



Taking Control of Your Finances

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Worksheet 1—Personal Balance Sheet

Liquid Assets

Bank Accounts		
Investment Accounts*		
Other		
Total liquid assets	=	
Upcoming purchases	–	
	–	
	–	
	–	
Assets less purchases	=	
Subtract 3 months' living expenses		
Net Assets		

Liabilities

Credit Cards			
Auto Loans			
School Loans			
Other Loans			
Mortgage			
Other			
Total Debt			

*Excluding IRAs and employer-sponsored retirement accounts.

Worksheet 2—Is Your Debt Level Too High?

Tally your total monthly payments for all your debts, excluding your rent or mortgage payments. Divide that figure by your monthly after-tax income and multiply by 100 to get the percentage of your income that goes to paying your debts each month.

$$\frac{\text{Total monthly debt payments}}{\text{Monthly after-tax income}} \div \frac{\text{Monthly after-tax income}}{\text{Monthly after-tax income}} \times 100 = \frac{\text{Debt-to-income ratio}}{\text{Debt-to-income ratio}} \%$$

If your debt to income ratio is—

Less than 15: You may be managing your credit well.

Between 15 and 20: You may be on the borderline.

Greater than 20: You could be in over your head.

Are You Overextended?

How many of these scenarios apply to you?

- You don't know, and don't want to know, how much you owe
- You borrow for things you once paid for in cash
- You have to juggle other bills just to pay the minimum charges on your credit cards each month
- Each monthly credit balance is higher than the last
- You pay bills using money intended for other needs
- Creditors are sending overdue notices
- Your savings or emergency funds are not enough to cover three months of living expenses

If you checked off even one scenario, you may be overextended—or on your way there

Worksheet 3—Budgeting and Monthly Spending

To help get a clear picture of where you are spending most of your income, list all your monthly budget here. Use the categories given as a guideline, but feel free to add your own where needed. At the end of the month, compare your planned with your actual spending to see how well you are able to follow your budget.

Category	Includes	Budgeted	Actual
Fixed Expenses			
Debt	credit card, other payments		
Savings			
Mortgage or rent	HOA dues, if applicable		
Insurance	auto, health, car, other		
Other fixed expenses			
Total Fixed Expenses			
Variable Expenses			
Groceries	from supermarket or in bulk		
Snacks/fast food	coffee, soda, lunch		
Heat			
Electricity			
Cable TV/Internet			
Phone/cell			
Medical Care			
Newspapers/magazines	subscriptions		
Home repair	plumbing, electrical, etc.		
Clothing			
Household necessities	cleaning products, etc.		
Tickets	movies, theatre, etc.		
Purchases	CDs, DVDs, etc.		
Dining out	restaurant meals , w/tips		
Personal vehicle	maintenance, repairs, gas		
Transportation	subway, bus fare, taxi fare		
Gifts/contributions			
Travel/vacation			
Hobbies	dues for organizations		
Other variable expenses			
Total Variable Expenses			
Total			
Monthly Income (after taxes)			

Worksheet 4—12-Month Spending Plan

Using the information about your spending from the previous worksheets, create a blueprint for a yearly budget. Comparisons of planned and actual savings will help you monitor your progress. Keep in mind that you may need to make slight adjustments to your plan.

	January	February	March	April	May	June
Income						
Salary						
Bonus/commissions						
Interest/dividends						
Rents/royalties						
Other						
Other						
Planned expenditures						
Planned savings						
Actual expenditures						

	July	August	September	October	November	December	Total
Income							
Salary							
Bonus/commissions							
Interest/dividends							
Rents/royalties							
Other							
Other							
Planned expenditures							
Planned savings							
Actual expenditures							

Worksheet 5—How Long Will It Take to Pay Off Your Debt

Using the worksheet for each debt you carry, calculate how long it will take to pay off each balance. Remember that the longer it takes to pay off your debt, the more it costs you in interest.

	Debt 1 Actual	Debt Budgeted	Example
How much do you pay each month?			(\$50)
What is your current balance?			(\$2,000)
Divide monthly payments, A, by current balance, B.			$(\$50 \div \$2,000 = .025)$
What is your annual percentage rate (APR)?			(10%)
In the table below, find where your answer to C would fall in the row corresponding to your APR. Match to the number of years.			(4 years)

APR	Years to Repay*							
	2	4	6	8	10			
8%	.0449	.0243	.0174	.0140	.0121			
9%	.0453	.0247	.0179	.0145	.0126			
10%	.0458	.0252	.0184	.0150	.0131			
11%	.0462	.0256	.0189	.0156	.0136			
12%	.0466	.0261	.0194	.0161	.0142			
13%	.0470	.0265	.0199	.0166	.0148			
14%	.0475	.0270	.0204	.0172	.0153			
15%	.0479	.0275	.0209	.0177	.0159			
16%	.0483	.0280	.0214	.0183	.0165			
17%	.0488	.0285	.0219	.0189	.0171			
18%	.0492	.0289	.0225	.0194	.0178			
19%	.0496	.0299	.0236	.0206	.0190			
20%	.0501	.0299	.0236	.0206	.0190			
21%	.0505	.0304	.0241	.0212	.0196			
22%	.0509	.0309	.0247	.0218	.0203			

*Assumes an annual rate compounded monthly and payments made at the beginning of each month.

Notes

