



PERSONAL MONEY MANAGEMENT **WORKBOOK**

plan



plan



Budgeting

Some people consider money to be of great significance, while others see it as a minor necessity. No matter how you feel about it, money cannot be ignored. Decisions you make about personal finances greatly affect the manner in which you live. An effective blueprint for managing financial matters will make it more likely you will reach your goals. To develop this sound financial plan and form constructive strategies, you must understand the patterns of income and expenditures that personally affect you.

This workbook is designed to provide a systematic, step-by-step approach to developing a budget. No two individuals have the same financial circumstances, so you may want to tailor this workbook to suit your personal situation. The workbook begins with information gathering and concludes with the steps to budgeting and planning your goals. Make certain your information is accurate and current before making any final decisions on a financial program.

We hope this guide will be useful. Share it with your family and include them in your budgeting process. If you need any assistance along the way, please give us a call (toll-free) at 800.344.4846.

BUDGETING

Inventory

Being aware of exactly what you have is an important part of putting together a financial plan. Information regarding credit cards, credit union accounts, loans, insurance and other items may be taken for granted until a need arises for the information regarding these things.

If your credit cards were stolen, would you remember all the issuing companies and how to get hold of them, fast? If you need to file an insurance claim, would it take hours of digging through piles of paper to find your policy? Having a good inventory of your financial information can prove helpful and save time and stress when issues arise that affect your financial well-being.

The following three pages provide a place to collectively keep your financial information. You may want to make a copy and put it in a safe deposit box or another secure location away from your home. Then, advise loved ones of locations of the original copies. This section of the workbook provides you the opportunity to look at what you actually have and possibly identify things you need.

INVENTORY

Insurance Policies

Insurance Policy	Name of Company	Name of Insured	Policy Number	Agent's Name	Agent's Phone Number
Health 1					
Health 2					
Life 1					
Life 2					
Life 3					
Life 4					
Disability 1					
Disability 2					
Long Term Care 1					
Long Term Care 2					
Homeowners or Renters 1					
Homeowners or Renters 2					
Umbrella Liability					

Personal Financial Situation

This section allows you to list what you own (assets) and what you owe (liabilities). Use current information to make this as accurate as possible. While your net worth should be positive (assets greater than liabilities), the idea here is to get an accurate snapshot of your current situation. Take a moment to notice that while a liability like credit card debt takes away from your net worth, a liability like a mortgage balance actually becomes an asset with the increasing value of your home.

Use your best estimate for the market value of personal property. Be sure to make copies and date the form to make comparisons with future “snapshots” to help you monitor your progress.

WORTH

Balance Sheet

Assets (What I own)**Cash & Equivalents**

Cash on Hand	\$ _____
Checking Account	_____
Share (Savings) Account	_____
CDs	_____
Money Market Account	_____
Life Insurance Cash Value	_____
U.S. Savings Bonds	_____
Money Owed to Me	_____

Total Cash & Equivalents \$

Personal Property

Estimate Equity in Home	\$ _____
Household Furnishings	_____
Specific Items (e.g., furs, tools, jewelry, art, etc.)	_____
Autos	_____
Other Personal Property	_____

Total Personal Property \$

Real Estate

Primary Residence	\$ _____
Other Real Estate	_____

Total Real Estate \$

Invested Assets

Stocks & Mutual Funds	\$ _____
Bonds	_____
Government Securities	_____
IRAs	_____
Pension or Profit Sharing (if vested)	_____
401(k) retirement plan	_____
457 or 403(b) plan	_____

Total Invested Assets \$

Now, add the gray boxes in this column and place the total in the Total Assets box.

Total Assets \$

Liabilities (What I Owe)**Current Bills**

Charge Accounts	\$ _____
Credit Card Balances	_____
Utilities	_____
Rent	_____
Insurance Premiums	_____
Taxes	_____
All Other Bills	_____

Total Current Bills \$

Personal Property

Home Mortgage Balance	\$ _____
Other Mortgages	_____
Credit Union Loan Balances	_____
Other Loan Balances	_____

Total Personal Property \$

Now, add the gray boxes in this column and place the total in the Total Liabilities box.

Total Liabilities \$

Total Assets (From first column) \$

NET WORTH (Plus or minus) \$

DATE

Monthly Income

The Income Sheet on page 9 allows you to establish exactly how much money you have to work with on a monthly basis. To get a true number of how much money that is, we will determine your Total Monthly Net Income, as this reflects an accurate amount. Your Total Monthly Gross Income does show how much you make, but not how much ends up in your pocket. You may want to refer to a recent pay stub to get accurate information.

If you are paid every two weeks (bi-weekly), multiply amounts on your check by 26 and divide by 12. If you are paid twice a month (semi-monthly), multiply amounts by 24 and divide by 12. If you are paid weekly, multiply amounts by 52 and divide by 12. Be accurate, as you will refer to these numbers to complete other sections of the workbook.

FLOW

Income Sheet

Sources of Income

Include all sources of household income (e.g., wages, social security, alimony, child support, disability, rental property, dividends)

\$ _____

Total Monthly Gross Income (A) \$ _____

Deductions

Federal Income Tax \$ _____
 State Income Tax _____
 FICA (Social Security/Medicare) _____
 Medical Insurance _____
 Life Insurance _____
 Dental Insurance _____
 401(k) Plan _____
 Other(s) _____

Total Monthly Deductions (B) _____

Total Monthly Gross Income (Line A from above) \$ _____
minus

Total Monthly Deductions (Line B from above) _____
equals

Monthly Net Income (After Deductions) (C) _____

Annual Periodic Income (e.g., bonuses, tax refunds) \$ _____

Total Periodic Income \$ _____
÷12, equals

Total Monthly Periodic Income _____
plus

Monthly Net Income (Line C from above) _____
equals

Total Monthly Net Income \$ _____

} Subtract Deductions from Gross Income to determine net income

Tracking Expenses

Now that you have listed what you own, what you owe and how much you actually have to work with, it's time to see exactly where your money is going. Where did the \$20 ATM withdrawal go? How much do you spend for gas? How about clothes? The forms on pages 12 and 13 will help you find out what is really going on with your money day-to-day.

Keeping a daily record of all your expenditures is time consuming, but is worth the effort. Carry around a slip of paper or a little notebook and record expenses as they happen, then transfer totals daily or weekly. You might discover some eye-opening information here and learn where you can really save a few bucks.

TRACKING EXPENSES

The following pages provide space to record your daily expenditures. Use the tables to assist you in categorizing expenses into the appropriate listing.

Savings – include monthly contributions to savings, money market, IRA, etc.

Consumer Debt – include credit card and installment loan payments; do not include mortgage and/or automobile payments in this section

Housing – include rent, mortgage, dues, utilities, taxes and homeowners/renters insurance

Insurance – include supplemental policies, premiums on dependent policies, etc.

Food – include groceries, meals out, snack machine purchases, children’s lunch money, etc.

Transportation – include gasoline, oil, tires, repairs, maintenance, taxes, registration, vehicle insurance

Personal – include hair cuts, allowances, toiletries, tobacco products, alcohol, etc.

Medical – include co-pays, dentist, pet care, medications, etc.

Clothing – include purchases, alterations and dry cleaning

Dependent Care – include alimony, child support, elder care, child care, etc.

Gifts – include gifts for birthdays, holidays, weddings, etc., as well as cards and stamps or shipping costs

Education – include tuition, room and board, fraternity/sorority dues, etc.

Donations – include all contributions to religious organizations and charitable organizations

Entertainment – include movies, rentals, clubs, hobbies, cable /Internet, baby/pet sitters and sporting events/gear

Other – anything you can’t fit into a category above

This list obviously can’t cover every type of expenditure. However, it does provide a starting point to properly categorize things specific to your situation. As you come across other expenses, list them and categorize where you feel appropriate.

Day	1	2	3	4	5	6	7	Week 3 Total
Savings	\$	\$	\$	\$	\$	\$	\$	\$
Consumer Debt								
Housing								
Insurance								
Food								
Transportation								
Personal								
Medical								
Clothing								
Dependent Care								
Gifts								
Education								
Donations								
Entertainment								

Day	1	2	3	4	5	6	7	Week 4 Total
Savings	\$	\$	\$	\$	\$	\$	\$	\$
Consumer Debt								
Housing								
Insurance								
Food								
Transportation								
Personal								
Medical								
Clothing								
Dependent Care								
Gifts								
Education								
Donations								
Entertainment								

Forecasting Expenses

After spending a month or two tracking expenses, it should be easier to predict cash flow in the future. This section allows you to predict monthly expenses over a 12-month period and record actual totals for comparison. Be sure to account for months when spending may be higher (e.g., holiday season, insurance premiums due, property tax time, etc.).

List your monthly net income from page nine and then compare it to your cash flow. When you deduct actual expenditures, is there money left? If so, the opportunity is there to increase savings or pay extra on existing debt. If there is nothing left, you have already laid out everything and may be able to identify areas where you can save. Though the results may surprise you, this analysis can be a very motivational and educational tool.

FORECASTING EXPENSES

Estimated vs. Actual Expenses
(Make copies to track an entire year)

MONTH								
EXPENSES	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
Savings	\$	\$	\$	\$	\$	\$	\$	\$
Consumer Debt								
Housing								
Food								
Transportation								
Personal								
Medical								
Clothing								
Dependent Care								
Gifts								
Education								
Donations								
Entertainment								
Total Monthly Expenses								

Take your Monthly Net Income from the Income Sheet and subtract your Total Monthly Expenses

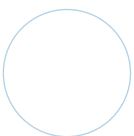
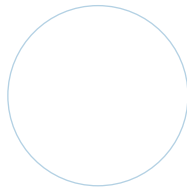
Monthly Net Income								
Total Monthly Expenses								
The Bottom Line								

Do you have any left or do you need to cut back in some areas?

Setting Goals

Take a moment and think about your financial goals. Which needs or wants do you plan to satisfy in the next five years? Short-term goals are those to be reached in less than 12 months. Long-term goals are those you'd like to accomplish in a year or more. Goals may include saving for holiday expenses, a vacation, tires, insurance premiums or property taxes. Other goals could be college funding, retirement, home improvements or saving a down payment for a home. No matter what you have in your plans, list your goals in this section, along with their costs and the time frame in which you would like to achieve each goal. See the example on the next page to get started.

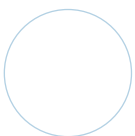
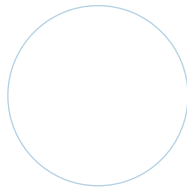
SETTING GOALS



Track Your Progress

Look back over your list of goals. You have determined when you want to achieve each goal and how much you will need to save each month for each goal. As you set aside funds to reach these goals, record your deposits on the following form on page 19 to track your progress. The written documentation will provide motivation to continue saving as well as give you visual proof of your work. Goals are unique to each individual, but the process to achieve them is the same for everyone—develop your plan, implement your plan and monitor your progress.

TRACKING PROGRESS



Congratulations

You have taken an important step in evaluating your financial situation. Continue the process in the years to come and your path to financial wellness will be clearer and easier to follow. As things change, reevaluate your situation and adjust your actions accordingly. The important thing to remember is to understand where you are, where you want to go and how you can get there.

We hope you found this workbook helpful in addressing your personal financial situation.

RESOURCES

Resources

Local Government Federal Credit Union

Toll Free 800.344.4846

Call the Administrative Office for a referral to the nearest Credit Union branch or to answer other inquiries you may have. Your comments and suggestions are always welcome. Our Financial Services staff can assist with budgeting and other areas such as homebuyer education, college funding and retirement planning. You may also reach us via e-mail at financialplanner@lgfcu.org. For general information on all LGFCU services and products, visit www.plan.lgfcu.org.

Credit Union Call Center

Toll Free 888.732.8562

For loan and member service needs, or information about any Credit Union service, contact our Call Center Monday–Saturday and Holidays 8 a.m.–9 p.m. and Sunday 1 p.m.–6 p.m. (Call Center is closed on Thanksgiving and Christmas)

N.C. Cooperative Extension Service

www.ces.ncsu.edu

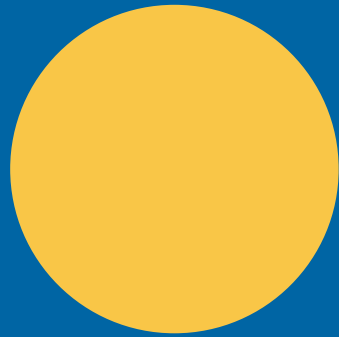
(919.515.2811)

The Cooperative Extension Service is an excellent resource for personal finance education. With offices located in every county, extension agents can provide you with a variety of workbooks and informational brochures. The telephone number of the Extension office nearest you can be found in your local phone directory under county government.

BALANCE™

Toll Free 866.393.5428

BALANCE primarily functions as a debt management services provider. For financial counseling after hours, services are available Monday–Thursday, 8 a.m.–11 p.m., Friday 8 a.m.–8 p.m. and Saturday, 11 a.m.–8 p.m.



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/ To improve the lives of our members /



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