income throughout your working life. While this percentage is the average for most people, you do what works best for you at the time. Have your emergency fund, then start with a small amount each pay period for set-aside savings.

## Transportation

Spend no more than 15% of net income on transportation. That includes car payments, auto insurance, tag or license, maintenance, and gasoline.

## Debts

Spend no more than 15% of net income on all other consumer debt — student loans, installment contracts, credit cards, personal loans, and medical debt.

## Other Expenses

Spend no more than 25% of net income on all other expenses: food, clothing, entertainment, child care, medical expenses, tithing/charity and vacations.

Notes:

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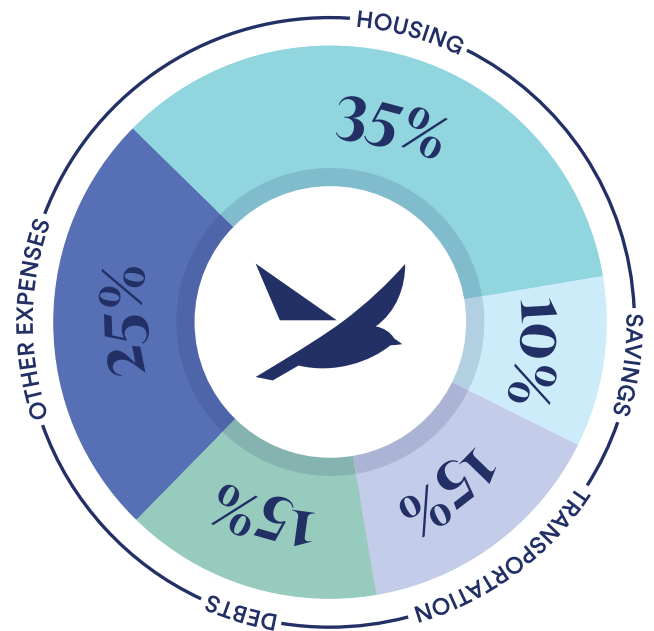
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# Budget Worksheet

Month: \_\_\_\_\_

Monthly Net Income: \_\_\_\_\_

Budgeted Item	Amount Budgeted	Actual Spent
<b>Donations</b>		
<b>Savings</b>		
Emergency Fund		
Retirement Fund		
College Fund		
<b>Housing</b>		
First Mortgage/Rent		
Second Mortgage		
Real Estate Taxes		
Maintenance/Repairs		
Insurance		
<b>Utilities</b>		
Electricity		
Water		
Gas		
Sewer		
Trash		
Cable or Streaming		
Internet		
Phone/Cell Phone		
<b>Food</b>		
Groceries		
Dining Out		
<b>Transportation</b>		
Vehicle Payment #1		
Vehicle Payment #2		
Fuel		
Maintenance/Repairs		
Insurance		
<b>Clothing</b>		
Adult		
Children		
Cleaning/Laundry		

Budgeted Item	Amount Budgeted	Actual Spent
<b>Health</b>		
Health Insurance		
Dental Insurance		
Doctor Visits		
Dentist		
Optometrist		
Prescriptions		
<b>Personal</b>		
Life Insurance		
Childcare		
Toiletries		
Household Items		
Hair Care		
Education/Tuition		
School Supplies		
Miscellaneous		
Free Spending		
<b>Recreation</b>		
Entertainment		
Vacation		
<b>Additional Debts</b>		
Credit Card #1		
Credit Card #2		
Credit Card #3		
Personal Loan		
<b>Other Expenses This Month (Not Recurring)</b>		
<b>Total Income</b>		
<b>Total Budget</b>		
<b>Net Balance</b>		
(should be zero)		

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<b>Donations</b>		
<b>Savings</b>		
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Retirement Fund		
College Fund		
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Second Mortgage		
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Maintenance/Repairs		
Insurance		
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Electricity		
Water		
Gas		
Sewer		
Trash		
Cable or Streaming		
Internet		
Phone/Cell Phone		
<b>Food</b>		
Groceries		
Dining Out		
<b>Transportation</b>		
Vehicle Payment #1		
Vehicle Payment #2		
Fuel		
Maintenance/Repairs		
Insurance		
<b>Clothing</b>		
Adult		
Children		
Cleaning/Laundry		

Budgeted Item	Amount Budgeted	Actual Spent
<b>Health</b>		
Health Insurance		
Dental Insurance		
Doctor Visits		
Dentist		
Optometrist		
Prescriptions		
<b>Personal</b>		
Life Insurance		
Childcare		
Toiletries		
Household Items		
Hair Care		
Education/Tuition		
School Supplies		
Miscellaneous		
Free Spending		
<b>Recreation</b>		
Entertainment		
Vacation		
<b>Additional Debts</b>		
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<b>Clothing</b>		
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Cleaning/Laundry		

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<b>Other Expenses This Month (Not Recurring)</b>		
<b>Total Income</b>		
<b>Total Budget</b>		
<b>Net Balance</b>		
(should be zero)		





## *What if my expenses are more than my income?*

There are two options to explore:

### *1. Increase Income*

**Here are some practical ways to make more money:**

- **Work overtime.** If possible, request overtime work or ask for additional hours.
- **Get a second job.** You may opt for a second job at a company that gives employee discounts. For example, working at a department store can help decrease clothing costs thanks to employee discounts. If juggling a second full- or part-time job isn't feasible, consider a flexible option such as a ride-share or food-delivery service that allows you to set your own work schedule.
- **Sell items.** If you have items you no longer use, you can list them for sale on online marketplaces. Are you crafty or creative? You can sell items that you make.

## 2. Reduce Expenses

Here are a few simple tips to scale back spending:

- **Reduce vehicle expenses.** Transportation should be no more than 15% of your income. You can lower your car payment (refinance or buy a cheaper vehicle), shop for the best gas price, consolidate trips, and do regular maintenance to avoid expensive repairs down the road.
- **Shop for bundle services.** Cell phone, internet, and television providers are typically purchased in plans. Save by shopping for plans that meet your basic needs.
- **Plan meals.** Take-out and food delivery add up quickly. To reduce spending, plan your weekly meals and make a list for grocery shopping. By dining out less often, buying generic brands, shopping at discount stores, and buying in bulk when possible, you can significantly reduce your monthly food expense.
- **Stop and think before making purchases.** Online retailers make shopping way too easy these days. To prevent impulse shopping, a good rule of thumb is to wait a day before buying it. This will give you time to evaluate whether you really need it or not.
- **Avoid unnecessary fees.** Manage your accounts carefully to avoid NSF or overdraft fees. Pay bills on time to avoid late fees. Use fee-free ATMs or get extra cash at the grocery store when paying with a debit card.
- **Minimize subscriptions.** Ever signed up for a 30-day free trial and forgot about it? Review your subscriptions (streaming services, gym memberships, app purchases, etc.) and cancel them if you don't use them regularly.

### *Small Changes Really Add Up*

Instead of buying a cup of coffee every day for \$3 at the local coffee shop, you can make the cup of coffee at home each day for 50 cents and save \$912.50 in one year!

Notes:

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# Savings

*Remember those short-term and long-term goals you wrote down earlier? Saving money makes those — and all your future money-related goals — possible!*

## *1. Pay Yourself First*

“Paying yourself first” means that you save a percentage of your income each month before doing anything else. This may not be possible right away, but it is something to strive for in the future. An easy way to do this is by setting up a direct draft from each paycheck into a savings account.

## *2. Have an Emergency Fund*

An emergency savings fund is another way of saying that you have money set aside to cover unexpected expenses outside your regular spending, such as medical emergencies, job loss, or car repairs. Start small, and build over time. Set a short-term goal of setting aside \$1,000. Then, when you accomplish that, set a goal of saving enough to cover 6-12 months of expenses. Use this money only for emergencies and replenish it as quickly as possible. (We’ve included a helpful Emergency Fund Tracker on the next page.)

## *3. Save for Large Expenses*

If you know you’re going to make a big purchase, set aside a little money each month. Large expenses can include vehicle maintenance, taxes, or medical bills. For example, if you know you will have to change your tires in six months, divide the total cost of the tires by six to determine how much you should save each month. You can even set money aside for recreational expenses like vacations or holiday spending.

## *4. Invest in Your Retirement*

It’s never too early to start saving for retirement. It’s never too late, either. Regardless of your age, try to take advantage of retirement plans offered by your employer. If your employer doesn’t offer a retirement savings program, you can open a personal savings account designed specifically for retirement savings. Either way, planning for your retirement now will help you enjoy your golden years to the fullest.





# What are you saving for?

## SAVINGS GOAL #1

Saving for: \_\_\_\_\_

Amount needed: \_\_\_\_\_ Due By: \_\_\_\_\_

Date	Deposit	Total

## SAVINGS GOAL #2

Saving for: \_\_\_\_\_

Amount needed: \_\_\_\_\_ Due By: \_\_\_\_\_

Date	Deposit	Total



# Credit

## *Understanding Credit*

Lenders use your credit score, along with other factors, to determine your eligibility for car loans, credit cards, personal loans, and other types of credit. The better your score, the more likely you are to qualify for credit or loans, and the better terms you will be offered. **A good credit score means lower interest rates, which can amount to hundreds of thousands of dollars over the course of your lifetime. And that's worth working for!**

### *A Good Credit Score Saves Serious Money!*

Say you get a 60-month loan for \$30,000 to buy a new car. If your credit score is 720+, you would pay \$5,422 in total interest (6.74% APR). If your credit score was less than 589, you would pay \$15,454 in total interest (17.74% APR). **That's a savings of \$10,032 in interest!**

## How Your Credit Score is Calculated

Your credit score is a **three-digit number, ranging from 300-850**, formulated by information in your credit report and based on the standard FICO score. Your actual score is determined by a breakdown of five specific components:

**35%** PAYMENT HISTORY

**30%** CAPACITY/AMOUNT OWED

**15%** LENGTH OF CREDIT HISTORY

**10%** NEW CREDIT

**10%** TYPES OF CREDIT USED

## Credit Score Check-Up

What is your current credit score? \_\_\_\_\_

What are ways you can build/improve your credit score? Check all that apply.

- |  |  |
|--|--|
| <input type="checkbox"/> Pay bills on time.  | <input type="checkbox"/> Maintain oldest credit accounts, rather than closing them.                  |
| <input type="checkbox"/> Pay off judgments, liens, and collections.                        | <input type="checkbox"/> Avoid opening multiple new credit cards or loans in a short period of time. |
| <input type="checkbox"/> Review credit reports for errors and report them when they occur. | <input type="checkbox"/> Other: _____  |
| <input type="checkbox"/> Pay down credit card balances to under 30% of available balances. | _____  |



# Debt

## *Managing Debt*

To manage your debt effectively, you first need to understand how much debt you have. **Find your total by making a list of all of your debts, including the creditor, amount owed, monthly payment, interest rate, and due date.**

It's important to always pay at least the minimum amount due each month, and if you can, pay more than that. Paying extra will reduce your debt quickly, help you save on interest, and improve your credit score. Additionally, be sure to make your payment on or before the due date, as late payments can incur additional fees and damage your credit.

There are many strategies to help manage and eliminate debt. Here are three practical methods you can follow:

### *1. The Debt Snowball*

**This strategy is perfect if you are motivated by quick wins.**

List your debts from the smallest balance to the largest one. Now, aim to pay off the smallest balance as quickly as possible by paying more than the minimum monthly payment. (Don't forget to continue to pay at least the minimum amount on your other debts as well.) Once the smallest balance is paid off, apply the money you save each month to your next debt. Repeat this strategy until all debts have been paid in full.

### *2. The Debt Avalanche*

**Try this one out if you want to get out of debt quickly.**

Write down your debts from the highest interest rate to the lowest. Then, aim to pay off the highest-interest debt first while making minimum payments on your other debts. Once the highest-interest debt is paid off, use your monthly savings to tackle the next debt on your list. Repeat this strategy until your debts are paid.

### *3. Debt Consolidation*

**This strategy is for those who like to keep things simple.**

Keeping track of different payments and due dates can be challenging. Debt consolidation allows you to combine several debts into one new loan, often at a lower interest rate. By doing this, you can reduce your overall monthly payment or save on interest payments over time.





## *Know Your Rights When a Debt Collector Calls*

When a debt collector tries to contact you, the best response is to face the situation head-on.

**DEBT COLLECTORS CANNOT HARASS OR DECEIVE YOU. THAT BEHAVIOR IS ILLEGAL.**

The Fair Debt Collection Practices Act says people collecting debts cannot harass, oppress, abuse, or deceive you or anyone else they contact in an attempt to collect payment.

Protect Yourself in 3 Easy Steps:

### *1. Confirm that the debt collector and the debt are legitimate.*

To do this, ask the debt collector for the following information:

- Their name
- The name of the debt collection company
- The company's address and phone number
- The amount owed
- The name of the person or company the money is owed to
- How you can dispute the debt or verify this is yours

If the debt collector cannot verify this information the first time they contact you, ask for all the details in writing.

### *2. Identify and verify the debt.*

If you recognize the debt, you can work with the debt collector to find a repayment plan that works for you. Even if the debt is yours, you have a right not to talk to the debt collector; however, they can still find other legal ways to collect the debt from you, including lawsuits.

If you don't recognize the debt, you can write or dispute all or part of the debt.

### *3. Keep a record of all correspondence.*

Whether you dispute the debt or work out a payment plan, it's critical that you save all communication between you and the creditor. Keep any voicemails, text messages, or written notices you receive.

You should also make copies of any responses you send. These records will be valuable if you need to verify terms or dispute the issue at any point.

For more detailed information on the best way to deal with debt collectors, consult [consumerfinance.gov](https://www.consumerfinance.gov).







