Your initial meeting with a MyMoneyPower Program Representative, either individually or in a group setting, is provided for free. After that you may elect to continue to receive service from your MyMoneyPower Program Representative on a fee basis or you may elect to waive the fee in exchange for providing the Representative with an opportunity to conduct a review of your risk protection needs as provided for in the MyMoneyPower Program Guide. There is no obligation to purchase or obtain any service or products from the MyMoneyPower Program or its Representatives.

About MyMoneyPower
The MyMoneyPower financial fitness program is designed for working people. The program was created by Worksite Communications, a leading benefits company that works with large businesses and public institutions to help their employees make smart decisions about employee benefits. The company's experiences in the workplace benefits arena uncovered a universal need for holistic financial education across a range of income levels. Worksite Communications launched the MyMoneyPower Program to help working people take control of their finances and coordinate the benefits they receive at work with their personal insurance needs. MyMoneyPower's mission is to help people harness the power of their income and make the best financial choices for their circumstances.

About Your MyMoneyPower Representative
MyMoneyPower Representatives are licensed independent insurance agents experienced at providing benefit enrollment services and helping individuals coordinate at work benefits provided by their employer with personal individually owned insurance protection. Your MyMoneyPower Representative represents one or more insurance companies. MyMoneyPower Representatives are not registered investment advisors, financial planners, or securities brokers and do not sell or recommend investments.

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myMoneyPower™ Workbook

how To Make Smart Money Decisions

What's Inside

fundamental 1
IMPROVE POSITIVE INCOME FLOW

HOW YOU CAN GET INTO TROUBLE

Spending less than you earn is easy to understand, but is not always easy to accomplish. You alone might not control your household spending and the frequent use of credit cards can create an illusion about what you can spend. We live in a consumer culture that encourages us all to spend, spend and spend! How can you take control of your spending? Use the MyMoneyPower Program to become more aware of your spending habits and the influences that can lead to overspending. MyMoneyPower teaches you how to exercise more control over your financial resources.

HOW YOU CAN GET BACK ON TRACK

Your MyMoneyPower Representative can introduce you to discount programs and online resources that help you reduce your cost for medical, pharmacy and household expenses. Discount shopping online is one way of reducing cost for expenses you routinely incur. You can easily navigate to sites providing discounts and/or cash back on most of your spending. A second easy way reduce monthly expenses is by lowering utility bills. The MyMoneyPower Program includes a free energy consultation and advice on how to immediately lower your energy costs by implementing a few easy and inexpensive steps at home.

FOCUS ON FIXED EXPENSES

The MyMoneyPower Program makes it easier for you to control and reduce routine household expenses. What about the fixed expenses that might be using up most of your income? Complete the exercise below to quantify your fixed expenses and evaluate your options for reducing fixed expenses to increase your monthly MoneyPower score.

Your monthly fixed expenses should be 60% or less of your monthly take home pay.

Planning Exercise 1

Monthly Fixed Expenses	**Current (A)**	**Revised (B)**
House (rent or mortgage and taxes)	$ ________	$ ________
Utilities	$ ________	$ ________
Transportation (car payment, gas)	$ ________	$ ________
Insurance	$ ________	$ ________
Food	$ ________	$ ________
Other Loan payments (student loans)	$ ________	$ ________
Other	$ ________	$ ________
Total Fixed Expenses	**A** $ ________	**B** $ ________
Monthly MoneyPower Savings from fixed expenses (A minus B)		**C** $ ________
Fixed Expense % of take-home pay (C divided by monthly income)		**D** % ________

fundamental 2
CONTROL SHORT-TERM DEBT

RECOGNIZE SHORT-TERM TROUBLE

Credit card and short-term loans with high interest rates are a burden that can prevent you from making financial headway. The convenience of credit cards provides a means of instant cashless payment, delaying the immediate financial impact and perpetuating an illusion of affordability. The lack of immediate accountability can lead to a cycle of spending more than you intend. Compounded by interest charges, the original debt becomes more difficult to pay off. Credit card interest charges can reach a point where your monthly payments are barely covering the interest and never reduce the actual debt.

BREAK THE CYCLE – GET BACK ON TRACK

The key is to pay off your credit cards every month. If you are carrying a balance greater than your total monthly income, you should restrict your card usage and pay the balance down to that amount before using the cards again. Pay off the cards with the highest interest rates first. Now that you've seen how compounded interest can work against you, it's time to make it work in your favor.

It's best to direct at least half of the savings you create through MyMoneyPower toward paying off high credit card balances until you get back on track. At the same time it is important to use some of your MoneyPower to help protect and build financial assets. Remember, making small steps in all five areas is important so you establish the right financial habits.

Planning Exercise 2

Credit Card #1: ____________________ Interest Rate: ________

Current Payment: $ ____________ Target Payment: ____________

Credit Card #2: ____________________ Interest Rate: ________

Current Payment: $ ____________ Target Payment: ____________

Credit Card #3: ____________________ Interest Rate: ________

Current Payment: $ ____________ Target Payment: ____________

Total Credit Card Debt: __________

Current Monthly Payment: $__________

Target Monthly Credit Card Payments: $__________

fundamental 3

PROTECT AGAINST SERIOUS RISKS

Becoming disabled and not being able to work, suffering a critical illness or suffering the death of a family member can disrupt your life and financial plans, resulting in problems your family might not be able to overcome. In addition to Health Insurance you should consider owning Disability, Critical Illness, Life Insurance and Long Term Care insurance plans. Your employer might provide some of these as part of your employee benefits package. Employer coverage is often the most cost-effective start to building security, but may not completely meet your needs. Personal protection plans should complement coverage you have at work. For example, some employers provide disability income protection and therefore, you might not need an individual plan that covers the same risk. However, life insurance coverage at work rarely meets a family's needs completely. In this case you should also have a life insurance policy that you own and control outside of work. Consider the following types of insurance coverage:

DISABILITY COVERAGE

Your employer might provide a Disability Income Protection Program so your income continues if you become disabled due to an illness or accident. If not, you should consider an individual plan of coverage.

CRITICAL ILLNESS COVERAGE

In the event of heart attack, stroke, cancer or other serious illness you might need additional financial resources beyond the amounts covered by health insurance. Health insurance covers a finite amount of medical expenses. It stops short of covering living expenses or loss of income.

LIFE INSURANCE COVERAGE

A death in the family is often accompanied by financial problems and income disruptions, making a bad situation even worse. This is why life insurance should be part of everyone's financial plan. Take advantage of the low-cost, group Term-Insurance plan that many employers offer, and consider purchasing a life policy that you own, to provide for your longer term insurance needs and to make sure you are covered should you change employers. Even though it costs more initially, some Universal Life or Whole Life insurance does make sense because it is designed to stay in force and provide insurance when you are older. These plans accumulate cash value, and often have secondary benefits such as long-term care. A term-only strategy makes sense for some. However, many people who adopt this approach find themselves with no insurance and not enough investment income when they are older, and they often find they still need some coverage.

LONG-TERM CARE COVERAGE

Although commonly needed, individuals are usually least prepared to deal with long-term care requirements. In addition to a permanent life insurance plan that provides funds for long-term care, you should also consider a standalone Long-Term Care plan that provides payments for long-term care at a facility or at your home.

Planning Exercise 3

Current Protection Provided At Work		Cost (if any)
Disability	☐	$ ___________
Critical Illness	☐	$ ___________
Life Insurance	☐	$ ___________
Long-Term Care	☐	$ ___________
Personal Protection In Place		
Disability	☐	$ ___________
Critical Illness	☐	$ ___________
Life Insurance	☐	$ ___________
Long-Term Care	☐	$ ___________

For information about insurance coverage, consult with your MyMoneyPower Representative, a licensed insurance agent.

fundamental 4

PREPARE FOR RAINY DAYS

EXPECT THE UNEXPECTED

If your monthly income and expected expenses are equal, you might not have a safety net for that unexpected "larger" expense such as home or car repairs. And you might be tempted to use credit cards to pay for them, which works against your other financial gains. A smart strategy involves building a savings cushion to prepare you for life's ups and downs.

CREATE A CUSHION TO STAY ON TRACK

If you have a savings account, continue to build the account through automatic payroll deductions, which make it easy to save. If you're paying down credit card or other debts, you might need to start by saving just a small amount, but even $5 a week is enough to get the savings habit started. Increase the deduction as the debt is paid down or you get a raise. Once you have three months' salary in savings, you can begin to make long-term savings a greater priority.

Don't use your checking account as your rainy day savings account – set up a separate account that pays interest. Your MyMoneyPower Representative can provide reference information about credit unions in your area that serve as a consumer-friendly alternative to commercial banks.

Set a goal to save at least three months' salary for "short-term" emergencies.

Planning Exercise 4

Current Savings For Rainy Days

Monthly Contribution Amount $ __________

Current Savings Total $ __________

Desired Savings

Three-Month Salary Equivalent $__________

Desired Savings
(Three-Month Salary Equivalent Minus Current Savings Total) $__________

Planned Monthly Contribution $__________

Months to Accrue Savings
(Desired Savings Divided By Planned Monthly Contribution) __________

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fundamental 5
PROVIDE FOR INCOME LATER IN LIFE

SET A STRATEGY TODAY

Time has a way of getting away from us, and before we realize it we are thinking about working less and enjoying life and family more. This is when the money we set aside during our working years will come in handy. The earlier you start saving and investing for this time, the better. If you haven't already started saving, there is no time like the present.

PUT TIME TO WORK FOR YOU

The old adage "pay yourself first" applies to saving for your long-term needs. Make planning for your future a priority, even if you can only save a small amount to get started. Small contributions over time continue to compound, substantially increasing the value of your investment.

Most employers offer tax-free saving plans, such as a 401K or 403B, which are a great way to save for the future – they offer automatic payroll deductions and a selection of investment funds. Your contributions to the plan are not taxed, which saves on current taxes. And your employer might match your contribution, which makes your account grow faster. A $1,000 investment made pre-tax over 20 years will yield a much higher return than the same amount invested on a post-tax basis.

Planning Exercise 5

Current Retirement Savings $____________

Monthly Contribution Amount $____________

Desired Retirement Savings $____________

Planned Monthly Contribution Amount $____________

Don't make the mistake of just saving what is "left over" for retirement – make a deliberate plan to save for the future and contribute a set amount each pay period.

MyMoneyPower in action

Each of the five fundamentals to building MoneyPower is important, so you should take steps to improve in each area. But you don't have to take giant steps, small ones are a good start. In fact, making small changes in each of the five areas is usually better than trying to make a big step in just one area. Decide on a sound, practical approach and stick to it over time and you'll achieve your potential.

Adjust your MoneyPower allocations as your situation changes and do your best to follow through on your decisions.

Financial Fundamental	Questions To Answer	Your Plan
Positive Cash Flow	How much MoneyPower can you generate each month? (Aim for at least $50 each week)	$ ____________
Control Of Short-Term Debt	How much of the MoneyPower savings will you redirect to pay down debt? (Use up to 50% of MoneyPower)	$ ____________
Protection From Serious Risks	Between 10% and 30% of MoneyPower is recommended to obtain needed insurance protections. How much will you allocate?	$ ____________
Prepare For Rainy Days	To gradually accumulate three month's income, how much of MoneyPower will you use to save for short-term emergencies?	$ ____________
Provide For Later Income	How much of MoneyPower will you save in a long-term savings or investment?	$ ____________

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