



# Planning for Money Milestones

# Why is Planning Important



- Gives direction
- Puts you in control
- Enables you to be proactive
- Provides steps necessary to achieve goals
- First step = Determine the goal

# Smart Goals



**1**

Specific

**2**

Measurable

**3**

Attainable

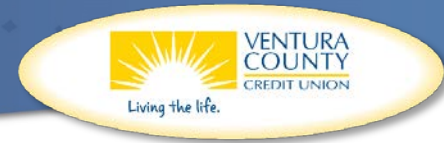
**4**

Relevant

**5**

Time-bound

# Smart Goals (continued)



- **Specific**

Answer the “W” questions (who, what, why, where, and when?)

- **Measurable**

Answer the “H” questions (how much, how many, how will I know when I’ve met the goal?)

- **Attainable**

Determine the attitude and skills needed to reach your goal

- **Relevant**

Make sure goals are important to you and align with your values

- **Time-bound**

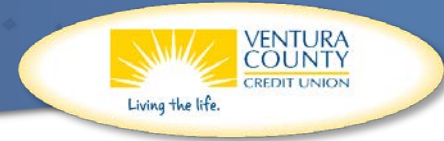
Set a timeframe for your goal to create a sense of urgency

# Map Your Financial Future



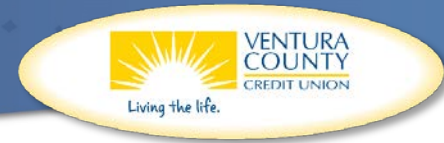
|                                    | YOUR GOALS | TARGET DATE | TOTAL NEEDED | CURRENT SAVINGS | ADDITIONAL SAVINGS NEEDED | PAY PERIODS UNTIL TARGET DATE | SAVINGS NEEDED PER PAY PERIOD | SAVINGS NEEDED PER MONTH |
|------------------------------------|------------|-------------|--------------|-----------------|---------------------------|-------------------------------|-------------------------------|--------------------------|
| Short-term Goals<br>(under 1 year) |            |             |              |                 |                           |                               |                               |                          |
|                                    |            |             |              |                 |                           |                               |                               |                          |
|                                    |            |             |              |                 |                           |                               |                               |                          |
|                                    |            |             |              |                 |                           |                               |                               |                          |
|                                    |            |             |              |                 |                           |                               |                               |                          |
| Mid-term Goals<br>(1-5 years)      |            |             |              |                 |                           |                               |                               |                          |
|                                    |            |             |              |                 |                           |                               |                               |                          |
|                                    |            |             |              |                 |                           |                               |                               |                          |
|                                    |            |             |              |                 |                           |                               |                               |                          |
|                                    |            |             |              |                 |                           |                               |                               |                          |
| Long-term Goals<br>(over 5 years)  |            |             |              |                 |                           |                               |                               |                          |
|                                    |            |             |              |                 |                           |                               |                               |                          |
|                                    |            |             |              |                 |                           |                               |                               |                          |

# Map Your Financial Future (continued)



| Goal type                           | Goal                      | Target date | Total needed | Monthly deposit |
|-------------------------------------|---------------------------|-------------|--------------|-----------------|
| Short-term                          | Emergency savings account | 1 Year      | \$1,800      | \$150           |
| Mid-term                            | Repay debt                | 3 Years     | \$5,000      | \$200           |
| Long-term                           | Fund retirement           | 30 Years    | \$1,000,000  | \$350           |
| Total monthly savings for all goals |                           |             |              | \$700           |

# Get Organized



- **Your physical space**

- Have a dedicated space with file cabinet, shredder, fireproof safe
- Determine how long documents should be saved
  - *Utility, credit card, checking, and savings account statements: one year*
  - *Tax returns, W-2s, 1099s, and other tax-related documents: seven years*
  - *Monthly/quarterly investment account statements until the year-end statement is received. Year-end statements until the investment is sold.*
- Create a personal financial directory

- **Your digital space**

- Online statements
- Scan important documents
- Managing credit card payments

# Tracking Your Spending



- **Write it down**
- **Keep receipts**
- **Stick to plastic**
- **Use budgeting software**



# App Analysis



- **The big picture - Mint, Mint Bills**
- **Daily transactions - Bank apps**
- **Automatic saving - Digit**
- **Credit card analysis - Wallaby**
- **Portfolio Management – Personal Capital, Acorns**

*These are examples and we are not endorsing any one particular app. When choosing an app, pay close attention to ensure that you are aware which services are free and which services for which you will be charged.*

# Build Your Budget



- **List and total your monthly net income**
  - Avoid overestimating
  - Include both gross and net income
- **List and total your monthly net expenses**
  - Current and proposed spending
  - Fixed vs. variable spending
  - Discretionary expenses
- **Subtract your current expenses from your current income**
  - Make adjustments if needed (increase income, decrease expenses, or a combination)

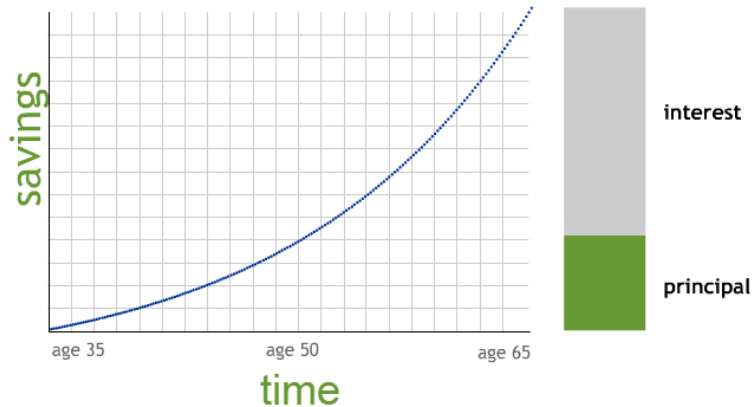
# Start Saving Now



- **Save 10% of monthly net income**
  - Interest will accumulate over years of saving

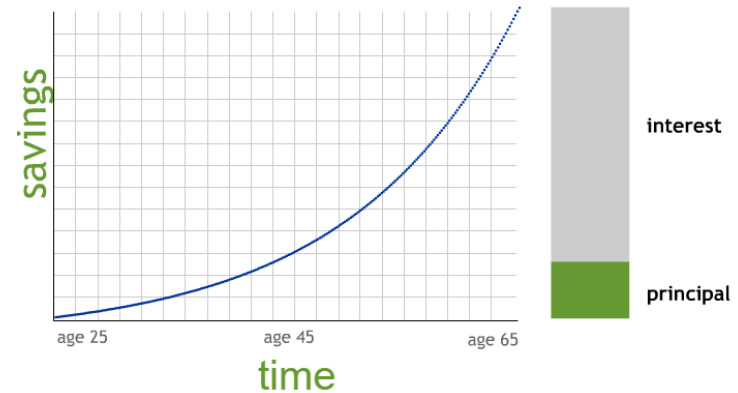
monthly savings: \$25  
starting age: 35  
interest rate: 7 %

► **calculate** savings \$30,480



monthly savings: \$25  
starting age: 25  
interest rate: 7 %

► **calculate** savings \$65,608



# Establish an Emergency Savings Account



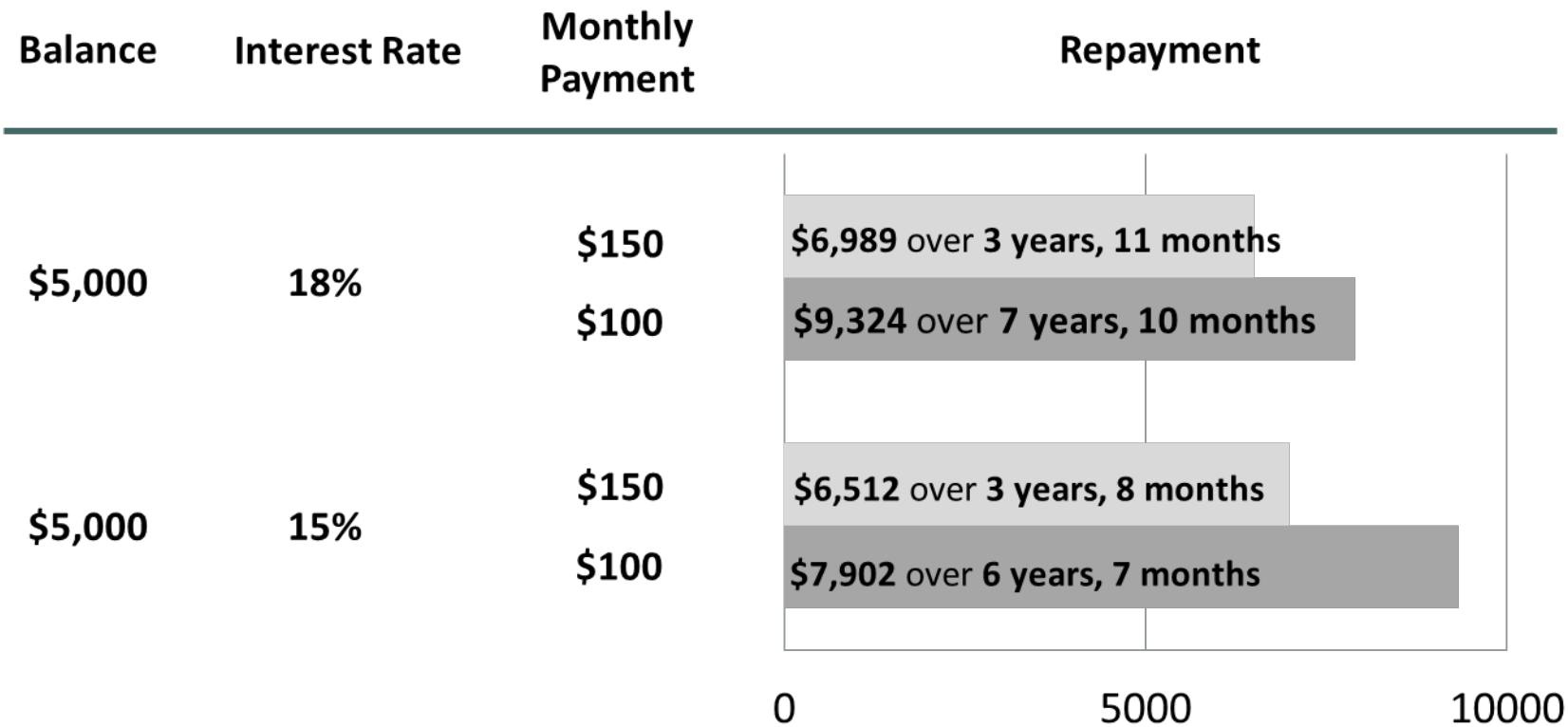
- 3-6 months of essential living expenses
- Kept in a separate account from everyday spending
- Should be liquid
- Create fund while working toward other goals

# Save for Goals While Repaying Debt



- **Should save for emergency fund even if have debt**
  - Won't have to rely on credit if there is an emergency
- **Save for retirement**
  - Reduces taxable income
  - Many employers match contributions
- **May want to delay saving for less vital goals**
  - Interest charged on debt

# Cost of Credit



# Take the Next Step



- Visualize success
- Stay organized
- Be realistic
- Monitor progress
- Expect setbacks
- Reward yourself along the way
- Keep the plan going!





# Questions?



**BALANCE is a free financial education and counseling service available to all VCCU members. Services include:**

- **Webinars**
- **Counseling services**
- **Podcasts and short videos**
- **Online tools**
- **Debt repayment options**
- **Credit report review**
- **And more....**



**Call toll-free 888.456.2227 or visit  
[vccuonline.balancepro.org](http://vccuonline.balancepro.org)**

# Ventura County Credit Union



## 8 convenient locations

- Ventura
- RiverPark at the Collection in Oxnard
- Oxnard
- Port Hueneme
- Camarillo
- Thousand Oaks
- Moorpark
- Simi Valley

**Our mission** is to improve the financial well-being of our members and our community.

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We're social!



# Thank you!

**Pattie Braga**

Senior Community Development Officer

805.477.4052 work

805.339.4226 fax

805.797.3985 cell