



Long-Term Financial Goals

RACHEL M. LINARES

BURSAR, STUDENT BUSINESS SERVICES



What Constitutes a Long-Term Financial Goal?

- Short, mid and long-term financial goals
 - Short-term: Under a year
 - Pay off a credit card, medical bill, or establish an emergency fund
 - Mid-term: 1-5 years
 - Pay off a car, credit card, or establish credit (if no credit history)
 - Long-term: More than 5 years
 - Save for a down payment, buy a house, pay off student loans, become debt-free



Building Your Financial Plan

Part inspiration, part strategy

Step 1: Determine your current state, and where you're going

Step 2: Build in mile markers

Step 3: Determine your monthly goals



Building Your Financial Plan

- Create and follow a budget
- Eliminate your debt
- Build an emergency fund
- Invest and diversify



Create Your Budget

You can use....

- An Excel sheet
- Use the envelope system
- Software program
- Phone app (mint.com)
- Any method works

Make sure it is a livable budget



Create Your Budget

- Determine monthly expenses and income
- Categorize according to wants and needs
- Make it balance

PERSONAL MONTHLY BUDGET

ACTUAL MONTHLY INCOME	Income from Jobs	\$ 1,500.00
	Income from Parents	\$ 500.00
	Income from School Refund	\$ -
	Miscellaneous income	\$ 200.00
	Total monthly income	\$ 2,200.00

HOUSING	Projected Cost	Actual Cost	Difference
Rent or Room & Board	\$1,000.00	\$1,000.00	\$0.00
Cell Phone	\$54.00	\$100.00	-\$46.00
Electricity	\$44.00	\$56.00	-\$12.00
Gas	\$22.00	\$28.00	-\$6.00
Water and sewer	\$8.00	\$8.00	\$0.00
Other	\$0.00	\$0.00	\$0.00
Subtotal	\$1,128.00	\$1,192.00	-\$64.00

TRANSPORTATION	Projected Cost	Actual Cost	Difference
Vehicle payment	\$0.00	\$ -	\$0.00
Bus/taxi fare	\$75.00	\$ 65.00	\$10.00
Insurance	\$0.00	\$ -	\$0.00
Licensing	\$0.00	\$ -	\$0.00
Fuel	\$0.00	\$ -	\$0.00
Maintenance	\$0.00	\$ -	\$0.00
Other	\$0.00	\$ -	\$0.00
Subtotal	\$75.00	\$ 65.00	\$10.00

FOOD	Projected Cost	Actual Cost	Difference
Groceries	\$400.00	\$425.00	-\$25.00
Dining out	\$100.00	\$55.00	\$45.00
Other	\$0.00	\$0.00	\$0.00
Subtotal	\$500.00	\$480.00	\$20.00

PETS	Projected Cost	Actual Cost	Difference
Food	\$0.00	\$0.00	\$0.00
Medical	\$0.00	\$0.00	\$0.00
Grooming	\$0.00	\$0.00	\$0.00
Toys	\$0.00	\$0.00	\$0.00

ENTERTAINMENT	Projected Cost	Actual Cost	Difference
Video/DVD	\$0.00	\$0.00	\$0.00
CDs	\$0.00	\$0.00	\$0.00
Movies	\$0.00	\$0.00	\$0.00
Concerts	\$0.00	\$0.00	\$0.00
Sporting events	\$0.00	\$0.00	\$0.00
Live theater	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00
Subtotal	\$0.00	\$0.00	\$0.00

LOANS	Projected Cost	Actual Cost	Difference
Personal	\$0.00	\$0.00	\$0.00
Student	\$0.00	\$0.00	\$0.00
Credit card	\$0.00	\$0.00	\$0.00
Credit card	\$0.00	\$0.00	\$0.00
Credit card	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00
Subtotal	\$0.00	\$0.00	\$0.00

TOTAL MONTHLY INCOME	\$ 2,200.00
TOTAL PROJECTED COSTS	\$1,703.00
TOTAL ACTUAL COSTS	\$1,737.00
DIFFERENCE BETWEEN PROJECTED AND ACTUAL COSTS	(\$34.00)
OVERALL BALANCE	\$463.00



Eliminate Your Debt

- Compile a list of all debts that you have
 - www.annualcreditreport.com
 - www.kreditcarma.com
- Determine which have the highest interest rates, or those that you can pay off the quickest
- Make your priority to pay the highest interest rates off first
- If you have student loans, select the repayment plan that is best for your financial circumstances



Always Be Aware of Your Credit

- Credit can be critical to achieving your long-term financial goals
- Start monitoring your credit now
 - www.annualcreditreport.com
 - www.creditkarma.com

Trans Union of Canada, Inc.
Consumer Credit Report Date 01 May 2002

1	Subject	Surname	Given Name(s)	Soc. Ins. No.	Birth
	Spouse	Consumer	Robert/B	### ### ##	11Oct1958
	AKA	Consumer	Jane/B	### ### ##	22Jan1963
	On File	Consumer	Brian/Robert		
	20Jul1994	Last Inq		Telephone	Prev Phone
		01May2002		4165551212	9055551212

RESIDENCE(S)					
Street	City	Prov	Postal	Since	Cnfrm
123 Main Street, Apt. 101	Anytown	ON	M1M 1M1	01Dec1994	01Nov1999
456 Back Street	Newtown	ON	L1L 1L1	01Jul1990	01April1994

EMPLOYMENT(S)					
Employer's Name & Address			Occupation	Since	Cnfrm
National Steel Car Oakville ON			Welder	01Nov1990	01Aug1998
Spouse's Employer					
Henry's Hot Dogs/111 Nathan St, Toronto			Cashier	01Dec1992	01Jul1993

2 FILE SUMMARY

Legals=1-Jan1999	Bkrp=1-Dec1997	Coll=2-Mar2001	Inqs=2-May2002	6Mnth=1	CollInq=0
High=\$9500	Baln=\$3310	Pdue=\$0	Paym=\$310	Acct=3	Neg=2
Trade=Jul1994/May1998	Balances	Inst=\$2352	Rev=\$958	Open=\$0	Mort=\$0
					#Reg=1

3 MESSAGES

- **Trans Alert** INPUT DOB DOES NOT MATCH FILE DOB
- **Hawk Alert** INPUT SUBJECT SIN IS INVALID

4 BUREAU RISK SCORE

Empirica: 618 ****ALERT****

Factors: 38 Serious delinquency AND derogatory public record or collection filed
 15 Lack of recent bankcard account information
 18 Frequent delinquency
 12 Length of time revolving/open accounts have been established

Horizon 651 ****ALERT****

Factors: 38 Serious delinquency, and public record or collection filed
 20 Length of time since derogatory public record or collection filed
 16 lack of recent revolving account information
 18 Number of accounts with delinquency

TransRisk (optional)
 RPM (optional)

5 TRADE

Rept	Open	Last	H. Credit	Balance	PastDue	Terms	Payment Pattern	MOP
DC	DEPARTMENT STORE						30/60/90/#M	
Sep1998	Apr1995	Sep1998	1000	958	0	0/M	99999999954321111111111111	R9
	INCL IN BANKRUPTCY							
OC	OIL COMPANY						99999543211111111111111111	
Jul1999	Jul1994	Jul1999	1000	0	0	0/M	1 1 7 60	O9
	THIRD PARTY COLLECTIONS							
BB	CANADIAN BANK, 5195551212						1111111111111111111111111111	
May2002	May1998	May2002	7500	2352	0	310/M	0 0 0 48	I1
	JOINT							



Build an Emergency Fund

Emergency funds can have different purposes:

- Emergency savings for a rainy day
 - Reserve of 3-6 months' work of essential living expenses
- Periodic bills and expenses
 - Bills that come during the year but not every month
- Replacement of big-ticket items
 - Repairing or replacing a car, appliance, house



Invest and Diversify

- Retirement
 - Work plans
 - Roth IRA
- Money market accounts
- Insurance
 - Life insurance – protects your family
 - Disability insurance – replaces lost income
- Separate future money from current money



Finding the Cash Flow

According to your budget, is your cash flow sufficient to meet your financial goals?

- If not, you may need to get creative:
 - Consider your career path in your current job
 - Bonuses and overtime
 - Consider a job change or career change
 - Free-lance or entrepreneurial ideas



Understand Your Retirement

- It is never too early to start saving for your retirement.
- Compound interest is the easiest way to grow your retirement
- Take 5% of your paycheck, starting with your first job, and invest it



Questions?