

1. Know your Income

- ✚ Gross Pay Monthly
- ✚ Place W2 deductions in their relevant expense line items
 - Pension co-pay as retirement savings
 - Group term deduction as life insurance
 - HSA to health insurance
 - Taxes and FICA in financial responsibilities

2. Expensing

- ✚ Put yourself first: Savings Target

+15% Retirement Savings

- We max out each of our respective retirement plans
- This equals less than 15% of income
- A certain \$ amount in Roths bring us to 15%

+ 4% Liquidity Savings

- Automatic transfer from joint checking to Schwab joint brokerage
- Automatic transfer from spouse payroll to Credit Union

- ✚ Fixed Expenses

- Mortgage
- HELOC
- Federal Taxes (prior year return)
- State Taxes
- FICA
- Auto Loans
- P&C Insurance
- Private Life Insurance (soon to be LTC insurance)
- Property Tax
- Boat Loan

- ✚ Variable Expenses

- Oil and Utilities (prior 12-month average)
- Mortgage Prepay (reduced to \$0 pending Grad School)
- Dining Out (T)
- Summer Boating (T)
- Entertainment (T)
- LT Vacations (T) – and yes, a pro-ration
- Food in Home (prior 12-month average)
- Family Gifts (T)
- Charitable Gifts (T) @ \$5,000 – related to Itemization)

- Home Improvement/Landscaping (T) - capital projects go into Liquidity
- Clubs and Dues
- Subscriptions/Streaming (T)
- Clothing
- Personal Care
- Auto Maintenance and Gas
- Grad School (T)

3. Total Income vs. Expense

- ✚ w/o grad school = \$1,200 monthly surplus
- ✚ w grad school = (-\$ 500) deficit

4. Initial Adjustments

- ✚ No adjustment to Savings Target
 - \$200/mnth Dining Out
 - \$ 20/mnth Cancel HBO Max and Paramount
 - \$ 30/mnth Reduce Comcast
 - \$100/mnth Summer Boating
 - \$150/mnth Food in Home and Energy Use

5. Ongoing Adjustments

- Quarterly
- Methodology

T= Target