

► Taking control of your personal finances

Taking control of your finances starts with understanding where your money goes.

That means having a budget. Here are some hints to getting it done, once and for all.

Establishing a budget in three easy steps:

- 1. Keep track of all your expenses for a month.** Not just big items like mortgage and utility payments, but everything—your morning coffee, bus fare, movie tickets, lunch, snacks, clothes, credit card purchases.
- 2. Categorize your expenses into essentials and discretionary.** There are expenditures that you can't live without—the essentials — such as housing costs, food, car payments, and utility costs. You may find that there are a number of items that are nice to have (discretionary) that may offer opportunities to save.
- 3. Establish your budget.** If you feel as though you are not saving enough, try to cut down on the “nice to have” that you can live without. This way you'll have some money left over for saving and investing, or for paying down debt.

Ways to make your money work

Pay down debt. Paying down debt to where you have little to none of it is another important piece of the foundation to building your plan. The most common example of debt is high-interest credit cards. Wouldn't you rather take the interest you pay on credit cards and put it into your child's college fund, save it for retirement, or even add it to a down payment? Why send it to the credit card company?

Tips to keeping good credit

- Stay under 20% of available credit on your credit cards
- Don't spend money you don't have
- Don't open and close credit card accounts often
- Notify creditors of any changes

ACTION PLAN

- Identify your goals
- Create a budget
- Create a plan to pay down your debt
- Start saving for your emergency funds

Have an emergency fund. It's important to plan for the unexpected and to have three to six months of living expenses set aside to cover short-term expenses such as an unexpected repair bill, living expenses in the event of unemployment, or extra college costs. Your emergency fund should also be in a relatively safe place—for instance, in a short-term investment or money market account.

- Use caution when transferring balances
- Consider other options prior to charging a large purchase on a credit card

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Monitoring your credit*

There are some important differences between your credit report and credit score. Your credit report is a detailed look into your current and recent credit history, while your credit score is an evaluation of your credit history based on that report.

Credit Report

A credit report includes the account history information you might expect, along with your employment and personal information (among other things). More than one credit report company or bureau keeps records on you as well. These include Equifax, Experian, and TransUnion.®

Credit Scores

When lenders decide whether or not to give you a loan or extend credit, they look at your credit score. Your credit score is a number evaluation that lenders use to gauge creditworthiness. Your credit score can affect your credit limit, loan amount, interest rate, and loan terms.

Web sites where you can request credit reports and credit scores:

Equifax: www.equifax.com

Experian: www.experian.com

TransUnion: www.transunion.com

*Source: Free3BureauCreditReport.com, 2009.

A mini-checklist: seven steps to financial fitness

- Change the way you think about money
- Track your expenses monthly
- Create a budget—and stick to it
- Craft a realistic plan to pay down debt
- Establish an emergency fund
- Use the money you save on debt to increase your workplace savings plan contributions
- Don't stop saving!

HERE'S HELP

Get a complete picture of your investments with Fidelity Full View.® Go to **NetBenefits**,® click on the *Savings & Retirement* tab, then click on the *Looking to view your finances in one place with Full View*® link under *Tools & Learning*.

Fidelity does not provide legal or tax advice and the information provided above is general in nature and should not be considered legal or tax advice. Consult with an attorney or tax professional regarding your specific legal or tax situation.

Over time, the value of your account will vary and you may have more or less than the original amount invested.