Embrace Reality and Get Organized
Steps to Get Yourself On Track

**STEP 1 MAKE A DECISION**
Look at your current situation and project it out 5, 10, 20 years. What does life look like? Are you happy with where you’re headed? Do you have fear, anxiety or lack of clarity? If so, these will prevent you from living your best life and you can change them.

If you’re not happy with where you’re headed, then admit you have to change, fire yourself, find an accountability partner and start to build a plan.

**STEP 2 DEFINE YOUR GOALS**
Ask yourself, what’s important to you? What do you want your life to look like? Write down SMART goals (specific, measurable, achievable, realistic, time bound).

*Goals should have a financial and emotional payoff.*

**STEP 3 TAKE INVENTORY OF WHERE YOU STAND**

**ASSETS (WHAT DO YOU OWN?)**

EXAMPLES ARE:
- Checking
- Savings
- Stocks, Bonds, Mutual funds, Annuity
- Retirement account
- Home
- Business
- Real Estate
- Vehicle
- Jewelry

**LIABILITIES (WHAT DO YOU OWE?)**

EXAMPLES ARE:
- Mortgage
- Car loan
- Credit Cards
- Student Loans
- Any type of loan

**INCOME - CURRENT AND FUTURE (MONEY COMING INTO YOUR HOUSEHOLD)**

EXAMPLES ARE:
- Wages – full or part-time work
- Pension
- Social security

**HOW TO CALCULATE FUTURE INCOME:**
- **Employment income for a new job** (use online tools provided by job recruiting firms)
- **Social Security** (go to ssa.gov for your personal estimate)
- **Pension** (ask your employer to provide a calculation)
TAKEAWAY

Once you are organized you can see where you stand and begin on your new path to financial empowerment.

LIFESTYLE EXPENSES (MONEY SPENT EACH WEEK, MONTH OR YEAR)

EXAMPLES ARE:
- Fixed expenses (mortgage, rent, real estate taxes, auto insurance, loan payments, just to name a few)
- Variable expenses (groceries, personal care, gas, electricity, gym memberships, medical/dental/vision care, just to name a few)
- Discretionary expenses (gifts, hobbies, vacations, home improvements, helping out family members, just to name a few)
- Surprises (people usually underestimate the cost of gifts, vacations and home improvements)

*TIP* Plan for the unexpected in your budget. You never know when an emergency or an opportunity will show up!

SAVINGS (MONEY SET ASIDE FOR FUTURE USE)

EXAMPLES ARE:
- Building a rainy day fund in your savings account
- Saving for college in a 529 plan
- Saving for retirement in a 401k, 403b or IRA