



SIMPLIFY

Your Spending and Saving Strategies

Edward Jones[®]
MAKING SENSE OF INVESTING



Where am I today?



A man and a woman are sitting at a desk, working together on a laptop. The man is on the left, wearing a light blue button-down shirt over a white t-shirt, with his hand on his head. The woman is on the right, wearing a teal top, holding a white receipt. They are both looking at the laptop screen. The background is a blurred outdoor scene with green foliage. The word "Budgeting" is overlaid in white text on a grey rectangular background in the center of the image.

Budgeting



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

The Four Uses of Cash



Everyday Spending

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

Tip



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**

The Four Uses of Cash

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



Mastering Credit

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.



Smart Spending

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 www.myFICO.com

Credit Report

Credit Bureaus

- Equifax
- Experian
- TransUnion

Request your annual credit report at
www.AnnualCreditReport.com



Building Credit



Debt Consolidation and Payoff Strategies

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.

Refinancing

- Mortgage
- Auto Loans





Review Your Strategy

Review Your Strategy

The Four Uses of Cash

U **Unexpected Expenses and Emergencies**

S **Specific Short-term Savings Goals**

E **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

Edward Jones[®]
MAKING SENSE OF INVESTING

www.edwardjones.com Member SIPC