Create a budget, ditch your debt, and start building for the future.
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Interactive experience

Strategies, tools and tips
Why budget
What goes into your budget
Establishing a budget
Building savings
Vacations

Dinner

That gadget
Prepared for the future

2X the cash

Money for emergencies

Essential SPENDING

A good target 50% or less of take-home pay
Essential SAVINGS

Retirement savings 15% pretax income

Emergency savings 5% take-home pay
Other wants & GOALS
**Scott**  
Income: $30,000 a year*  
Pretax income: $2,500 a month  

*Tax rate: 15%

Hypothetical examples are for illustrative purposes only.
Savings and spending check-up

50/15/5. It’s a simple rule of thumb:

- 50% or less of your income should go to essential expenses,
- 15% to retirement savings, and
- 5% to short-term savings.

As long as you stay within those guidelines, the remainder is yours to save or spend as you see fit.

See how your actual savings and spending compares to our guidelines.

Get Started
Open a separate savings or money market account
Put whatever you can into it
Treat it like a monthly bill
Allow it to earn interest for you
The power of compounded growth

The hypothetical example on the following slides is based on monthly contributions to a tax-deferred retirement plan and a 7% annual rate of return compounded monthly. Your own Plan account may earn more or less than this example, and income taxes will be due when you withdraw from your account. Investing in this manner does not ensure a profit or guarantee against loss in declining markets.
Salary: 40K

Save: 6%

Annually: $2,400

7%
Salary: 40K
6% Save
50¢ Match
$1,200 Annually
7%
Other Goals

Once priorities are set
DEBT MANAGEMENT
Leads to future debt
Difficulty saving for future
Affects your credit score
Low interest rates and pays for things that grow in value…

Bad debt

High interest rates and pays for things that decrease in value
Government loan rates are generally lower than private loans.

Prioritize paying down loans over 8%.

Deduct taxes, interest, and points

No more than 28% of your gross pretax income
Example

$2,000

15% Interest & $40 Minimum

17 Years = $2,500 In interest

Rates can vary greatly

Most cars depreciate in value

3 years  36 months
5 years  60 months

Don’t scrimp on essential savings

Pay down high interest credit cards

Pay private student loans

Pay off low-interest debt

Prioritize
### 30-year fixed rate mortgage

Loan amount: $300k

<table>
<thead>
<tr>
<th>FICO Score</th>
<th>APR</th>
<th>Monthly payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>760-850</td>
<td>3.514%</td>
<td>$1349</td>
</tr>
<tr>
<td>700-759</td>
<td>3.736%</td>
<td>$1387</td>
</tr>
<tr>
<td>680-699</td>
<td>3.913%</td>
<td>$1417</td>
</tr>
<tr>
<td>660-679</td>
<td>4.127%</td>
<td>$1454</td>
</tr>
<tr>
<td>640-659</td>
<td>4.557%</td>
<td>$1530</td>
</tr>
<tr>
<td>620-639</td>
<td>5.103%</td>
<td>$1629</td>
</tr>
</tbody>
</table>

This chart is for illustrative purposes only. Interest rates and associated monthly loan payments may fluctuate based on current market conditions.

Get a credit report
Get your free credit score

*Equifax, TransUnion, Experian, creditkarma.com, credit.com are not affiliated with Fidelity Investments.

CreditKarma.com or credit.com*
(Or, see if it’s on your credit card statement)
What affects your credit score?

Understand good vs. bad debt

Prioritize your payments

Monitor your credit report and score
Balancing savings & debt

1. Save for unplanned expenses
2. Save for retirement
3. Pay off high-interest credit cards, then lower interest ones
4. Pay off private student loans
5. Save more for retirement
6. Make your payments on lower-interest-rate debt

Put your plan into action

Create a budget

Create a debt management plan

Take advantage of additional resources and tools on NetBenefits®
We’re here to help.

Call 800-642-7131
www.fidelity.com/duke

Alan Collins, CRPC®
Retirement Planner

Christopher Mann, CFP®
Director, Retirement Planner
Do you currently have a budget in place?

A. No, but hope to get one started
B. Yes but finding it difficult to maintain or follow
C. Yes and it was well worth it
How many years do you have until retirement?

A  0-5  B  6-10  C  10-20  D  20+
WHY BUDGET?

What are you saving for?

A. Vacation
B. A new car
C. A new home
D. Kid’s college
E. Retirement
What do you consider essential spending?

A. Housing
B. Food
C. Child care
D. Dining out
E. Entertainment
What do you consider essential items to save for?

- A: Retirement
- B: Emergencies
- C: Kid's college
- D: A new home
- E: A new car
ESSENTIAL SPENDING

Approximation based on a 1%, 3%, or 5% increase in contribution. Continued employment from current age to retirement age, 67. We assume you are exactly your current age (in whole number of years) and will retire on your birthday at your retirement age. Number of years of savings equals retirement age minus current age. Nominal investment growth rate is assumed to be 5.5%. Hypothetical nominal salary growth rate is assumed to be 4% (2.5% inflation + 1.5% real salary growth rate). All accumulated retirement savings amounts are shown in future (nominal) dollars. Your own plan account may earn more or less than this example and income taxes will be due when you withdraw from your account. Investing in this manner does not ensure a profit or guarantee against a loss in declining markets.

Increase your contribution by 1% and you could have an additional $104,738* to enjoy TRAVELING.

Less than $7 per week.*
What are you saving for?

A. Vacation
B. A new car
C. A new home
D. Kid's college
E. Retirement
PRIORITIZING DEBT

Pay off low-interest debt

Set aside money for emergency and retirement

Pay private student loans

Pay down high-interest credit cards
Investing involves risk, including risk of loss.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

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