Financial Plan Checklist

By Lauren Meir

- ☐ Plan for Emergencies First
  - ☐ Start setting aside 5-15% of your income.
  - ☐ Save enough to sustain your basic needs (utilities, groceries, and rent)
  - ☐ Deposit this income into a money-market or dedicated savings account
  - ☐ This money can cover unexpected necessary expenses, like car damages or crucial home repairs.
- ☐ Plan for Retirement Second
  - ☐ Start by setting aside at least 3% of your income.
  - ☐ If you are self employed, opt for an IRA.
  - ☐ If your employer contributes to your retirement, put enough cash in your 401(k) to get the total matched sum.
  - ☐ Don't touch this money for other purposes, like college funds, ;maintenance ;repairs or extra expenses. This cash is off limits until you're in your golden years!
  - ☐ Allow 3 months to get used to your slightly smaller paycheck, and keep squirreling away for security After 3 months move on to step three.
- ☐ Pad your Emergency Fund Third
  - ☐ You should have saved 3-6 month's worth of living expenses by this point.
  - ☐ If your income is comission-based or is freelance, you may need to stash away more (6-9 months, for example).
  - ☐ Use any financial windfalls wisely If you can, use bonuses or tax refunds to top off your emergency fund.
  - ☐ Be prudent with your purchases, and monitor your spending to determine where you can cut back.
- ☐ Clear Credit Card Debt Fourth
  - ☐ Don't touch your retirement or emergency funds for debt payment You will need those for later, and you don't want to create more debt.
  - ☐ Make a list of all credit card bills.
  - ☐ Pay off the bill with the highest rate first Progress down the list this way, ending by paying off the card with the lowest rate.
  - ☐ Transfer balance from a high-rate card to a low-rate card if possible Contact your bank for details.
- ☐ Bump Up Retirement Savings Fifth

- ☐ Retirement savings should be your #1 priority! You can always borrow for other expenses, but not for retirement!
- ☐ Use a retirement savings calculator to determine how much you should boost your retirement fund per month This depends on your current age, amount of savings you have now, and your estimated costs for life in retirement.
- ☐ Maximize Savings Save the highest legal amount you can annually. That's $16,500 for a 401(k) and $1,000 ;for an IRA.
- ☐ If you've been scoring your target for over a year, you can move onto the next step.

☐ Accomplish Other Financial Goals Sixth

- ☐ Clearly outline your savings goals and plan a budget Maybe it's saving for a college fund, or paying off your ;mortgage.
- ☐ Start saving the appropriate sum each month until you reach your target.
- ☐ If you have several financial goals, keep savings in seperate accounts to differentiate between the funds.
- ☐ Choose and Invest Wisely For college tuition, saving can be tricky because of so many shifting factors. You'll want a more structured savings plan. For paying off loans, keep funds liquid and stable in a CD or interest-earned checking account. Saving cash for a yacht in retirement? It's ok to invest a portion in the stock market...just play carefully!