



Wisdom and Wealth

A workbook for wealth creation



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Where do you begin?

You probably already have. Whether you are paying bills or balancing your checkbook, these money management skills are essential for taking charge of your financial affairs.

So you're off to a good start. Keep going by becoming actively involved with your finances. Start with this to-do list of financial fundamentals:

- Organize and update your financial information.
- Determine your net worth.
- Create a budget and stay on it.
- Pay off debt and avoid creating new debt.
- Maintain an excellent credit rating.
- Monitor your credit rating annually and correct errors.
- Set aside money for emergencies.
- Check your Social Security contribution history for accuracy.
- Locate professionals to help you with financial and estate planning.

Are you done yet?

No ... like other important relationships, your relationship with money requires a lifelong commitment. Although that may seem daunting, the timeline below simplifies the challenge by listing financial considerations for each decade. Not all may apply to your situation. For example, a person who marries and has children in their 20s has different needs from a person who remains single or marries later. But, over the decades of your life, these suggestions can help you pursue your financial goals.

Keep in mind that your financial, investment and estate planning needs change as your life changes. That's why it's important to work with your financial advisor and insurance and estate planning professionals throughout your life.

But what if?

Good question. As you know, life is full of ripple-effect events, and many of them affect your financial and retirement planning. So, no matter the decade, talk with your financial advisor after these life-changing events:

- Marriage
- Birth or adoption
- Job loss or change
- Separation or divorce
- Business startup
- Death of your spouse or child
- Inheritance
- Disability for you or your spouse

Ready to start?

This workbook will help you organize your finances – a vital first step toward financial self-sufficiency and wealth creation. Begin by completing these worksheets on the next few pages:

- Financial/Personal Information Location Worksheet
- Financial/Personal Records Worksheet
- Net Worth Calculation Worksheet
- Monthly Spending Worksheet

Considerations during your:

Twenties

- Learn about your job benefits, including the retirement program.
- Get into the habit of saving for retirement.
- If your employer doesn't offer a retirement program, open an IRA.
- Don't pay for benefits you don't need; for example, you may not need life insurance if you are single with no dependents.
- Establish credit in your name.

Thirties

- Put as much as you can into retirement savings.
- Open an IRA if you leave the workplace.
- Establish a college savings account if you have children.
- Don't borrow from your retirement savings.
- Determine the best way to handle a retirement account if you change jobs.
- Make a will and estate plan.

Forties

- Start focusing on retirement plans and establish a retirement savings goal.
- Continue to put as much as you can into retirement savings.
- Continue saving for college.
- Decide what type of college your child will attend and whether grants or scholarships will be required.
- Talk with your aging parents about their health care and long-term care insurance needs.

Fifties

- Revisit your retirement plans and consider when you want to retire.
- Start crunching numbers to determine if your retirement savings goal is on target.
- Contribute the maximum amount allowed to your retirement plan.
- Take advantage of catch-up contributions if you're behind in your retirement savings.

Sixties

- Continue to max out contributions to your retirement plan and make catch-up contributions.
- Explore retirement savings distribution options with your financial advisor.
- Determine whether to roll over your 401(k) into an IRA.
- Establish a definite plan for retirement and begin the transition.
- Consider work options if you can't afford to retire or want to continue working.
- Apply for Medicare three months before turning 65.
- Explore options – such as employer-provided insurance, Medigap insurance and prescription drug coverage – for meeting health care needs.
- Determine when you want to begin receiving Social Security; the earlier you begin receiving it, the less the benefit.
- Talk with your children about your estate and health care planning.

Seventies

- Begin taking required minimum distributions from your retirement accounts at age 70½.
- Revisit your estate planning.
- Work with your financial advisor to make sure you're on a distribution track that will enable you to live out your life comfortably.

Financial/Personal Information Location Worksheet

List the location of applicable items:

Birth certificate(s) _____

Adoption papers _____

Marriage license/certificate _____

Citizenship papers _____

Social Security cards _____

Military service records _____

G.I. insurance papers _____

Employee benefit plan information _____

Life insurance policy _____

Health care insurance policy _____

Disability insurance policy _____

Auto insurance policy _____

Homeowner's/renter's insurance policy _____

Other insurance policy

Type _____

Location _____

Type _____

Location _____

Mortgage/real estate documents _____

Auto title(s) _____

Property title(s)/deed(s) _____

Cemetery plot title(s) _____

Business documents _____

Safe deposit box _____

Box # _____ Location of key _____

People who have access _____

Stock/bond certificates _____

Will(s)/trust documents _____

Tax records _____

Financial/Personal Information Location Worksheet (cont.)

Loan documents

Type of loan _____

Location _____

Type of loan _____

Location _____

Type of loan _____

Location _____

Type of loan _____

Location _____

Other documents

Type _____

Location _____

Type _____

Location _____

Type _____

Location _____

Type _____

Location _____

Financial/Personal Records Worksheet

Personal/family information

Family member _____ SS# _____ DOB _____
Family member _____ SS# _____ DOB _____
Family member _____ SS# _____ DOB _____
Family member _____ SS# _____ DOB _____
Family member _____ SS# _____ DOB _____
Family member _____ SS# _____ DOB _____
Family member _____ SS# _____ DOB _____
Family member _____ SS# _____ DOB _____
Family member _____ SS# _____ DOB _____

Important contacts

Financial advisor _____ Phone _____
Address _____
Attorney _____ Phone _____
Address _____
Accountant _____ Phone _____
Address _____
Insurance agent _____ Phone _____
Address _____
Insurance agent _____ Phone _____
Address _____
Employer human resources contact _____ Phone _____
Address _____
Employer human resources contact _____ Phone _____
Address _____
Clergy/spiritual advisor _____ Phone _____
Address _____
Estate executor _____ Phone _____
Address _____
Guardian/trustee _____ Phone _____
Address _____
Other _____ Phone _____
Address _____

Financial/Personal Records Worksheet (cont.)

Bank accounts

Type _____ Account # _____ Web access _____

Bank name _____ Name(s) on account _____

Type _____ Account # _____ Web access _____

Bank name _____ Name(s) on account _____

Type _____ Account # _____ Web access _____

Bank name _____ Name(s) on account _____

Type _____ Account # _____ Web access _____

Bank name _____ Name(s) on account _____

Investment accounts

Type _____ Account # _____ Web access _____

Broker/sponsor _____ Name(s) on account _____

Type _____ Account # _____ Web access _____

Broker/sponsor _____ Name(s) on account _____

Type _____ Account # _____ Web access _____

Broker/sponsor _____ Name(s) on account _____

Type _____ Account # _____ Web access _____

Broker/sponsor _____ Name(s) on account _____

Credit cards

Issuer _____ Account # _____ Web access _____

Name(s) on account _____

Issuer _____ Account # _____ Web access _____

Name(s) on account _____

Issuer _____ Account # _____ Web access _____

Name(s) on account _____

Issuer _____ Account # _____ Web access _____

Name(s) on account _____

Issuer _____ Account # _____ Web access _____

Name(s) on account _____

Issuer _____ Account # _____ Web access _____

Name(s) on account _____

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Net Worth Calculation Worksheet

Date: _____

Cash

	Value
Cash on hand	\$ _____
Checking account balance	\$ _____
Savings account balance	\$ _____
Certificates of deposit	\$ _____
Credit union account balance	\$ _____
Money owed to you	\$ _____
Tax refund	\$ _____
Cash value of life insurance	\$ _____
Stocks/bonds	\$ _____
Mutual fund shares	\$ _____
Other: _____	\$ _____

Investments/retirement accounts

	Value
Stocks/bonds	\$ _____
Mutual fund shares	\$ _____
Retirement plan	\$ _____
IRA	\$ _____
Profit sharing plan	\$ _____
Treasury bills	\$ _____
Other: _____	\$ _____

Personal

	Value
Home equity	\$ _____
Cars	\$ _____
Furniture	\$ _____
Other personal property	\$ _____
Jewelry/art/collectibles	\$ _____
Other: _____	\$ _____

Total assets

\$ _____

Net Worth Calculation Worksheet (cont.)

Liabilities	Amount owed
Mortgage	\$ _____
Car loan(s)	\$ _____
Installment loan(s)	\$ _____
Credit card debt	\$ _____
Student loan(s)	\$ _____
401(k) loan(s)	\$ _____
Personal loan(s)	\$ _____
Insurance/taxes due	\$ _____
Other: _____	\$ _____
Total liabilities	\$ _____
Determine your net worth:	
Total assets	\$ _____
Minus total liabilities	- _____
Net worth	\$ _____

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Monthly Spending Worksheet

Date: _____

Do you control your money, or does it control you? Creating a budget – and sticking to it – is a basic step toward financial self-sufficiency and achieving your goals. This worksheet can help you take that step.

Step 1: Calculate expenses for the past 12 months.

For example, add up your electricity bills for the past 12 months and divide by 12 for a monthly average.

Fixed expenses	Monthly average	
Rent/mortgage	\$ _____	
Homeowner's insurance	\$ _____	
Property taxes	\$ _____	
Car loan(s)	\$ _____	
Car insurance/gas/maintenance/commuting	\$ _____	
Personal loans/school loans	\$ _____	
Bank charges	\$ _____	
Child care	\$ _____	
Educational expenses	\$ _____	
Utilities (electricity, gas, water)	\$ _____	
Telephone/cell phone	\$ _____	
Cable/Internet	\$ _____	
Medical/dental	\$ _____	
Groceries	\$ _____	
Household repairs/maintenance	\$ _____	
Investments/retirement/savings	\$ _____	
Other: _____	\$ _____	
Discretionary expenses	Monthly average	Monthly goal
Clothing	\$ _____	\$ _____
Charitable/other contributions	\$ _____	\$ _____
Credit card payments	\$ _____	\$ _____
Dining/entertainment/recreation	\$ _____	\$ _____
Gifts given	\$ _____	\$ _____
Haircuts/salon	\$ _____	\$ _____
Subscriptions	\$ _____	\$ _____
Travel/vacation	\$ _____	\$ _____
Other: _____	\$ _____	\$ _____
Total monthly expenses	\$ _____	

Step 2: Calculate monthly income.

Net income (include wages and tips) \$ _____
Spouse's/partner's net income \$ _____
Alimony \$ _____
Child support \$ _____
Other (Social Security, pension, trust) \$ _____

Total and divide by 12

Bonus or commission \$ _____
Dividend income \$ _____
Gifts received \$ _____
Interest income \$ _____
Investment income/capital gains \$ _____
Other: _____ \$ _____
Total monthly income \$ _____

Step 3: Subtract monthly expenses from monthly income.

Total monthly income \$ _____
Minus total monthly expenses - _____
Difference = \$ _____

Congratulations. You've just taken the first step toward creating a realistic budget. Now ask yourself these questions:

- Is my income greater than my expenses?
- If so, am I putting the extra cash to work for me?
- Are my expenses greater than my income?
- If so, how can I take control of my money?

Look carefully at your monthly expenses and identify areas where you can cut back. While there may be little wiggle room in some fixed expenses, you may be able to reduce spending for groceries or save money by driving less or readjusting your thermostat. How about discretionary expenses? You can probably reduce or eliminate some. List ways that you can reduce monthly expenses on the lines below.

Now you have a monthly budget. Stick to it, talk to your financial advisor about putting the savings to work for you and reassess your spending at least annually.

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You're on your way

Just as you invest yourself in relationships to enrich your life, you can invest in your future by developing a productive relationship with money. By completing this workbook, you've started down the road to financial self-sufficiency and wealth creation. But you'll likely need some help along the way.

Talk to your financial advisor

Your sights are set on a financial summit – a college degree, new home or secure retirement. One of the best ways to help reach your goal is to partner with a strong team: a financial advisor who can provide sound guidance based on your individual needs and an investment company that can deliver a broad range of diversified strategies. Talk to your financial advisor about how an investment plan and Invesco can help you pursue your financial goals.

This information is not intended as legal or tax advice. Investors should consult an attorney or tax advisor.