



CORBCO

Your Company's Retirement Plan is our Business™



RETIREMENT & FINANCIAL PLANNING CORNER

Brought to you by: Dave Hojlo,
Accredited Investment Fiduciary ("AIF")



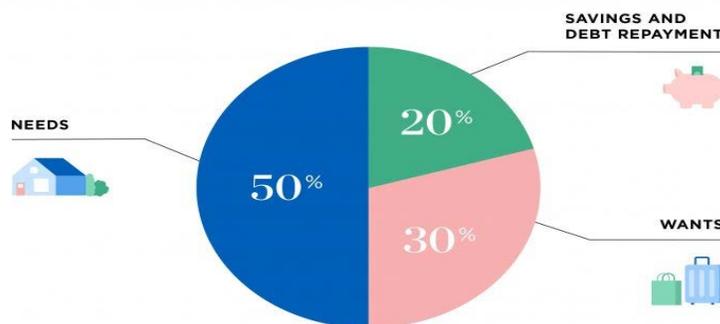
OCTOBER 2021

HOW BUDGETING HELPS YOU SAVE AND INVEST

How To Budget Money?

- Calculate your monthly income (after tax), pick a budgeting method and monitor your progress.
- Try the 50/30/20 rule as a simple budgeting method.
- Allow up to 50% of your income for needs.
- Leave 30% of your income for wants.
- Commit 20% of your income to savings and debt repayment.

The 50/30/20 Budget Rule



<https://www.nerdwallet.com/article/finance/how-to-budget>

What Are Considered Needs and Wants?

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Needs	Wants
Groceries	Dinners Out
Housing (Rent or Mortgage)	Gifts
Basic utilities	Travel
Transportation	Entertainment
Insurance	
Minimum loan payments	
Child care	

<https://www.smartcu.org/smarter-habits/budgeting-basics>

Savings And Debt Repayment

Use 20% of your after-tax income to put something away for the unexpected, save for the future and pay off debt. Start paying off the past while investing in your future.



Emergency Fund

An emergency fund is money that you set apart from other savings. It's there to help you deal with the unexpected events of life. Emergencies can take the form of an unpredictable expense, such as your car breaking down. They also can take the form of an unexpected loss of income, such as having to change jobs or not receiving a bonus you were expecting.

How much do I need? **3-6 Months' worth of expenses.**

Where do I keep my Emergency Fund?

- **High Yield Savings Account**
- **Money Market Account**

<https://www.forbes.com/advisor/banking/best-places-to-keep-your-emergency-fund/>

Retirement Contributions

Get the easy money first. For most people, that means tax-advantaged accounts such as a 401(k). If your employer offers a match, contribute at least enough to grab the maximum. It's free money. After you capture the company match, consider funding a Roth individual retirement account.

2

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Saving for Yourself

Steps to saving for your personal goals:

1. What is the goal?

Do you want a new TV or always wanted to take that European Vacation?

2. Assign a Price to your Goal

Find out not only how much you *can* save, but how much you *need* to save.

3. Set a Deadline

Choose a deadline. You can stockpile your funds as that date approaches.

4. Follow up regularly

Reminding yourself to track your progress is an effective way to stay on top of your savings goals. Review your income, expenses and how much you've saved so far.

<https://www.nerdwallet.com/article/finance/how-to-set-savings-goals>



Debt Repayment – Student Loans

3 Ways you can eliminate student loan debt with a budget:

1. Pay more than the minimum payment

If you're only paying the minimum payment each month, you're not getting anywhere fast. You might not even be breaking even with the interest you're piling up!

2. Apply every raise and tax refund toward paying off your student loans

As you keep growing in your career and getting promotions as you go, put your extra income toward paying off those student loans.

3. Increase your income with a side hustle

If your biggest problem is income, pick up a part-time job on the nights or weekends so you can stack cash quickly. Then toss that extra cash directly at your student loan debt!

<https://www.ramseysolutions.com/debt/how-to-pay-off-student-loans-quickly>

Where Can I Find a Budget?

For a simplified budgeting snapshot:

PocketGuard

PocketGuard, a free budget app, connects your checking, credit and savings accounts and detects recurring bills and income. Then it shows how much is available for everyday spending by subtracting upcoming bills, savings goal contributions and pre-budgeted money from your estimated income.

For Budgeting and Credit Monitoring:

Mint

Mint has you connect your financial accounts, then the app tracks and categorizes your transactions. You'll get alerts when you're over your budget in a particular category, if it spots a large or suspicious transaction and if you've paid ATM fees.

<https://www.nerdwallet.com/article/finance/best-budget-apps>

For a Common, easy to use budget:

<https://www.consumer.gov/content/make-budget-worksheet>

Nerd Wallet's 50/30/20 Budget with spread sheet download:

<https://www.nerdwallet.com/article/finance/budget-worksheet>

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