



# FINANCIAL FITNESS TIPS & TOOLS

Coastline Federal Credit Union



[www.coastlinefcu.org](http://www.coastlinefcu.org)



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# Budgeting 101

## ***What is a budget?***

It's simple. A budget is a plan you create for the dollars you have with a goal for more financial freedom and less stress.

## ***Tips to get started:***

- Calculate your monthly income, pick the budgeting method best suited for you and monitor your progress.
- Allow up to 50% of your income for needs & leave 30% for wants
- Commit at least 10-20% to a savings and/or debt repayment



## **Your Present Financial Situation**

*Always / Sometimes / Never*

1. Save at least 10% of your net income?
2. Follow a budget?
3. Regularly review your credit score?
4. Save at least 10% of your net income?
5. Keep a nest egg savings in case of emergency?
6. Pay the rent/mortgage and utility bills on time?

Conducting a self-assessment of your financial situation can provide a clear view into what planning, solutions, or actions to take to achieve your desired financial position.

## Money-Saving Tips

Saving money shouldn't be a complicated task. When broken down into simple money-saving tips, you'll have no issue getting started.

- Know exactly how much you make and what you are spending
- Allocate an amount of your income you are comfortable with into a savings account
- Be realistic with your budget and savings goals
- Opt-in for cash-back options and don't be afraid to use coupons
- Cancel any subscriptions you do not actively use
- Don't save payment information with online retailers
- Commit to non-spending days
- Train yourself to shop with lists!
- Get rewarded - consider a Coastline VISA Credit Card for awesome rewards and benefits
- Refinance your mortgage - with a lower interest rate, you could save hundreds of dollars per month
- Closely monitor your electric bill - small, simple changes could save hundreds annually
- Bundle insurance policies with one company

## Saving & spending rule of thumb

It can be stressful to come up with a spending and saving plan you will stick with in the long run. A general rule of thumb is the 50/15/5 rule:

### Essential Expenses: 50%

Any expenses that are not considered optional should be allocated to this category.

- Housing - mortgage, rent, property tax, utilities, homeowners/renters insurance, and any other home fees.
- Food - groceries
- Healthcare - health insurance premiums and out-of-pocket expenses (prescriptions, co-payments, etc.)
- Transportation - car loan/lease, gas, parking, car insurance, tolls, maintenance, and commuter fares
- Child Care - day care, tuition, and fees
- Debt payments - credit card payments, student loan payments, child support, alimony, and life insurance

### Retirement Savings: 15%

No matter your age - it's never too early to start saving for your future.

- Starting early, saving consistently, and investing your money wisely is important. Consider accounts such as a 401(k), 403(b), or IRAs.

### Short-term savings: 5%

An emergency savings account is beneficial to anyone.

These funds are there for emergencies like an illness or job loss.

- Aim to have at least 3-6 months of essential expenses set aside for any unexpected life events.



# 6 Warning Signs of a Financial Problem

## 1

More than 20% of your monthly net income is going to pay back credit cards and other loans (excluding mortgage)

## 2

You're borrowing money to make payments on loans you already have.

## 3

You're frequently at, near, or over the limit on your credit cards.

## 4

You're paying only the minimum required on your credit card bill.

## 5

You're paying bills late or putting off visits to the doctor because you don't think you have enough money.

## 6

You're working overtime or a second job just to cover food, housing, and other living expenses.

# Importance of a Credit Score

Overlooking the importance of your credit score can be detrimental to your financial health. Creditors often make loan underwriting decisions and set interest rates based on credit scores. Insurance companies, landlords and even cell phone companies may use credit scores to make decisions about consumers.

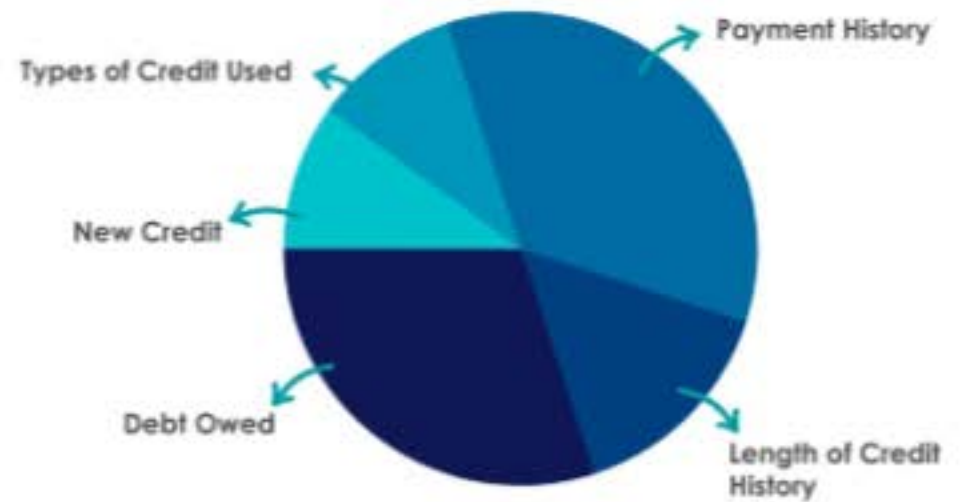
## What will hurt my score?

- Missing payments. It could take up to two years to restore credit with one late payment
- Maxing out credit cards
- Shopping for credit excessively
- Opening up several new accounts in a short time frame
- Borrowing from finance companies
- Bankruptcy

## How can I improve my score?

- Consistently monitor your credit score and review it carefully
- Make your payments on time!
- Make a plan to pay down any debt
- Do not close credit cards because available credit will decrease
- Slow down on opening new accounts and don't open any you don't intend to use
- Contact creditors if you know you will have a problem paying bills - work out a payment arrangements

## WHAT MAKES UP A CREDIT SCORE?



### Payment History

**35%**

- Number of accounts paid on time
- Delinquent accounts - current pay history is more important than past pay history
- Negative public records or collections

### Credit Available

**30%**

- Percent of revolving credit available

### Length of Credit History

**15%**

- Percent is based on how long credit lines have been opened and used

### New Credit

**10%**

- Number of accounts recently opened
- Number of recent credit inquiries

### Types of Credit Used

**10%**

- Total number of accounts
- Types of accounts (installment vs. revolving)





# Monthly Budget

Date:

Income Goal:

Savings Goal:

List of Income	Amount

Bills & Expenses	Amount	Due

Income Goal:

Savings Goal:



# Savings Plan

Date:

My Goals	Motivations

Starting Balance:
Per / Day:
Per / Month:
Required Amount:
Due Date:

Notes:

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# Savings + Overview

Date:

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## Savings Goals

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Jan	Feb	Mar	Apr	May	Jun
Jul	Aug	Sep	Oct	Nov	Dec

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## Actual Savings

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Jan	Feb	Mar	Apr	May	Jun
Jul	Aug	Sep	Oct	Nov	Dec

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Current balance:

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Amount to be saved:

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# Annual Budget

Date:

Month	Expenses	Income	Total
Jan			
Feb			
Mar			
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			

Notes: