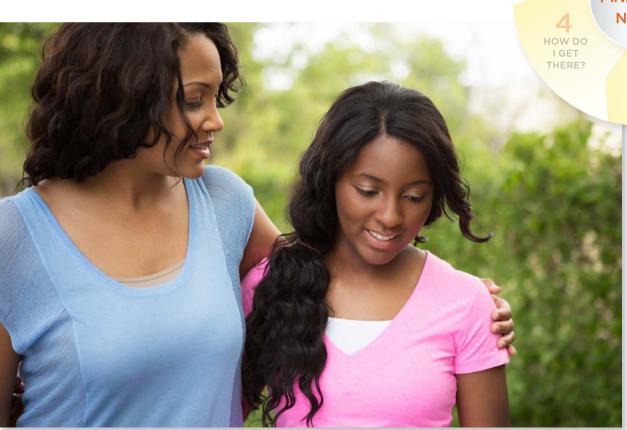




# Where am I today?

I STAY ON















**Unexpected Expenses and Emergencies** 



**Specific Short-term Savings Goals** 



**Everyday Spending** 



**Sources of Investment** 



#### **Everyday Spending**

- Groceries
- Utilities
- Entertainment
- Mortgage
- Car/gas/insurance
- Other debt payments



# **AutoPay Bills**





#### **Unexpected Expenses and Emergencies**

- Job loss
- Home repair
- Auto repair
- Unplanned medical expense



# **Build Your Reserves**



#### **Specific Short-term Savings Goals**

- New car
- Vacation
- Wedding



# Separate Savings and Checking

S

#### **Sources of Investment**

- Strategic allocations
- Temporary allocations for a future investment

# Tip



# 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



# Tip



# Think of Debit and Credit Cards as Spending and Savings Tools

#### Using a Credit Card Rewards System

Expense	Monthly Charge	Points 1 pt./\$1	Points 1.5 pt./\$1
Gas/Groceries	\$950	950	1,425
Utilities	\$375	375	563
Entertainment	\$300	300	450
Dining/Retail	\$300	300	450
Monthly Total:	\$1,925	1,925	2,888
Yearly Total:	\$23,100	23,100	34,656
Cash Back Value:		\$231	\$346
5-Year Value		\$1,155	\$1,730

Source: Edward Jones.. Example is for illustrative purposes only.



#### **Credit Cards and Minimum Payments**

New Balance \$1,786.00

Minimum Payment Due \$53.00

Payment Due Date 2/13/20

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:

If you make no additional charges using this card and each month you pay	You will pay off the balance shown on this statement in about	And you will end up paying an estimated total of
Only the minimum payment	8 years	\$2,785
\$62	3 years	\$2,232 (Savings = \$553)

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 <a href="https://www.myFICO.com">www.myFICO.com</a>

## Credit Report

#### **Credit Bureaus**

- Equifax
- Experian
- TransUnion

Request your annual credit report at www.AnnualCreditReport.com





# Credit Card Payoff Strategy

Credit Card	Amount Owed	Interest Rate	Minimum Payment
Credit Card 1	\$750	21%	\$25
Credit Card 2	\$1,250	21%	\$75
Credit Card 3	\$1,000	20%	\$50
Credit Card 4	\$2,500	18%	\$50
Credit Card 5	\$4,000	18%	\$50
	\$9,500		\$250

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





# Review Your Strategy

#### The Four Uses of Cash

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

## Review Your Strategy

#### **Mastering Credit:**

- Smart Spending
- The Credit CARD Act
- Credit Scores and Credit Reports
- Debt Consolidation and Payoff Strategies

# Questions Answers

# Thank You

#### PLEASE COMPLETE YOUR EVALUATION NOW



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