



Financial Success = Control of Your Money

Your income does not determine how successful you are.

Your choices and priorities do.



Content for educational purposes only

Step 1: Establish SMART Goals



- Identify needs and wants
- Be specific:
 - When will you reach it?
 - How much will you need?
- Be realistic:
 - Can it be done with current or proposed resources and expenses?

Step 2: Take Stock: Calculate Net Worth

- Determining where you stand allows you to establish a starting point
- What you own - what you owe = your net worth



Step 3: Create a Spending and Savings Plan

1. List all income sources
2. Determine where your money goes, fixed and variable expenses
3. Balance income and expenses
4. Manage your system and communicate new spending plan

Prioritize:

- Savings
- Debt payoff
- Finding spending leaks



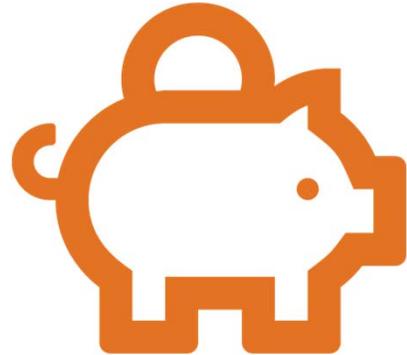
Step 4: Live Within Your Means

- Increase income
 - Part-time job
 - Freelance
 - Hobby business
 - Sell unused items
- Reduce spending
 - Reduce
 - Substitute
 - Postpone
 - Forego



Step 5: Pay Yourself First

- How much do you currently have?
- Put numbers to goals
 - Start small if needed then escalate
 - Save smaller amounts daily instead of larger monthly
- Make saving automatic
- Have multiple accounts
- Save bonuses or tax refunds



Long-Term Saving

Investing versus saving

Common options for long-term savings goals

- 401(k) retirement plans
 - 457(b) and 403(b) plans
 - Individual Retirement Account (IRA)
 - College savings accounts (529 plans)
- Not NCUA or FDIC insured
 - May offer tax benefits
 - ❖ Consult with a Certified Financial Planner Professional™



Step 7: Use Credit Wisely

OK Debt

- Used to purchase an asset or something that increases in value
- Used to increase your income or net worth
- ❖ Home, business, education

Bad Debt

- Used to purchase something that decreases in value quickly
- Used to live beyond one's means
- ❖ Clothes, meals, gadgets, vacations



The abuse of credit is a leading cause of financial failure

Step 8: Delete Costly Debt



- Live a cash-only lifestyle
- Make a debt payoff plan
- Determine the method best for you
 - Snowball vs. Avalanche
- Reduce interest on debt

Personalized Assistance



BALANCE is a financial education and counseling service.
Budgeting and Money Management
Credit Report Reviews and Debt Management

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Happy New Year!



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