



Employee Assistance Program

Setting Financial Goals

What is it that you want to get out of your personal finances? Perhaps it's to travel or retire without financial stress. Maybe you want to pay for your child's college, or pay off your credit card debt. Own your own home? All of the above?

While it may not be possible to fulfill every financial goal, it may be possible to fulfill one or even some. The important thing is to keep your goals in front of you so that you know what you are working towards.

Take inventory.

Now that you've identified your big picture dreams and hopes, it's time to see where you stand financially at this very moment. This is your starting point.

- Even if it feels overwhelming or scary, **make a list of all debts.**
- **Make a list of all variable and fixed expenses.** Variable expenses are the type that may fluctuate from month to month, such as food/grocery, car maintenance and gas, clothing expenses, and entertainment. Fixed expenses are those that stay relatively the same each month, such as mortgage or rent, and other loan repayments.
- **Make a third list of all of your sources of income.**

Analyze.

With your total debts, expenses and income, play around with different scenarios depending on what your goals are. It comes down to how you allocate your money coming in against money going out. When it comes to adjusting amounts, you will generally be looking at your variable expenses. For example, if you want to pay off all credit card debt, look for ways you could increase your payments. You might consider packing a lunch instead of going out to eat, and using the savings toward your monthly credit card payment. Every little bit helps.

Identify a plan.

At this point, you will likely have an idea of your financial goals along with possible ways to reach them. One common strategy is to pay yourself first. The idea is that you commit to an amount and then write out a check or transfer funds to your savings account just like you would a bill. Also, be sure to think about which means of reaching your goals are realistic for you and your family. Is it worth forgoing a morning latte to save for an emergency fund? Is it worth cancelling cable to save money for a family vacation? Is it worth moving to a smaller house to pay down debt? The key is to explain and discuss the plan with everyone involved. Even little ones can grasp the idea of saving money to pay for a bigger goal down the road—and it can turn into a great teachable moment for kids of all ages.

Put it into practice.

It can be hard to adjust to a new budget, or doing without certain goods or services. But it gets easier. Before you know it, you may find you don't even miss whatever it is you are doing without. Expect that it will be really hard for a little while—and hopefully you'll be pleasantly surprised at how easy it really is.

Find resources.

Finances and money concerns can be stressful. If you are not sure where to start, or are feeling overwhelmed by your finances, call the phone number below for help.

For more money tips and tools, visit the website or call the toll free number listed below.



www.apshelplink.com



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