

PERSONAL IN NATURE

F.O.U.O.

TRS PERSONAL FINANCE HOMEWORK:

Amounts in "Actual" column are considered PRE-WORK and must be complete BEFORE the TRS seminar

Completed budget- – due 0730 TUESDAY

(Attach this page as a cover sheet to your budget plan)

DATE: _____

NAME: _____



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www.mccshawaii.com/PFMP

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PERSONAL IN NATURE

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Please stop and READ!

Tips For Filling Out Your Budget Plan

- This is a paper budget version, you must do the math calculations yourself.
- This is a *monthly* budget, provide monthly numbers when completing your budget, unless otherwise noted.
- There are 2 columns to your budget: **Actual** (your current budget for Hawaii) and **Projected** (for after EAS- either employment, college/vo-tech or as an entrepreneur)
- Be as complete as possible, as this will provide you a good look at what your future budget will look like compared to your current budget. This will enable you to make timely adjustments, if needed for your future budget.
- Gather the Items on the checklist you will need to start your Financial Planning Worksheet

Explanation of the 8 tabs:

1- **Net Worth-** (*not monthly*)-

Complete the upper section, starting with Member's Name.

Complete the Net Worth section by listing all of your ASSETS at either value (cash, TSP, IRA, primary home, jewelry, etc.), blue book value (vehicles, etc), and yard sale value or what you could reasonable sell items for (furniture, etc.).

LIABILITIES- list the current balance of each item.

2- **Member's Income-**

Actual: Use your LES to complete this page for *actual*, copy it exactly.

Note: In the Federal Taxes remarks column, write the tax exemptions you're currently claiming (Single 0, Single 1, Married 0, Married 1, etc.). Current exemptions are found on your LES in the box with your federal and state taxes. In the state income tax remarks column, write the state you claim for tax purposes.

Projected:

BASE PAY box, is used for your new income. Calculate your monthly earnings. (Ex. \$10/hr x 30 hrs a week= \$300, then multiple by 4 to get your monthly gross income = \$1200. This is not your Net Income/take home. Don't forget taxes to calculate an accurate Net Income!)

In the section labeled, "Calculate Net Income," determine your net income by subtracting your federal taxes, FICS (Social Security), FICA (Medicare), and state taxes from your new income.

To determine your *projected taxes* use the tax calculator at <http://www.paycheckcity.com/calculator/salary/> (This is for all states-find your state).

BAH box, if you're attending college, use the BAH calculator at www.defensetravel.dod.mil/site/bahCalc.cfm .

Add other sources of income besides your military income to arrive at your net monthly income or total members monthly income to include spouse.

3- **Spouse's Income-**

If you are or will be married, complete this tab if your spouse has or will have income to support your family.

Combined Income-

This automatically completes if you're using the electronic form. Other complete the "Combined Take Home Pay" by adding the take home pay lines from both member and spouse.

4- **Savings & Expenses-**

- These are 2 separate categories! Total your monthly SAVINGS contribution separately and then Expenses separately
- This is how much you SAVE monthly & SPEND monthly – NOT the balance of your accounts (Your banking account balances are on the Net Worth/Section 1- not here)

To get started, put your Net Income (or Combined- if married) at the top of the page as it will be used to calculate percentages of savings and expenses.

Savings and Investments- How much do you contribute monthly to your savings and investments? (If the TSP or savings are taken out via allotments you don't need to calculate them in the actual because it's already deducted from your paycheck BUT you will want to write what is deducted in the remarks section AND be sure to complete the projected amount. Add your total savings/investing in the line "Pay Period Savings and Investments (10%)."

Expenses- For your *actual* expenses, look at your last month's bank statement. A good website to assist in determining the cost of items for your *projected* expenses is: www.bankrate.com/calculators/savings/moving-cost-of-living-calculator.aspx . Honolulu is listed under Urban Honolulu.

For occasional or periodic expenses such as vehicle maintenance, clothing, gifts, etc., determine what you plan to spend for a year, and then divide by 12 months. This is the amount you will spend each month (actually putting it away to save for the month you will incur that expense- this is the *RESERVE SAVING FUND*). For example, if you estimate you will spend \$700 for holiday gifts, then you should budget \$59 per month to put aside, so that you will have \$700 saved come the holiday.

Subtotal your expenses pages, and then add them together to arrive at the grand total for your expenses.

5- Indebtedness-

List all of your outstanding debts (car loan, credit cards, personal loans, student loans, etc.).

Be sure to include the Annual Percentage Rate (APR).

Total both the "Total Owed" and the "Total Monthly Payments" columns.

Summary Section *: This final calculation helps you understand your financial situation.

Complete the bottom section by bringing the listed totals from previous sections (Net Income, Savings & Investments, Living Expenses).

To determine the "Amount left to Pay Debts" subtract the Savings & Investments and Living Expenses from Net Income. This is a subtotal of the money you have left for debt.

Place the subtotal "Amount Left to Pay Debts" and then subtract the "Total Monthly Debt Payments" from indebtedness above.

Example: Car payment \$200, Credit Card \$100, Student Loan \$50= \$350 is going to be subtracted.

**This will tell you how much you have left at the end of the month as a surplus or a deficit.*

Debt to Income Ratio: Use the worksheet on page 7 to walk you through the calculations.

6- Action Plan & Goals-

Action Plan- Use to list action you will take to improve your financial situation.

Goals- List your financial goals and what it will take to obtain them. This will help you stay focused on sticking to your budget.

https://www.manpower.usmc.mil/portal/page/portal/M_RA_HOME/MF/Personal%20and%20Professional%20Development

<http://mccshawaii.com/ppdev/>

www.onetonline.org

www.tsp.gov

<http://workforcesecurity.doleta.gov/unemploy/ucx.asp>

<http://www.careeronestop.org/ReEmployment/Veterans/UnemploymentBenefits/what-is-unemployment-insurance.aspx>

<http://www.unemployment-rate.org/unemployment-benefits-by-state>

<http://www.careeronestop.org/reemployment/veterans/default.aspx>

Terminal Date: _____

EAS Date: _____

CREATIVE SAVINGS STRATEGIES

Once you have made the commitment to start a savings plan and you have decided which banking institution to put your money in, the crucial question you may ask yourself is, "Where am I going to find the extra money to put away?" Listed below are ways to save that may help you in your effort to build a substantial nest egg. Have fun!

Remember, money is not "saved" until it is truly in the account!

- When payday comes, always pay your savings account first as though it were a regular bill. Direct deposit is probably the easiest way to do this. Remember: The amount you deposit is not as important as depositing something on a regular basis.
- Shift a debt payment into your savings account after making that final payment. Your savings account will grow very quickly this way!
- Put any unexpected sums of money into savings (re-enlistment bonuses, Hazardous Duty pay, tax free income from deployments, special pay, tax refunds, birthday/anniversary checks, year-end bonuses, and lottery jackpots).
- Scrimp one month out of the year! Let your imagination go wild on how you can save as much as possible for one month. Knowing that this episode of frugality will end in 30 days may help add to your motivation.
- Give up one trip to a fast-food place per week and make a sack lunch to eat instead. Put the money you saved into your account!
- Cut back on utilities (electricity, gas, phone). If your next bills are less than what you budgeted for, stick the extra money into savings!

If you have a family, get everyone involved:

- Make some family savings goals together (save for vacation, a dinner out, or a trip to an amusement park).
- Show the children your written family budget, and add up the numbers so they can see where the money is being allocated. Try to get a family consensus on which expenses can be reduced, and task each person with a money savings responsibility.
- Make a game out of cutting costs and saving. Offer special rewards to your kids if they meet their own savings goals (saved enough money for a toy, a trip to the movies, clothes, bike, or a first car).
- Hugs, smiles, and words of praise are great rewards, unless you have promised to match a dollar amount for a special project or item that your child is working on.

These are just a few creative ways to save. Open your mind to all possibilities when building a savings plan!

**PERSONAL FINANCIAL MANAGEMENT PROGRAM
STANDARDIZED CURRICULUM**

Financial Planning Worksheet for Career Transition

Name: _____ Date: _____

You'll need the following items to fully prepare this worksheet:

- Current LES (<http://mypay.dfas.mil>)
- Other paycheck stubs or a listing of other sources of income
- Current Credit Report (www.annualcreditreport.com)
- Listing of current living expenses (mortgage or rent amount, food, childcare, entertainment, personal care, subscriptions, etc.)
- Current bank and mortgage statements
- Investment and retirement account statements
- Pencil and Calculator
- Current Bills (Monthly Amount and Total Balances Due)
 - Utility Bills
 - Phone Bills (Home/Cell)
 - Cable/Satellite
 - Internet
 - Credit cards
 - Car loans
 - Insurance payments
 - Personal loans
 - Student loans
 - Other debts

STATEMENT OF NET WORTH

ASSETS (Total Value)

Cash on hand \$ _____

Checking Accounts \$ _____

Savings Accounts \$ _____

Certificates of Deposit \$ _____

Cash Value of Life Insurance \$ _____

U.S. Savings Bonds \$ _____

Mutual Funds/Money Market \$ _____

Stocks/Bonds \$ _____

College Funds \$ _____

401(k)/403(b)/TSP \$ _____

Other (IRAs, etc.) \$ _____

Real Estate (Market Value) \$ _____

Home \$ _____

Rental Property \$ _____

Other (Vac Home/Trailer/Time Share) \$ _____

Personal Property

Vehicles/Motorcycles/Boats \$ _____

Furniture \$ _____

Jewelry \$ _____

Other (Collectibles, etc.) \$ _____

TOTAL ASSETS \$ _____

LIABILITIES (Total Balance Due)

Signature Loans \$ _____

Auto Loans or Leases \$ _____

Consolidation Loans \$ _____

Student Loans \$ _____

Military Exchange Credit Cards \$ _____

Department Store Credit Cards \$ _____

Other Credit Cards \$ _____

Aid Organization Loans (NMCRS ACS, AFAS, etc.) \$ _____

Other (Friends, Relatives, etc.) \$ _____

Advance/Over Payments \$ _____

Mortgage (Home) \$ _____

Home Equity Line of Credit (HELOC) \$ _____

Mortgage (Rental Property) \$ _____

TOTAL LIABILITIES \$ _____

NET WORTH

Total Assets – Total Liabilities \$ _____

MONTHLY INCOME

MONTHLY INCOME			
ENTITLEMENTS	ACTUAL	PROJECTED 1	PROJECTED 2
* Base Pay			
Basic Allowance for Housing			
Overseas Housing Allowance			
Basic Allowance for Subsistence (BAS)			
Family Separation Allowance (FSA)			
* Special Pay			
*Other Taxable Pay			
Other Non-taxable Pay (allowance)			
TOTAL MILITARY COMPENSATION (A)			
DEDUCTIONS	ACTUAL	PROJECTED 1	PROJECTED 2
ALLOTMENT			
Family SGLI (For Spouses)			
Servicemembers' Group Life Insurance (SGLI)			
Uniform Services TSP			
MGIB			
FITW Filing Status Actual			
FICA (Social Security)			
FICA (Medicare)			
State Income Tax			
AFRH (Armed Forces Retirement Home)			
TRICARE Dental Plan (TDP)			
Advance Payments			
Overpayments			
TOTAL DEDUCTIONS (B) \$	\$	\$	
CALCULATE NET INCOME	ACTUAL	PROJECTED 2	PROJECTED 2
Service Member's Take Home Pay (A-B) \$	\$	\$	
Service Member's Other Earnings (less taxes)			
Spouse's Earnings (less taxes)			
Child Support/Alimony (Received/Income)			
Other Income (e.g., SSI, Rental Income)			
ALLOTMENT			
Family SGLI (For Spouses)			
Servicemembers' Group Life Insurance (SGLI)			
Uniform Services TSP			
MGIB			
TRICARE Dental Plan (TDP)			
Advance Payments			
Overpayments			
MONTHLY NET INCOME	\$	\$	\$

***Note:** Pay Entitlements are taxable. Allowance Entitlements are non-taxable.

MONTHLY SAVINGS AND LIVING EXPENSES

SAVINGS		ACTUAL	PROJECTED 1	PROJECTED 2
	Emergency Fund (1-3 months)			
	Reserve Fund			
	"Goal-Getter" Fund			
	Investments/IRAs/TSP/etc.			
TOTAL SAVINGS AND INVESTMENTS		\$	\$	
LIVING EXPENSES		ACTUAL	PROJECTED 1	PROJECTED 2
HOUSING	Furnishings			
	Maintenance/Repairs			
	Mortgage/Rent			
	Taxes/Fees			
FOOD	Dining Out			
	Groceries			
	Lunches			
	Vending Machines			
	Meal Deductions from military pay			
UTILITIES	Cable/Satellite TV			
	Cellular/Pagers/Phone Cards			
	Electricity			
	Internet Service			
	Natural Gas/Propane			
	Telephone			
	Water/Garbage/Sewage			
CHILD CARE	Allowances			
	Daycare			
	Child Support/Other Dependent Care			
AUTOMOBILE	Gasoline			
	Maintenance/Repairs			
	Other			
CLOTHING	Laundry/Dry Cleaning			
	Purchases (\$50 monthly per person)			
INSURANCE	Automobile			
	Health			
	Life			
	Homeowners/Renters			
	SGLI/FSGLI			
	Dental Insurance			
HEALTHCARE	Dental Expenses			
	Eye Care			
	Hospital/Physician			
	Prescriptions			
EDUCATION	Books			
	Fees (Other/Room & Board)			
	Tuition			
	MGIB			
CONTRIBUTIONS	Charities			
	Club Dues/Association Fees			
	Religious			
LEISURE	Athletic Events/Sporting Goods			
	Books/Magazines			
	Computer Products (Software/Hardware)			
	DVD/VHS & Video Games Rentals			
	DVD's & CD's			
	Entertainment			
	Lessons			
	Toys & Games			
	Travel/Lodging			
PERSONAL	Beauty Shop/Nails			
	Barber Shop			
	Cigarettes/Other Tobacco			
	Vending Machines			
	Liquor/Beer/Wine			
	Other (Toiletries, Supplements, etc.)			
GIFTS	Holidays			
	Birthdays/Anniversaries			
PET CARE	Food/Supplies			
	Veterinarian/Service (Boarding/Grooming)			
MISCELLANEOUS	ATM Fees/Stamps/etc.			
	Other			
TOTAL MONTHLY LIVING EXPENSES		\$	\$	\$

INDEBTEDNESS

CREDITOR	PURPOSE	APR %	BALANCE (From Page One)	CURRENT MONTHLY PAYMENT	PROJECTED 1	PROJECTED 2
1. US Govt.	Advance Pay					
2. US Govt.	Over Payments					
3.						
4.						
5.						
6.						
7.						
8.						
8.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						
21.						
22.						
23.						
24.						
25.						
TOTAL						

SUMMARY

		ACTUAL	PROJECTED 1	PROJECTED 2
NET INCOME (Bottom of Page 2)				
SAVINGS & INVESTMENTS (Page 3)	-			
LIVING EXPENSES (Page 3)	-			
AMOUNT LEFT TO PAY DEBTS	=			
TOTAL MONTHLY DEBT PAYMENTS (Page 4)	-			
SURPLUS OR DEFICIT	=			
DEBT-TO-INCOME RATIO				

(Total Monthly Debt Payments ÷ Net Income x 100 = Debt-to-Income Ratio)

ACTION PLAN

INCREASE INCOME

1. _____
2. _____
3. _____
4. _____

DECREASE LIVING EXPENSES

1. _____
2. _____
3. _____
4. _____

DECREASE INDEBTEDNESS

1. _____
2. _____
3. _____
4. _____

ADDITIONAL INFORMATION NEEDED

1. _____
2. _____
3. _____
4. _____

TRANSITION GOALS

	GOAL	COST	DATE WANTED	MONTHLY SAVINGS TO REACH GOAL
1.				
2.				
3.				
4.				
5.				
6.				

DEBT-TO-INCOME RATIO

This is a useful tool in determining your financial risk level. Do the math and consider where you are before taking on further debt.

1. Net income (gross monthly pay minus taxes, withholdings and allotments). 1. _____

2. Installment credit (include charge accounts, car payments, advance pay, overpay, etc. Do not include rent, mortgage, utilities or insurance payments.)

Creditor monthly payment

A. _____ \$ _____

B. _____ \$ _____

C. _____ \$ _____

D. _____ \$ _____

E. _____ \$ _____

F. _____ \$ _____

G. _____ \$ _____

H. _____ \$ _____

2. _____

3. Divide line 2 by line 1, multiply by 100

(2) _____ ÷ (1) _____ x 100 = _____ %
TOTAL

Percent

Status

Less than 15%

Some additional credit may be used with caution.*

15-20%

Fully extended. Seek financial coaching to be pro-active.

21-30%

Overextended. Strongly encouraged to seek financial coaching.

Greater than 30%

Seriously overextended. Seek help! Contact your local PFM or CFS.

<http://www.usmc-mccs.org/finance>

* Will the additional monthly payment put you over 20 percent?

Large families may have a difficult time with 16 percent or more.

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