

Creating a Spending Plan

You can take control.

Creating a spending plan allows you to make better use of your financial resources, and makes it easier to reach goals while still meeting basic needs. All you need is 30 days of focus, so let's get started.

A State Your Financial Mission

Set SMART goals — Specific, Measurable, Attainable, Realistic, Timely. Get in the habit of paying yourself first and focusing on what's most important: your future. Consider your need for an emergency fund and solid retirement savings versus other wishes. Then, using the chart below, turn wishes into **SMART** savings goals.

Priority	Savings Wishes	Goals	Term	Yearly Cost	Monthly Cost
2	Retirement savings				

B Know the Facts

Track your spending — On a separate piece of paper, track your spending for 30 days to better understand where your money goes. This will make it easier to categorize purchases and see where you may be overspending or making impulse purchases.

Where Was The Purchase Made?	What Was Purchased?	How Much Was Spent?	How Do You Feel About The Purchase?
Cell Phone Provider Store	Latest cell phone model	\$400	Excited about the new features at first, now questioning if I really needed to replace my old cell phone

Curb your credit debt — Gather statements, including credit cards, student loans, car payments and mortgages. List the balances in order of highest interest rate with the smallest balances first. At the beginning of the 30-day period, document what you expect to pay toward your balance. As your statements come in, fill out the actual payment amounts in the last column.



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Total each of the three subsections to find out how much of your debt is considered short-term (interest rates are typically higher), medium-term and long-term (interest rates are typically lower). Then total the three types of debt into overall debt and monthly payment amounts at the bottom of the chart.

Name of Item and Interest Rate	Current Balance	Expected Monthly Payment	Actual Monthly Payment
Credit card:	\$	\$	%
Credit card:	\$	\$	%
Total credit card debt (short-term)	\$	\$	
Vehicle loan 1 (include leases)	\$	\$	%
Vehicle loan 2 (include leases)	\$	\$	%
Bank installment loans	\$	\$	%
Student loans	\$	\$	%
Total consumer debt (medium-term)	\$	\$	
First mortgage	\$	\$	%
Second mortgage	\$	\$	%
Total (long-term debt)	\$	\$	
TOTALS		A.	B.

Know your household costs — At the beginning of the 30-day period, document your estimated household expense amounts in the “Expected Monthly Amount” column. As your bills come in, complete the actual expense amounts in the last column.

Category	Expected Monthly Amount	Actual Monthly Amount
Rent/mortgage		
Gas utility		
Electric utility		
Water/sewage utility		
Cable/satellite/Internet		
Cell phone(s)		
Car insurance		
Gasoline		
Groceries		
Medical/prescriptions		
Other insurance (renter's, life, etc.)		
Entertainment		
Other:		
TOTALS	C.	D.

Understand your income — At the beginning of the 30-day period, document how much money you expect to receive over the course of the month in the “Expected Monthly Amount” column. As your income accumulates over the month, complete the actual income amounts in the last column.

Income	Expected Monthly Amount	Actual Monthly Amount
Your take-home pay		
Spouse’s take-home pay		
Child support/alimony		
Interest/dividends		
Pension/retirement		
Social Security		
Other:		
TOTALS	E.	F.

C Your Plan

Analyze your costs and income — At month end, transfer the totals from lines A through F to the chart below. Subtract the expense totals from the income totals and jot the answers on lines G. and H.

	Expected Amount	Actual Amount
Income totals	E. \$	F. \$
Expense totals	- A. + C. \$	- B. + D. \$
SPENDING PLAN GRAND TOTAL	G. \$	H. \$

How did you do? — If G is larger than H, you are under budget. Apply the extra dollars toward financial goals. If G is smaller than H, you are over budget. Find ways to cut costs or bring in extra income.

D Continue Your Momentum

Start good habits — Get started with good habits like “paying yourself first” and possibly setting up automatic payments for bills that remain constant, i.e. cell phone bill (same every month). Other good habits include finding new ways to save and improving on ways you could better allocate extra funds toward your smart goals.

Look for ways to save — Even if your budget is balanced, you still have room to improve your spending habits. Here are some ideas for cutting costs:

Money Tips

Determine the debt reduction plan that works best for you and stick with it (i.e. pay off the lowest balance debt first, pay off the highest interest rate debt first, etc.).

Refinance debt or consolidate multiple debts under one lower interest rate. Talk to a financial specialist about what's best for your situation.

Develop a long-term budget tracking system that works for you.

Negotiate for a lower price with service providers on insurance, cable, Internet and phone.

Delete credit card number from websites to make impulsive buying less convenient.

Household Tips

Swap incandescent light bulbs for LEDs, they last 20x as long and use 20% less energy.

Set air conditioning temperature a few degrees higher and heating temperature a few degrees lower.

Entertainment Tips

Rent movies and borrow books instead of purchasing or going to the theater.

Use discount websites like Restaurant.com or Groupon.com to help save money on special outings.

Everyday Tips

Compare prices, clip coupons and shop at wholesale clubs, deep discounters and online retailers.

Lower the brightness of your TV and computer monitors to reduce your power consumption by up to 40%.

Request generic drugs whenever possible.

Find smart uses for your surplus — If you came in under budget, apply the extra money toward goals. For instance, consider increasing your savings for retirement. Look into options offered by your employer, like a deferred compensation plan. If you're already enrolled in your employer's retirement plan, consider increasing your contributions. **Jot your ideas here:**

We're here to help.

We can meet with you individually to discuss your account, or provide the date of the next group workshop so you can plan to attend.

Contact us today

Onsite Office:
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Phone: 206-447-1924

To schedule an appointment:
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