



Establish Goals

Gather Information

Identify Gaps

Make a Plan

Monitor and Adjust

A goal without a plan is just a wish

~ Antoine deSaint-Expupry



Gather Information



Enter monthly expenses for the following items. Total each category and calculate monthly expenses.

Housing/Utility	
Rent/mortgage	\$ _____
Heating	\$ _____
Electricity	\$ _____
Water/sewage	\$ _____
Renter/homeowner insurance	\$ _____
Trash service	\$ _____
Telephone and cell phone	\$ _____
Home maintenance	\$ _____
TOTAL	\$ _____

Transportation	
Gas	\$ _____
Car payment(s)	\$ _____
Car insurance	\$ _____
Car maintenance	\$ _____
Car registration	\$ _____
Public transportation	\$ _____
Parking and tolls	\$ _____
TOTAL	\$ _____

Insurance	
Health	\$ _____
Life	\$ _____
Disability	\$ _____
TOTAL	\$ _____

Food	
Groceries	\$ _____
Work related (lunch/snacks)	\$ _____
TOTAL	\$ _____

Medical	
Doctor visits	\$ _____
Dental & Vision	\$ _____
Prescriptions	\$ _____
TOTAL	\$ _____

Childcare	
Daycare/babysitting	\$ _____
Child support/alimony	\$ _____
TOTAL	\$ _____

Education	
Tuition	\$ _____
Books/supplies	\$ _____
News & media subscriptions	\$ _____
TOTAL	\$ _____

Personal	
Barber/salon services	\$ _____
Toiletries/cosmetics	\$ _____
Children's allowances	\$ _____
Tobacco products	\$ _____
Beer/wine/liquor	\$ _____
Clothing	\$ _____
Laundry/dry cleaning	\$ _____
TOTAL	\$ _____

Entertainment	
Sporting events/concerts/etc.	\$ _____
Movies	\$ _____
Restaurant/take-out	\$ _____
Internet service	\$ _____
TV subscription	\$ _____
Gambling/lottery	\$ _____
Fitness/social clubs	\$ _____
Vacation/travel	\$ _____
Hobbies	\$ _____
TOTAL	\$ _____

Debts	
Student loan	\$ _____
Credit card	\$ _____
Medical bills	\$ _____
Personal loans	\$ _____
TOTAL	\$ _____

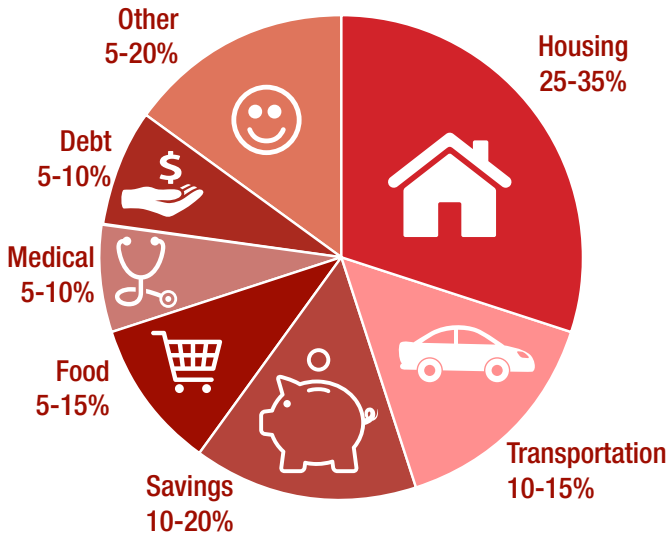
Savings	
Emergency fund	\$ _____
Down payment fund	\$ _____
TOTAL	\$ _____

Net Monthly Income	\$ _____
- Total Monthly Expenses	\$ _____
= Total Cash Flow	\$ _____
(disposable/deficit)	



Identify Gaps

Calculate and compare your spending to the financial community guidelines.



To calculate the recommended expenditure for each category, multiply the recommended percentages by your net income.

For example, if your net income is \$3,000 per month and the recommended allowance for housing is 35%, multiply 3,000 by .35. The recommended housing expenditure should not exceed \$1,050 per month.

To calculate your true monthly budget expenditure for each category, divide your monthly expense by your net income, and multiply that by 100.

For example, if your housing expense is \$1,200 per month, divide by \$3,000, and multiply by 100. You are spending 40% of the recommended expenditure on housing.

Budgeted Expense	Recommended	Recommended Expense (net monthly income X recommended %)	Actual Expense	Budget Percentage (expense ÷ income X 100)	Explanation
Housing	25 – 35%	\$	\$	%	
Transportation	10 – 15%	\$	\$	%	
Savings	10 – 20%	\$	\$	%	
Food	5 – 15%	\$	\$	%	
Medical	5 – 10%	\$	\$	%	
Debt Payments	5 – 10%	\$	\$	%	
All Other	5 – 20%	\$	\$	%	



Write achievable action steps to address each level of your budgeting plan.



1. Day-to-Day Spending

Ideas to reduce expenses:

- Shop for better rates on regular bills like:
 - Insurance (home/auto/etc)
 - Phone/Internet/TV providers
 - Propane/trash/other services
- Improve water/energy efficiency
- Longer replacement time between vehicles
- Regular auto maintenance instead of big repair bills
- Cancel unnecessary memberships
- Pack a lunch and make your own coffee



2. Debt Management

Payoff strategies

- Highest interest rates first
- OR-
- Smallest/closest to done first

Pay MORE than MINIMUM has a huge impact over time



Write achievable action steps to address each level of your budgeting plan.



3. Emergency Savings

**Your savings depend on your situation.
Consider 3/6/9 months worth of income:**

3 mo: Single, no dependents, renting,
back-up support

6 mo: Most people
Dependents, mortgage, steady
income

9 mo: Dependents, mortgage,
freelance or commission



4. Plan for the Future

Log in to myMERS account to
complete your free Full Picture Report



Monitor and Adjust

Follow some of these steps to keep yourself on track to reaching your financial goals.

Send your future self a post card

Fill out the post card to your Future Self with specific action steps you plan to take to improve your financial well-being.

A year from now, MERS will mail this back to you as a reminder to help you stick to your plan and see how things are going.

Don't forget to include your mailing address!



Set yourself a calendar reminder

Sometimes the most important step in taking action is simply to remind yourself to do it.

Use your phone, appointment book, or whatever you use to track your schedule to remind yourself of some specific steps at a date/time when you can actually take action.

Follow "MERS of Michigan" on Facebook

MERS regularly posts tips, ideas, and information that help you improve your financial well-being and prepare for retirement.

Following us is an easy step to keep your future goals in mind and keep up with the latest information.

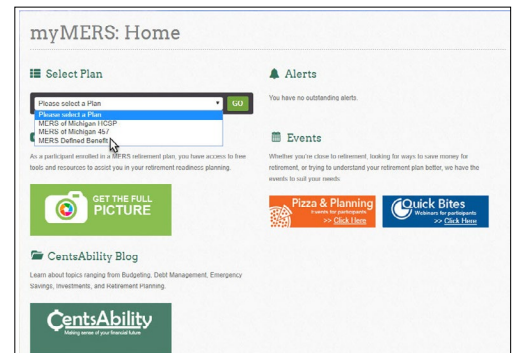
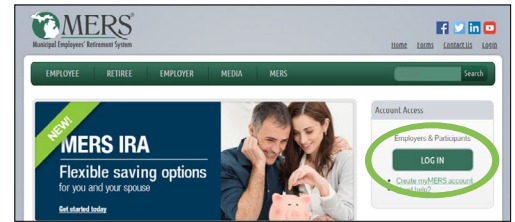
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