Simplify Your Spending and Saving Strategies

1. WHERE AM I TODAY?
2. WHERE WOULD I LIKE TO BE?
3. CAN I GET THERE?
4. HOW DO I GET THERE?
5. HOW CAN I STAY ON TRACK?

MY FINANCIAL NEEDS
Simplify Your Spending and Saving Strategies

Where am I today?

Budgeting
Simplify Your Spending
and Saving Strategies

Identify Your Goals

Prioritize
The Four Uses of Cash

- **U** Unexpected Expenses and Emergencies
- **S** Specific Short-term Savings Goals
- **E** Everyday Spending
- **S** Sources of Investment

**Everyday Spending**
- Groceries
- Utilities
- Entertainment
- Mortgage
- Car/gas/insurance
- Other debt payments
Simplify Your Spending and Saving Strategies

AutoPay Bills

How Much Is Too Much?
The Four Uses of Cash

- Unexpected Expenses and Emergencies
  - Job loss
  - Home repair
  - Auto repair
  - Unplanned medical expense

TIP

Build Your Reserves
The Four Uses of Cash

Specific Short-term Savings Goals

• New car
• Vacation
• Wedding

TIP
Separate Savings and Checking
Simplify Your Spending and Saving Strategies

The Four Uses of Cash

Sources of Investment

- Strategic allocations
- Temporary allocations for a future investment

Strategic Allocation

- Hold cash as an asset class to diversify investments
- Up to 5% of your fixed-income allocation in cash

Temporary Allocation

- Dollar cost averaging or systematic investing
Simplify Your Spending and Saving Strategies

Mastering Credit

Think of Debit and Credit Cards As Spending Tools
Simplify Your Spending and Saving Strategies

Credit Cards and Minimum Payments

New Balance: $1,786.00
Minimum Payment Due: $53.00
Payment Due Date: 2/13/15

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a $35 fee and your APRs may be increased up to the penalty rate of 28.99%.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance.

For example:

<table>
<thead>
<tr>
<th>If you make no additional charges using this card and each month you pay...</th>
<th>You will pay off the balance shown on this statement in about...</th>
<th>And you will end up paying an estimated total of...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only the minimum payment</td>
<td>8 years</td>
<td>$2,785</td>
</tr>
<tr>
<td>$62</td>
<td>3 years</td>
<td>$2,232 (Savings $553)</td>
</tr>
</tbody>
</table>

Source: Edward Jones and www.federalreserve.gov. Example is for illustrative purposes only.
Your Credit Profile

Credit Score
• Range: 300–850
• Best Rates: 740+

Credit Report

Credit Score Factors
• History of on-time payments
• Credit utilization
• Length of credit history
• Recent searches for credit
• Types of credit used

Credit score available for a fee at www.myFICO.com
Credit Report

Credit Bureaus

• Equifax
• Experian
• TransUnion

Request your annual credit report at www.AnnualCreditReport.com
Simplify Your Spending
and Saving Strategies

Credit Card Payoff Strategy

<table>
<thead>
<tr>
<th>Credit Card</th>
<th>Amount Owed</th>
<th>Interest Rate</th>
<th>Minimum Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Card 1</td>
<td>$750</td>
<td>21%</td>
<td>$25</td>
</tr>
<tr>
<td>Credit Card 2</td>
<td>$1,250</td>
<td>21%</td>
<td>$75</td>
</tr>
<tr>
<td>Credit Card 3</td>
<td>$1,000</td>
<td>20%</td>
<td>$50</td>
</tr>
<tr>
<td>Credit Card 4</td>
<td>$2,500</td>
<td>18%</td>
<td>$50</td>
</tr>
<tr>
<td>Credit Card 5</td>
<td>$4,000</td>
<td>18%</td>
<td>$50</td>
</tr>
<tr>
<td></td>
<td><strong>$9,500</strong></td>
<td></td>
<td><strong>$250</strong></td>
</tr>
</tbody>
</table>

Source: Edward Jones. This example is for illustrative purposes only.

Refinancing

- Mortgage
- Auto Loans
Review Your Strategy

The Four Uses of Cash

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- **E** Everyday Spending
- **S** Sources of Investment
Review Your Strategy

Mastering Credit:
• Good vs. Bad Debt
• The Credit CARD Act
• Credit Scores and Credit Reports
• Debt Consolidation and Payoff Strategies