

# personal budget kit



helping meet your financial needs **at every stage of life**



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First Midwest Bank

First Midwest  
financial



At First Midwest Bank, we're committed to helping our clients build a smart financial future. Our Personal Budget Kit is a great way help you get a better handle on where your money's coming from, as well as where it's going. Combine this budgeting exercise with an eye-opening, interactive discussion with a First Midwest Personal Banker and our Financial 360. It's the right combination to help you reveal your hopes, plans, and dreams, prioritize the needs that will help you meet those goals and take a full-circle approach to managing your hard-earned money.

It's just another way we help all your hard work pay off.

## 1 getting started

A well conceived budget relies upon recognizing all the things you spend money on during a certain period of time. Start by completing a **Daily Spending Diary** on page 2, to capture all the items you spend money on during the course of a typical week. You can do this for as many weeks as you'd like by making copies of this form, with the purpose being that you find all the little items that would normally slip through the cracks of a typical monthly budget worksheet.

# daily spending diary

week# \_\_\_\_\_

	<b>purchase/payment</b>	<b>cost</b>	<b>purchase/payment</b>	<b>cost</b>
<b>sunday</b>	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<hr/>				
<b>monday</b>	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<hr/>				
<b>tuesday</b>	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<hr/>				
<b>wednesday</b>	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<hr/>				
<b>thursday</b>	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<hr/>				
<b>friday</b>	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
<hr/>				
<b>saturday</b>	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

## 2 budget calculator

With your completed **Daily Spending Diary** in hand, it's time to look at all the numbers and get a clear picture of your income and expenses. The Budget Worksheet on page 4 leads off with a section titled **(a) hopes, plans, and dreams**. If you've already completed a Financial 360 with a First Midwest Personal Banker, you can transfer those right into this section. Otherwise, fill in this area with your hopes, plans, and dreams right now, because remembering these financial goals will go a long way to helping you understand how your personal spending and saving habits support those goals.

Now it's time to document all your **Current Income** and **Expenses**. We've provided lists of typical household incomes and expenses to help you sort it all out, but feel free to add or change the categories to suit your personal situation. Make sure you capture all of your expenses in the **Daily Spending Diary**. Once you've completed these two sections, you're ready to begin a couple of calculations. Add the items in the **(b) Income** section to get your **Total Monthly Income**. Following the arrow, transfer that total to the bottom of the form. Now, do the same with all your **(c) Expenses** to arrive at your **Total Monthly Expenses**, and following the arrow, transfer that number to the bottom as well. Deduct **Total Monthly Expenses** from **Total Monthly Income** to arrive at your **Surplus** (positive amount) or **Shortfall** (negative amount).

With a clear picture of what is or isn't leftover after all your expenses are met, you can start to look at ways to modify your current spending habits to realize additional saving opportunities. Use the **(d) Proposed** column to offer these revised expenses where you think it makes good sense. Once you've finished, deduct the **Proposed** column from the **Current** column for each expense item and place the difference in the **Savings** column. Each of these individual amounts represent potential monthly savings. Simply add all of the amounts in the **Savings** column to discover your **Total Proposed Savings**. Again, following the arrow, transfer that total to the bottom of the form.

Now you're ready for the best part of this budgeting exercise. Add the **Surplus/Shortfall** and the **Proposed Savings** amounts together to arrive at your **(e) New Budget Savings**. You may find that just a few small revisions in your weekly or monthly expenditures can add up quickly, so feel free to take a couple of passes at finding additional ways to scrutinize your spending habits and discover new ways to put more money in your savings column.

# budget calculator

**a** hopes. plans. dreams.

\_\_\_\_\_ present \_\_\_\_\_ short-term \_\_\_\_\_ long-term

**b** income (monthly)

Current

Wages/Salaries .....	_____
Interest/Dividends .....	_____
Social Security .....	_____
Child Support/Alimony .....	_____
Unemployment/Disability/Public Assistance ..	_____
Retirement/Pension .....	_____
Other .....	_____
<b>Total Monthly Income</b> .....	=====

**d** it all adds up



**c** expenses (monthly)

Current

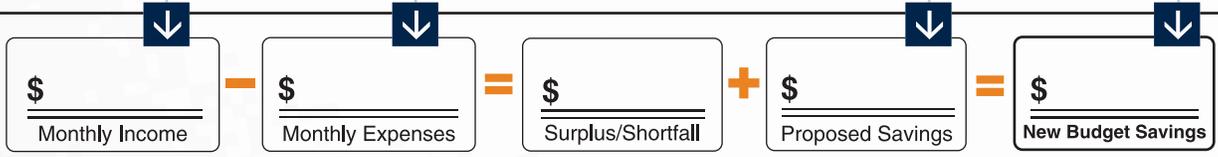
Proposed

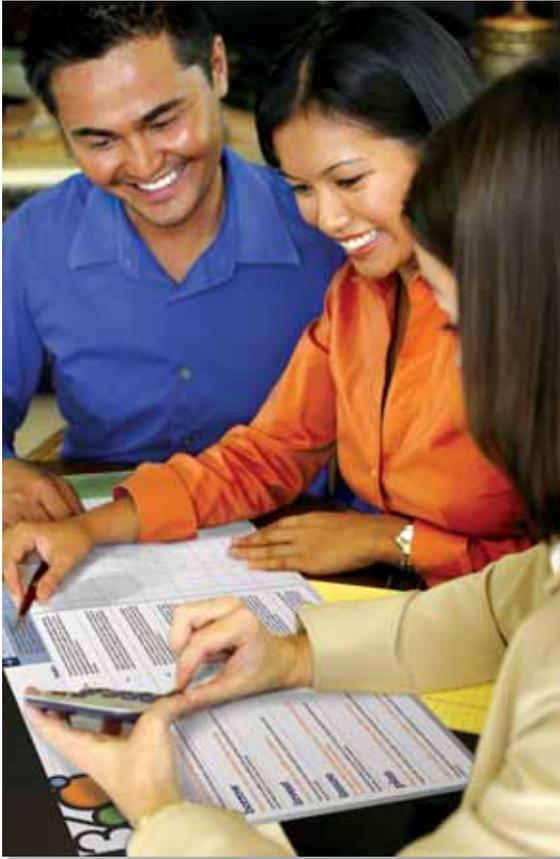
Savings

Mortgage/Rent .....	_____	-	_____	=	_____
Property Taxes/Insurance .....	_____	-	_____	=	_____
Association Fees .....	_____	-	_____	=	_____
Electricity .....	_____	-	_____	=	_____
Heating .....	_____	-	_____	=	_____
Water/Sewer .....	_____	-	_____	=	_____
Garbage Removal .....	_____	-	_____	=	_____
Telephone .....	_____	-	_____	=	_____
Cell Phone .....	_____	-	_____	=	_____
Internet .....	_____	-	_____	=	_____
Cable TV .....	_____	-	_____	=	_____
Car Payment/s .....	_____	-	_____	=	_____
Gasoline .....	_____	-	_____	=	_____
Maintenance/Repairs .....	_____	-	_____	=	_____
Auto Insurance .....	_____	-	_____	=	_____
Credit Card Payment/s .....	_____	-	_____	=	_____
Student Loan Payment/s .....	_____	-	_____	=	_____
Groceries .....	_____	-	_____	=	_____
Clothing .....	_____	-	_____	=	_____
Medical Bills/Prescriptions .....	_____	-	_____	=	_____
Child Care .....	_____	-	_____	=	_____
Tuition/Lessons .....	_____	-	_____	=	_____
Entertainment/Dining Out .....	_____	-	_____	=	_____
Gifts/Charitable Giving .....	_____	-	_____	=	_____
Subscriptions .....	_____	-	_____	=	_____
Pet Expenses .....	_____	-	_____	=	_____
Allowances .....	_____	-	_____	=	_____
Other .....	_____	-	_____	=	_____
<b>Total Monthly Expenses</b> .....	=====				

**Total Proposed Savings** ... \_\_\_\_\_

**e** lock-in your savings





## next steps

Today, you took a big step toward a smart financial future by really getting to know not only your spending habits, but also by taking a closer look at what's important to you. Building and living with the budget you put together can start today — along with the added savings you were able to carve out simply by realizing just where your money was going. With your newfound budget insights and savings in hand, now is the perfect time to talk to your First Midwest Personal Banker.



If all this talk of hopes, plans, and dreams has you refreshed and motivated about your financial future, then you should take advantage of all the tools available at **firstmidwest.com**

### Planning for Life Events

From expanding your family to retirement planning this section will help you focus on milestone moments in your life while keeping your financial future on track. **firstmidwest.com/lifeevents**



### Budget Center

Filled with practical, yet comprehensive tools, it's the perfect resource whether you're just starting to build a budget or adjusting your spending habits to match your changing lifestyle. And, beyond helping you build a smarter budget, there's lots of other calculators that can help you make the right decisions on auto, mortgage and home loans. There's calculators to help you plan for retirement, build a personal savings plan, and even help you get a better handle on financial decisions in your small business. It's all in the Budget Center. **firstmidwest.com/budget**



### Financial Balance Workshop Series



Browse our wide selection of financial topics, sign up for workshops close to home, experience a workshop online, or even contact us to tell us what kind of workshops would interest you or a group of people. All of our workshops are designed to share the important knowledge everyone needs to take control of their financial future. And they're free.

**firstmidwest.com/workshops**

### Online Account Opening

Opening a new account online is easier than ever before. Just click on "open an account" at the top of the homepage to get started or visit **www.firstmidwest.com/newaccount**



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# did you know?



lunching out

VS.

the "brown bag"

## ▶ pay yourself first

According to various sources like MSN Money®, Yahoo Finance®, and Bankrate.com®, the average cost of eating lunch out is \$9, while the average cost of a "brown bag" lunch is \$3. Bring your lunch 3 times per week, and you'll save \$18 right there – add it up and you'll have saved \$72 per month! Set aside that \$72 every month through a Systematic Savings Plan and watch what will happen (see table to the right).

Total saved per month:

**\$72**

Bring lunch for	Savings	
1 year	\$945	— That's the average cost of a home computer!
5 years	\$4,619	— That's the cost of a new roof!
10 years	\$9,644	
20 years	\$21,333	— That's the cost of your daughter's dream wedding!
30 years	\$35,607	
40 years	\$53,040	— That's a very comfortable income for a full year in retirement!

Assumes monthly compounding at 2.00% Annual Percentage Yield with \$72 deposited every month throughout the time horizon illustrated with no withdrawals or fees.

**54%\***

have not calculated their retirement needs.

**46%\***

have completed a retirement needs calculation

## what's your number?

You're not alone. According to the Social Security Administration, one-third of all American's age 65+ rely on Social Security as 90% of their retirement income. Unfortunately, that's only half of what they truly need to live comfortably. Talk to a Financial Consultant at First Midwest Financial Network to determine your readiness . . . spend the time and invest in yourself today.

Total cost to find out how much you'll need for retirement:

**FREE**

 **First Midwest** FINANCIAL NETWORK

Not FDIC Insured	Not Bank Guaranteed	May Lose Value
Not Insured by any Federal Government Agency		Not a Bank Deposit

First Midwest Financial Network is a division of First Midwest Bank. Securities offered through LPL Financial, Member FINRA/SIPC. Insurance products offered through LPL Financial or its licensed affiliates. First Midwest Financial Network and LPL Financial are independent entities.

\*Source: *The 2010 Retirement Confidence Survey*; Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc.

## ▶ first midwest mortgages

The principal and interest for a 30-year, \$150,000 fixed-rate mortgage at 6.5% APR\* equals 360 payments of \$945/month<sup>1</sup>. Paying a little more each month adds up to tremendous savings:

extra principal per month	months	reduce interest paid
\$50	48	\$30,279
\$100	83	\$51,381
\$250	149	\$89,353

- ▶ **refinance** that same fixed-rate mortgage into a 30-year term at 5.5% APR\*, and regular principal and interest payments drop to 360 payments of \$852/month. Continue paying \$948 every month, and your mortgage will be paid off 76 months sooner (more than 6 years)<sup>1</sup>.

Total saved in interest savings over 30 years at 5.5% APR

**\$38,000**

<sup>1</sup>In the examples above, the rates and amounts used are for illustrative purposes only and assume no down payment. Monthly payment amounts do not include taxes and insurance. Your actual payment amount may be greater. Individual situations may vary. This is not an offer to lend. Property insurance is required. Subject to credit approval.

\*Annual Percentage Rate



The College Savings Foundation says that 43% of parents have nothing saved for their children's college education.

First Midwest clients have saved over \$206 million in college tuition with First Midwest Tuition Rewards.

Total college tuition savings by First Midwest clients:

**\$206 million**

 Member FDIC

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