

# Personal Finance

## Worksite Education



## ACTIVITY

# What are your top financial concerns?

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- 1.
- 2.
- 3.

### Personal finance strategies

- Set your financial goals
- Assess your financial situation
- Create a budget and spending plan
- Eliminate debt
- Protect your family and assets
- Pay attention to taxes
- Maximize your employee benefits

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## 39% of American adults

**say they couldn't cover a \$400 emergency expense without using a credit card or borrowing money from a friend or family member.**

Federal Reserve Board Division of Consumer and Community Affairs (DCCA), Report on the Economic Well-Being of U.S. Households in 2018.

## ACTIVITY

# Set your financial goals

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### Set your financial wellness goals

Your goals should be specific, challenging and realistic.  
Set one short-term goal and one long-term goal.

#### Short-term goals

##### Examples

- Pay down credit card debt
- Regularly put money into an emergency fund
- Save for home renovations

**Your short-term goal:**

#### Long-term goals

##### Examples

- Save for retirement
- Save a down payment for a second home

**Your long-term goal:**

# Assess your financial situation

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## Pay yourself first

### A general spending guideline

- 10-15 percent for savings
- 50 percent for essentials (housing, food, transportation)
- 35 percent for non-essentials (entertainment, debts, vacation)

15



50



35



# Create a budget

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Calculate whether you have a monthly surplus or shortfall.

## Calculation

$$\begin{array}{r} \text{Monthly take home pay} \\ - \text{Monthly expenses} \\ \hline \end{array}$$

**Surplus or shortfall**

## Monthly expenses

Include all monthly expenses including essentials (food, shelter) and non-essentials (dining out, vacation).

## Surplus

## Shortfall

## ACTIVITY

# Eliminate debt

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### Debt snowball

#### Steps

1. Make a list of your debts and their balances
2. Pay off your lowest balance debt first
3. Then pay off the next lowest balance
4. Continue to move up your debt list to pay off your debt



Other ways to reduce debt include negotiating the terms, consolidating debt and refinancing.

# Protect your family and assets

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## Are you protecting your family and assets with insurance coverage?

- Car, homeowner's and property insurance
- Chronic illness protection
- Disability insurance
- Life insurance

Notes



# Pay attention to taxes

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## Reduce your taxable income

- Make pre-tax contributions to a retirement plan  
Examples: 401(k), IRAs
- Evaluate investing pre-tax vs. post-tax  
(For example: 401(k) vs. a Roth IRA)
- Contribute to an HSA/FSA if appropriate
- Make catch-up contributions if you're age 50 or older<sup>1</sup>
- Evaluate your W-4 election<sup>2</sup>

## Evaluate contributing pre-tax vs. post-tax

<b>Pre-tax</b>	<b>After-tax</b>
Contributions taxed when money is withdrawn	Contributions taxed in year of contribution
Earnings taxed when money is withdrawn	Earnings not taxed if in plan for at least 5 years – and you're at least 59½
Taxable withdrawals	Tax-advantaged withdrawals

1. Retirement Topics - Catch-Up Contributions, [irs.gov](https://www.irs.gov)

2. IRS Withholding Calculator, [irs.gov](https://www.irs.gov)

Financial Advisors do not provide specific tax/legal advice and this information should not be considered as such. You should always consult your tax/legal advisor regarding your own specific tax/legal situation.



# Maximize your employer benefits

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- Your company's retirement plan
- Make sure you're aware of all the benefits offered by your company. Take advantage of retirement savings plan(s), insurance coverage and other resources.

Notes

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## Wondering how much to save?

Use the free Securian Financial retirement calculator to get a rough estimate at [www.securian.com/insights-tools/retirement-calculator](http://www.securian.com/insights-tools/retirement-calculator).

## ACTIVITY

# Review your top financial concerns

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**Go to page 2**

Notes

## ACTIVITY

# Take action now

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### Take action to work toward your financial wellness

- Choose a budget app or tool that works for you
- Set aside time every month to work on your budget
- Take advantage of your employer's retirement savings plan(s)
- Start an emergency savings account
- Evaluate your insurance coverage and tax information
- Meet with a financial professional

Notes

# Resources

## **IRS.gov**

Search for the IRS withholding calculator on [www.irs.gov](http://www.irs.gov).

## **Securian Financial**

Retirement calculator

[www.securian.com/sites/securian/learn-prepare/retirement-calculator](http://www.securian.com/sites/securian/learn-prepare/retirement-calculator)

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