Financial Plan Checklist

Created: 5/16/2012

# Tasks:

☐ **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!*