

# What is a Credit Score?

A Report that shows your credit history.

Everybody has one.

Goes from 300 to 850

720 or Higher is the best rating and results in lowest interest.

## What is the Big Deal?

A person with a 720 score verses a person with a 520 score on a \$100,000 mortgage/30year amortization:

Will save \$85,000 in interest over life of loan

Monthly payment - \$235 less

## What impacts the Credit Score?

1. Late payments can have the biggest impact on your credit score.
2. Don't use more than 1/3 of your available credit.
3. Consolidating loans and cancelling credit cards can be a negative.
4. Look for mistakes on your credit report. (annual credit report.com)
  - A. Late when you weren't late
  - B. Loans that are not yours.

***TREAT YOUR CREDIT AS A VALUABLE ASSET.***

## PROJECTING YOUR RETIREMENT INCOME

1. Annual income needed in retirement @ 80% of take home pay (if no home then 100% of your current take home pay).					\$ 40,000
2. Expected social security benefit (for a projection of your benefit call the Social Security Administration at 800-772-1213 and ask for Form SSA-7004.)					21,600
3. Expected pension benefit from other work sources - for example from your spouse's work.					-0-
4. Expected income from retirement benefits (line 2 plus line 3)					21,600
5. Annual retirement income needed from savings and investments (line 1 minus line 4)					18,400
6. Amount you must save by retirement in today's dollars. Divide line 5 by .05 =					\$ 368,000
7. Amount you have saved already:					
a. IRAs	b. Employer plans	c. Other investments (include all CDs, mutual funds, bonds, stocks, investment real estate and any other assets available for retirement.	d. (Optional) if you wish to count a portion of your home's value as savings, enter its present value minus the anticipated cost of a home in retirement.	e. Total retirement savings (add a through d)	
a. 20,000	b. 20,000	c. 20,000	d. -0-	e. 60,000	
8. Amount of retirement capital still needed (line 6 minus line 7e)					\$ 308,000

Amount of contributions per year into a retirement account. Example - assume you invest \$2,000 per year into a tax-sheltered plan until age 65:

**8% Annual Return**

Start at age 40 – at age 65 you will have - \$169,000/1,127-mo/13,524-yr

Start at Age 50 – at age 65 you will have - \$ 60,986/403-mo/4,878-yr

## BUDGET WORKSHEET

	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Spt	Oct	Nov	Dec
Giving												
Savings and Retirement												
Mortgage with Ins./Taxes												
Utilities												
House Repairs												
Car Payment												
Gas, Oil & Repairs												
Auto Insurance												
Life Insurance												
Health Insurance												
Medical Care												
Food												
Clothing												
Entertainment												
Special Gifts												
Christian School												
Total Expenses												

## PRACTICAL TIPS

1. Have a Budget Prov. 24:3, 4
2. Get out of Debt Prov. 22:7
3. Control Credit Card Use Prov. 22:7
4. Are you 50 with little retirement set aside? Prov. 13:16
5. Do you have an up-to-date Will and Living Trust?
6. Be afraid of credit cards
7. Learn to procrastinate on discretionary purchases.
8. Buy a home not a castle
9. Have an emergency fund and plan ahead for special events

## SUMMARY

- I. Give to the Lord's work. I Cor. 16:2, II Cor. 9:6-8
- II. Take care of the needs of your family. Prov. 24:3-4
- III. Protect your family from a catastrophic occurrence. I Tim. 5:8
  - A. Disability insurance
  - B. Life insurance
- IV. Provide for your future Prov. 13:16
  - A. Retirement
  - B. Estate planning