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Spending Plans: A road to financial success

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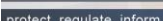
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According to Investopedia, a *personal spending plan* helps you determine your cash flow. It can help you understand how you earn and spend your money.

When paired with a financial goals worksheet, the personal spending plan can be used to create a roadmap for monitoring your spending, and helping you achieve your financial goals.


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We will cover:

- Goal setting
- Cash flow and tracking expenses
- Creating the plan and monitoring/adjusting as needed











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Set "SMART" goals:

- S - Specific
- M - Measurable
- A - Attainable
- R - Realistic
- T - Time frame



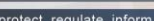

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Cash Flow: Income and Expenses

<ul style="list-style-type: none"> • Pay from job(s) • Military retirement • Investment income • Social Security • Other payments: regular and dependable • Social service payments: regular and dependable 	<p>Fixed:</p> <ul style="list-style-type: none"> • Mortgage or rent • Car payment/insurance • Childcare • Savings <p>Variable:</p> <ul style="list-style-type: none"> • Utilities • Groceries/entertainment • Credit cards
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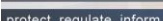

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Cash Flow: Business Income and Expenses

<ul style="list-style-type: none"> • Pay from current job(s) • Pay from financed jobs • Investment income • Renting out business space • Other payments: regular and dependable 	<p>Fixed:</p> <ul style="list-style-type: none"> • Business space • Equipment payments • Business loans • Savings <p>Variable:</p> <ul style="list-style-type: none"> • Utilities • Advertising/promotions • Credit cards
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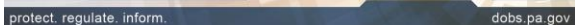

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Increase Business Income:

- Part time job
- Side business (hobbies or special skills)
- Rent an office space
- Have an inventory reduction sale



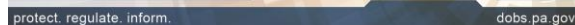
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Reduce Expenses



- Entertainment
- Food
- Transportation
- Clothes
- Housing costs
- Swap services
- Plug spending leaks



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Reduce Business Expenses



REDUCE EXPENSES

- Advertising
- Customer appreciation
- Transportation
- Run business from a cheaper location
- Rental expenses
- Swap services
- Plug spending leaks

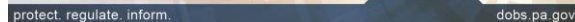


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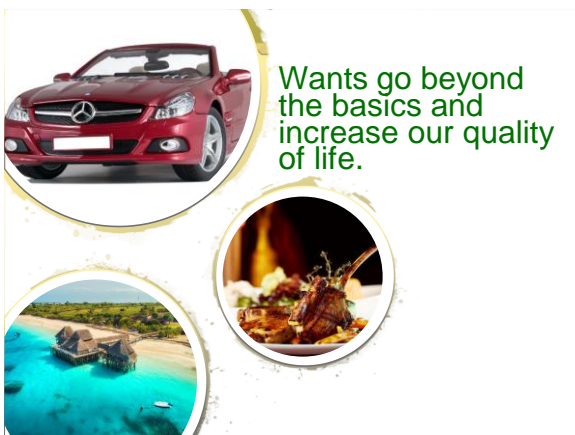


We need the basics:

- Food
- Shelter (business space)
- Clothing
- Transportation



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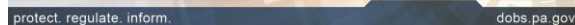


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If you skip spending \$4.00 on coffee and a donut for:

- 10 days you save = \$40
- 30 days you save = \$120
- 1 year you save = \$1,460
- 5 years you save = \$7,300
- 10 years you save = \$14,600



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Invest that same \$4 a day in an account with a 7% return...

If you save \$4 every day, what will it be worth?

Save \$ 4

Every day

For this many years 10

Investment Return % 7

Calculate

If you invest \$4 every day for 10 years at a 7% return, it will be worth **\$21,141.17**

How about \$21,141.17?

According to: saving.org/regular-savings

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An emergency savings fund can help you be prepared for the unexpected:

- Job loss
- Emergency bills
- Illness

Just remember, it should be readily accessible.

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As you progress and make your spending plan a habit, what about -

- Fund emergency account
- SMART goals
- Re-evaluate your priorities and growing your business

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A spending plan isn't worth much if you don't go back and review it.

Priorities and goals change. Make sure you monitor and adjust as needed.

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Questions?

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THANK YOU

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