



It doesn't have to be a dirty word

timothy.shirk@francisinvco.com



**Cardinal at Work** | Retirement Savings Benefits

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### Francis Investment Counsel

- ✦ Independent Investment Advisor
- ✦ Fiduciary Education and Advice Services
- ✦ No Sales, No Hidden Fees
- ✦ Service Provided as a Cardinal At Work Retirement Savings Benefit




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### What We'll Cover Today

- ✓ Overcome the Budget Barriers
- ✓ Build a Budget You Can Live With
- ✓ Use Your Budget Savings




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# What We'll Cover Today



✓ Overcome the Budget Barriers

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## Barrier 1

Objection - I won't be able to buy what I want.  
Response - A budget helps you buy exactly what you want!



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## Barrier 2

Objection - I'm not a spreadsheet kind of guy.  
Response - A budget doesn't have to be complicated!



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# Barrier 3

Objection – I don't know where to start.

Response – Just start keeping track!



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What  
We'll  
Cover  
Today

- ✓ Overcome the Budget Barriers
- ✓ Build a Budget You Can Live With



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# Plan A

Only 37% of participants live by their budget



Source: Francis Investment Counsel Poll from 18-Year Credit Class, 2019. Responses from 743 plan participants advised by Francis Investment Counsel as part of their financial wellness services.

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# Plan B

59% of U.S. adults live paycheck to paycheck



Source: Charles Schwab  
<https://www.usatoday.com/story/money/2019/08/14/paycheck-to-paycheck-most-americans-struggle-financially-survey-says/369461231>

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# Plan 0

Learn How to Use Zero Sum Budgeting

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Step 1: Save

Step 2: Pay Fixed Expenses

Step 3: Spend the Rest

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**Zero Sum Budget**

- ✓ Set Goals
- ✓ Track Spending
- ✓ Build the Budget
- ✓ Make it Work



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**Typical Money Goals**

- ✓ Establish Emergency Fund
- ✓ Save for Retirement
- ✓ Conquer Debt
- ✓ Buy a Home
- ✓ Everything Else



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**Rainy Day Fund**  
First goal is \$3,000, then build to three months of expenses



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# Save 10 to 15%

Start somewhere then turn on auto-increase



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# Debt Snowball



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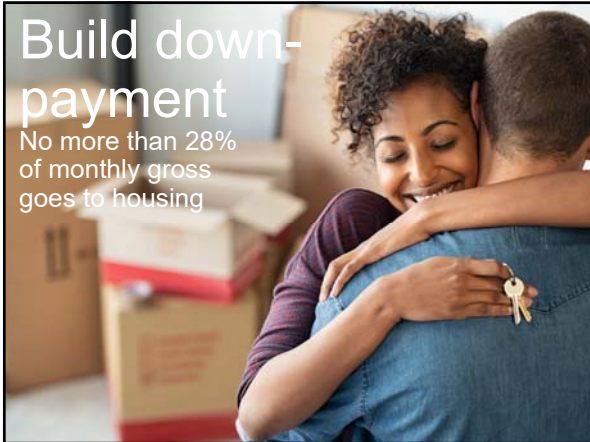
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# Build down-payment

No more than 28% of monthly gross goes to housing



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# Zero Sum Budget

- ✓ Set Goals
- ✓ Track Spending




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# Track Spending



DAILY EXPENSE TRACKER				
				Chk #1
Date	Description	Category	Method	Amount
9/3	McDonalds Frappuccino	SPEND	CC	\$4.00
9/3	Kwik Trip	SPEND	Debit	\$20.00
9/7	Church	GIVE	CK	\$10.00
9/15	Netflix	SPEND	Debit	\$15.00
9/15	Spectrum	SPEND	Debit	\$80.00

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# Zero Sum Budget

- ✓ Set Goals
- ✓ Track Spending
- ✓ Build the Budget




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## Divide Your Expenses Into Three Buckets

<p><u>Savings</u></p> <ul style="list-style-type: none"> <li>Emergency Fund</li> <li>Retirement</li> <li>College saving</li> <li>Home Purchase</li> </ul>	<p><u>Fixed</u></p> <ul style="list-style-type: none"> <li>Mortgage</li> <li>Debt payment</li> <li>Cell phone</li> <li>Utility</li> <li>Cable</li> </ul>	<p><u>Variable</u></p> <ul style="list-style-type: none"> <li>Groceries</li> <li>Entertainment</li> <li>Gifts</li> <li>Out to eat</li> </ul>
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## Separate Account for Each Goal

Savings

Emergency Fund  
Retirement  
College saving  
Home Purchase



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Savings  
Emergency Fund  
Retirement  
College Saving  
Home Purchase

## Separate Account for Each Goal



Local



Online

\* For illustration purposes only. These are examples of banking providers and does not constitute a recommendation for any bank listed.

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Fixed  
Mortgage  
Debt payment  
Cell phone  
Utility  
Cable

## Set Auto-Bill Pay for Fixed Expenses Including Debt




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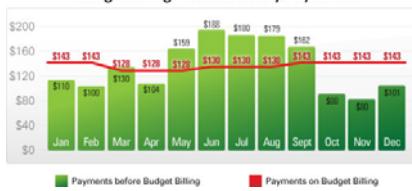
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Fixed  
Mortgage  
Debt payment  
Cell phone  
Utility  
Cable

## Convert Variable Expenses to Fixed



Budget Billing Levels Monthly Payments




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**Fixed**  
 Mortgage  
 Debt payment  
 Cell phone  
 Utility  
 Cable

## Add Monthly for Annual Costs



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**Variable**  
 Groceries  
 Entertainment  
 Gifts  
 Dining out

## Pay and Track Variable Expenses each Month

VARIABLE EXPENSES	
Item	Amount
GAS	\$38.52
Groceries	\$185.79
PANEXA	\$41.23
GIFT FOR AMANDA PARTY	\$18.75
MOVIE	\$35.75
MUSIC DOWNLOAD	\$10.00
SHOPPING	\$75.00
SHOES	\$89.99
GAS	\$39.05
STARBUCKS	\$5.75
Person's care	\$50.00
Entertainment	\$100.00
Miscellaneous	\$50.00

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Zero  
Sum  
Budget

- ✓ Set Goals
- ✓ Track Spending
- ✓ Build the Budget
- ✓ **Make it Work**



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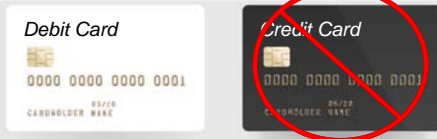
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## Cashless Spender? Use Debit Not Credit Card



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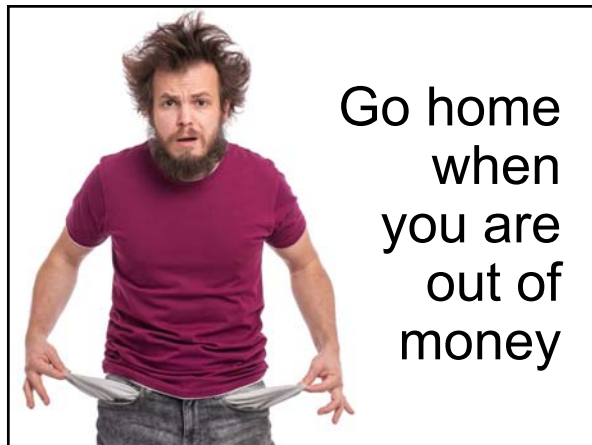
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# Tech Might Work Great



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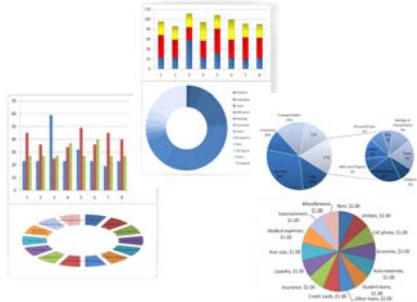
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# Your Bank May Help



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**Warning!**

The first month you do this, you will fail!

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# What We'll Cover Today



- ✓ Overcome the Budget Barriers
- ✓ Build a Budget You Can Live With
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## Use Your Budget Savings!

- ✓ Boost Retirement Savings
- ✓ Build Emergency Savings
- ✓ Pay Down Debt
- ✓ Save for a Goal

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# BUDGET

It doesn't have to be a dirty word

[timothy.shirk@francisinvco.com](mailto:timothy.shirk@francisinvco.com)



Cardinal at Work | Retirement Savings Benefits

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