

Making Your Money Work for You

Training Program Participant Packet

Presented by



Provided by:

CLC Incorporated
4170 Douglas Blvd.
Granite Bay, CA. 95746
(888) 724-2326 mysecureadvantage.com

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Presents

Making Your Money Work for You

The presentation's goal is to give the participant a foundation for managing their personal financial goals. Beginning with building a realistic budget, this seminar also provides advice on the following topics:

- How to build a workable month to month budget
- Techniques for building savings
- Setting Financial Goals
- Managing debt

Participant handout: "Your Tools To Develop Wealth"

Question and Answer Session

Seminar Length: Approximately 60 minutes



Your Tools to Develop Wealth

Review Your Spending Plan

Financial planning and financial stability begins with a well-prepared spending plan. Your spending plan compares how your actual expenses match your desired expenses, and is also a guide to future spending, promptly paying your bills, and maintaining your good credit. The first step in evaluating your current financial situation is to look at your monthly budget. Begin by looking at your monthly net income—your income after taxes.

Assess Your Spending Plan

Add up your monthly obligations, average expenses, and flexible expenses. Subtract this figure from your monthly net income to determine your discretionary cash. Use the Spending Plan Worksheet on the following pages to help record your information.

1. Your worksheet is set up to track income and expenses. Change or add categories as needed.
2. Cross out categories that do not apply to your situation. Your expense categories should reflect the way you and your family spend money.
3. Go through your checkbook and your bills for the last two to three months. Add and delete categories from the worksheet to fit your expenditures. Enter average monthly expenditures from your checkbook from the last few months.
4. Go through pay stubs and calculate your average monthly gross and net pay; include any interest income, dividends, bonuses, or other miscellaneous income.
5. For quarterly, semi-annual or annual expenses, convert the payment to a monthly amount when calculating the monthly budget.
6. Track cash expenditures and record total cash expenditures at the end of the month.
7. Subtotal the income and expense categories.
8. Subtract the total expenses from the total income to arrive at your monthly net income.



Spending Plan Worksheet

Monthly Income

Monthly Take Home Pay (after all deductions) _____
Spouse's Monthly Take Home Pay (after deductions) _____
Child Support/Alimony Income _____
Stock and Bond Monthly Income _____
Interest Monthly Income _____
Other Monthly Income _____
Total Income _____

HOUSING EXPENSES

Mortgage/Rent _____
HELOC / 2nd Mortgage _____
Real Estate Taxes _____
Homeowner's Insurance _____
Homeowner's Association Fee _____
Home Repair/Maintenance _____
Total Housing Expense _____

CLOTHES

Adult(s) _____
Kid(s) _____
Cleaners/Alterations _____
Total Clothing Expense _____

PERSONAL

Haircuts/Etc. _____
Gifts _____
Subscriptions _____
Health Club _____
Other Memberships _____
Other _____
Total Personal Expense _____

MEDICAL/DENTAL

Premiums (Individual policy) _____
Co-Pays _____
Prescriptions _____
Vitamins _____
Total Medical/Dental _____

FOOD

Groceries _____
Eating Out _____
Work Lunches _____
School Lunches _____
Tobacco/Liquor _____
Total Food Expense _____

KID'S ACTIVITIES

School (Tuition, etc.) _____
Lessons _____
Camp _____
Sports _____
Allowance _____
Total Kid's Activities _____

ENTERTAINMENT

Cable TV _____
Internet Services _____
Theater/CD/Videos _____
Hobbies/Clubs/Magazine _____
Dues/Subscriptions _____
Travel/Vacations _____
Total Entertainment Expense _____

INSURANCE

Life _____
Long-Term Care _____
Disability Insurance _____
Other _____
Total Insurance _____



Spending Plan Worksheet (cont'd)

TELEPHONE

Telephone _____
Mobile Phone-Pager _____
Total Telephone _____

UTILITIES

Electricity/Gas _____
Water/Sewer/Garbage _____
Total Utilities Expense _____

TRANSPORTATION

Car Payment(s) _____
Gasoline/Maintenance _____
Auto Insurance _____
Auto Registration _____
Bus Fare/Train/Parking _____
Other _____
Total Transportation Expense _____

SAVINGS

Monthly Retirement Savings _____
(Not deducted from paycheck)
Monthly Vacation Fund _____
Monthly Emergency Savings _____
Monthly College Funding _____
Other _____
Total Monthly Savings _____

DEBT PAYMENTS

Personal Loans _____
Student Loans _____
Credit Cards _____
Other _____
Other _____
Total Debt Payment _____

MISCELLANEOUS

Child Support Payments _____
Child Care _____
Donations/Tithe _____
Pocket Money _____
Other _____
Total Miscellaneous _____

Net Cash Flow:

Total Monthly Income: \$ _____

Total Monthly Expenses: \$ _____

Total Discretionary Income: \$ _____
(Subtract expenses from income)



Assessing Your Net Worth

An integral step in evaluating your finances is assessing your net worth. To determine your net worth, you need to figure out what you own and what you owe. Determining the total amount of your assets and liabilities will enable you to calculate how much you have available to invest. Use the Net Worth Worksheet to help record your information and calculate net worth:

Net Worth Worksheet

Assets	Value	Liabilities	Value
What You Own:		What You Owe:	
<i>Savings & Investments</i>		Credit Cards	_____
Checking Accounts	_____	Line of Credit	_____
Savings Accounts	_____	Unpaid Bills	_____
Mutual Funds	_____	Car Loan/Lease	_____
Stocks	_____	Other Loans	_____
Bonds	_____	Investment Loans	_____
Real Estate	_____	Business Loans	_____
Cash Surrender Value of Life Insurance	_____	Other Debts	_____
Mortgage at Principal Value	_____	Mortgage	_____
Total Investment Assets	_____	Total Liabilities	\$ _____
<i>Personal Assets</i>		Total Assets	\$ _____
Vehicles	_____	Total Liabilities	\$ _____
Property/Furniture	_____	Total Assets Minus Total Liabilities =Your Net Worth	\$ _____
Jewelry/Art/Collectibles	_____		
Other Personal Assets	_____		
Total Personal Assets	_____		



SETTING FINANCIAL GOALS

At this stage in the process, you would have determined whether your cash flow leaves you enough to invest. Now it is important to establish clearly defined goals and objectives. Without clearly defined goals, it becomes hard to know how much to save, whether the return on your investment is adequate, and potentially when you would be converting the investment to cash to pay the expenses you have been saving for all along.

Goal setting begins when you have written them down!

Define Your Spending Goals

Identify what you are looking to accomplish with your investments. Define your goals:

- buying your first or second home
- saving for your child's education
- planning retirement
- paying down debt
- other

For each goal, estimate the cost and the amount of time you need to achieve your goal.

Step 1: Identify and write down your financial goals, whether they are saving to send your kids to college, buying a new car, saving for a down payment on a house, going on vacation, paying off credit card debt, planning for retirement, etc.

Step 2: Break each financial goal down into several goals: short-term (less than 1 year), medium-term (1 to 3 years) and long-term (5 years or more).

Step 4: Evaluate your progress. Review your progress monthly, quarterly, or at any other interval you feel comfortable with, but at least semi-annually, to determine if your program is working. If you're not making satisfactory progress on a particular goal, re-evaluate your approach and make changes as necessary.

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