

## Organizing Your Financial Life

- I. Module Introduction
  - a. Organization is crucial to the success of your financial plan
  - b. We have determined what is important to us, but before we can discuss how to get there, we need to know where we are now
  
- II. Module Outline
  - a. The module will be split into 4 sections:
    1. What you own vs. what you owe
    2. Your budget
    3. Taking stock of your accounts
    4. Getting a grip on debt
  - ii. Learning Objectives
  
- III. Section 2.1 What you own vs. what you owe
  - a. Assets and Liabilities
  - b. Calculating Net Worth
  
- IV. Section 2.2 Your Budget
  - a. Where does your income come from?
  - b. Where does your money go each month?
  - c. Create a cash flow statement
  - d. Identify the items that are 100% necessary for monthly living
  - e. Identify the things that you could do without or spend less on
  - f. Revisit your cash flow statement
  
- V. Section 2.3 Taking Stock of your accounts
  - a. Where do you have money right now?
  - b. This includes bank accounts, retirement and investment accounts, HSAs, and 401(k)
    - i. 401(k)'s often get left behind during a job change
  
- VI. Section 2.4 Getting a grip on debt
  - a. The types of debt you hold: Mortgage, credit card, car
  - b. Total balance of your debt
  - c. Interest rates on your debt
  - d. Paying off the most expensive debt
  
- VII. Conclusion
  - a. Organizing your finances has the effect of giving you a sense of control and lessens your anxiety about your finances

# Financial Planning Basics

- b. In practice, it also gives you a very real picture of your financial health
- c. Understanding where you are now is vitally important to the next step in the planning process: Your goals and how to get there