



## ***Finding Our Financial Future***

MANAGING THE "DOMESTIC ECONOMY": \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### ***His, Hers, and Ours***

Take 10 minutes to answer **Agree**, **Disagree**, or **Uncertain** to the following statements, and then discuss your answers with your fiancé. Pay special attention to any questions that you have answered differently:

1. We have decided which of us will be *primarily* responsible for managing our family's finances. (A D U)
2. We have agreed to save a regular amount of money from each paycheck for large purchases, as an alternative to using credit (A D U)
3. We have exchanged complete information about the debts we are each bringing into the marriage, and know what they are. His: \$ \_\_\_\_\_; Hers: \$ \_\_\_\_\_. (A D U)
4. I am comfortable with the work/life balance for both myself and my fiancé. (A D U)
5. We have agreed on the amount that one of us may spend without consulting the other. That amount is \$ \_\_\_\_\_. (A D U)
6. We plan to consolidate our savings and checking accounts, and have agreed that our individual financial resources now belong to both of us. (A D U)
7. We have discussed how we can give back, including donating to church activities and to charities we plan to support. (A D U)
8. We have discussed life insurance, and our final wishes for our wills (e.g. beneficiaries; guardians for our children; etc.). (A D U)
9. There are aspects of our future financial life together that I feel uncomfortable discussing with my fiancé. (A D U)

SETTING PRIORITIES: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Taking Aim At Our Goals

Take a few moments to go through the following list indicating whether you find the following things to be: **N = Necessary**; **E = Extras**; or **U = Unnecessary**. Then list your three most important financial goals for your married life. Finally, take a few minutes to compare answers. [10 minutes.]

Cable TV	Owning and supporting pets	Tickets for sporting events
Life Insurance	Having smart phones	Saving up an emergency fund
Owning two cars	Paying off our credit cards	Donating to church/charity
New furniture	Dining out/entertainment	Medical Insurance
Having a dishwasher	Gym member/exercise equip	Laptops or home computers
Children's college fund	Paying off student loans	401(k) / Retirement plan
Out-of-town vacations	Regularly buying new clothes	Organic vs. non-organic food
Continuing education	Saving for a down payment	\$100+/mo. on hair styling/prdts

The three *most important* financial goals for us as a family are:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## GETTING FROM HERE TO THERE: BUDGETING

*Budgeting can help us:*

1. \_\_\_\_\_ 2. \_\_\_\_\_
3. \_\_\_\_\_ 4. \_\_\_\_\_

## Putting It All Together

We'll now go through a short exercise on setting up a family budget. Note, this is only one way to set up a family budget, and it may not work for all couples. However, it should give you an idea of what setting up a budget looks like.

First, identify some of your financial goals as a family. Are they things you'd like to attain in a year, or will they take multiple years to attain? Either way, calculate the amount of money you'd like to set aside for each goal on an annual basis, and input it into the golden box at top. These are our *goals*.

Then, go through the *income* section and the *expenses* section, totalling up your subtotals as you go. If the math gets unwieldy, just round up or down to a convenient whole number (after all, this is just an exercise!). For comparison's sake, you can also reference "Jack & Jill's" budget – a hypothetical NOVA couple making a **combined** income of \$100K a year (or \$75K after taxes) with typical expenses for utilities, rent, and other things.

Try to finish in the time allotted if you can, but if not, you can always finish up at home. [10 minutes]

# Jack & Jill's Budget

FINANCIAL GOALS	Monthly	Annually
Savings / "Rainy Day" Fund	\$400	\$4,800
Retirement / 401(k)	\$500	\$6,000
Saving for a Downpayment	\$417	\$5,000
Children's College	\$250	\$3,000
Tithing to Church / Charity	\$417	\$5,000
Other		
Other		
<b>GOALS SUBTOTAL:</b>	<b>\$1,983</b>	<b>\$23,800</b>

INCOME	Monthly	Annually
Wages (after taxes)*	\$6,250	\$75,000
Bonuses		
Yearly Tax Refund (if received)		
Dividends		
Capital Gains Income		
Other		
Other		
<b>INCOME SUBTOTAL:</b>	<b>\$6,250</b>	<b>\$75,000</b>

## EXPENSES

### HOUSING

	Monthly	Annually
Rent / Mortgage	\$1,500	\$18,000
Home Owner's Insurance	\$10	\$120
Real Estate Tax / Condo Fees		
Repairs & Maintenance		
Electricity	\$100	\$1,200
Gas / Heating	\$25	\$300
All Other Utilities	\$75	\$900
Cable / Internet	\$75	\$900
Cell Phone / Telephone	\$100	\$1,200
<b>Housing Subtotal:</b>	<b>\$1,885</b>	<b>\$22,620</b>

### DEBT

Student Loans	\$300	\$3,600
Credit Cards		
Personal Loans		
<b>Debt Subtotal:</b>	<b>\$300</b>	<b>\$3,600</b>

# Our Budget

FINANCIAL GOALS	Monthly	Annually
Savings / "Rainy Day" Fund		
Retirement / 401(k)		
Saving for a Downpayment		
Children's College		
Tithing to Church / Charity		
Other		
Other		
<b>GOALS SUBTOTAL:</b>		

INCOME	Monthly	Annually
Wages (after taxes)		
Bonuses		
Yearly Tax Refund (if received)		
Dividends		
Capital Gains Income		
Other		
Other		
<b>INCOME SUBTOTAL:</b>		

## EXPENSES

### HOUSING

	Monthly	Annually
Rent / Mortgage		
Home Owner's Insurance		
Real Estate Tax / Condo Fees		
Repairs & Maintenance		
Electricity		
Gas / Heating		
All Other Utilities		
Cable / Internet		
Cell Phone / Telephone		
<b>Housing Subtotal:</b>		

### DEBT

Student Loans		
Credit Cards		
Personal Loans		
<b>Debt Subtotal:</b>		

**TRANSPORTATION**

Gasoline	\$100	\$1,200
Public Transport (e.g. Metro)	\$100	\$1,200
Parking / Tolls		
Car Payments	\$300	\$3,600
Car Insurance	\$75	\$900
Auto Repairs / Maintenance	\$50	\$600
<i>Transportation Subtotal:</i>	<b>\$625</b>	<b>\$7,500</b>

**LIVING EXPENSES**

Groceries	\$400	\$4,800
Health Insurance	\$175	\$2,100
Prescriptions / Co-pays		
Life Insurance	\$20	\$240
Child Care		
Yearly Taxes (if more is owed)		
<i>Living Expenses Subtotal:</i>	<b>\$595</b>	<b>\$7,140</b>

**OTHER**

Clothing	\$200	\$2,400
Dining Out	\$100	\$1,200
Gifts	\$75	\$900
Recreation / Entertainment	\$100	\$1,200
Vacation / Travel	\$250	\$3,000
Pets		
Other		
Other		
<i>Other Subtotal:</i>	<b>\$725</b>	<b>\$8,700</b>

**EXPENSES SUBTOTAL: \$4,130 \$49,560**

**INCOME SUBTOTAL: \$6,250 \$75,000**

*minus*

**EXPENSES SUBTOTAL: \$4,130 \$49,560**

*minus*

**GOALS SUBTOTAL: \$1,983 \$23,800**

*equals*

**DIFFERENCE: \$137 \$1,640**

**TRANSPORTATION**

Gasoline		
Public Transport (e.g. Metro)		
Parking / Tolls		
Car Payments		
Car Insurance		
Auto Repairs / Maintenance		
<i>Transportation Subtotal:</i>		

**LIVING EXPENSES**

Groceries		
Health Insurance		
Prescriptions / Co-pays		
Life Insurance		
Child Care		
Yearly Taxes (if more is owed)		
<i>Living Expenses Subtotal:</i>		

**OTHER**

Clothing		
Dining Out		
Gifts		
Recreation / Entertainment		
Vacation / Travel		
Pets		
Other		
Other		
<i>Other Subtotal:</i>		

**EXPENSES SUBTOTAL:**

**INCOME SUBTOTAL:**

*minus*

**EXPENSES SUBTOTAL:**

*minus*

**GOALS SUBTOTAL:**

*equals*

**DIFFERENCE:**

