

# Financial fitness worksheet

Clear Form

Answer these 8 questions to assess your level of financial fitness. Use the motivational tips on the back to set your financial goals.

1	T / F <input type="radio"/> <input type="radio"/>	I'm clear about how much money is coming in, how much is going out and where I spend my money each month.
2	T / F <input type="radio"/> <input type="radio"/>	If I got sick or hurt and couldn't work, I know exactly how much my workplace disability income insurance would pay and for how long.
3	T / F <input type="radio"/> <input type="radio"/>	If my car needed \$1,000 in repairs or my dog needed emergency surgery, I have savings to cover the unexpected expense.
4	T / F <input type="radio"/> <input type="radio"/>	I know how much I need to save for retirement.
5	T / F <input type="radio"/> <input type="radio"/>	I know how much credit card debt I have and how much I pay each month in interest.
6	T / F <input type="radio"/> <input type="radio"/>	I know the difference between term and permanent (whole) life insurance.
7	T / F <input type="radio"/> <input type="radio"/>	I know my credit score.
8	T / F <input type="radio"/> <input type="radio"/>	I know what I want for my future and have a written financial plan outlining what it will take to make it happen.

## HOW DID YOU DO?

Give yourself one point for each "True" and zero points for each "False" answer.

**7-8 Total Points:** You have an extremely high degree of financial security and well-being. You are very "Financially Fit."

**4-6 Total Points:** You're on the right path to being "Financially Fit." You've made some wise choices and could benefit from making additional smart money moves.

**0-3 Total Points:** You're a good candidate to take some initial steps to get "Financially Fit."

READY TO GET MOTIVATED?  
TURN THE PAGE 

# FINANCIAL BASICS CHECKLIST

Whether you have a little or a lot, managing money brings a lifetime of choices. The best financial plans revolve around four money management strategies:

## UNDERSTAND YOUR CASH FLOW

- Save first.** Set aside a realistic, meaningful amount of your current income to help fund your financial future.
- Track all your expenses.** Use either a budget worksheet each month or the Cash Flow tool in our mobile app.
- Align your spending with the 20/60/20 rule and make a monthly budget.** Once you've tracked where your money is going, compare your spending to these guidelines:
  - 20% of your income should be saved or invested
  - 60% of your take-home pay should go to essential expenses
  - 20% of your take-home pay can be used for discretionary expenses
- Make tough choices.** Reaching long-term goals may mean adjusting your cash flow — by finding more affordable housing, reducing expenses, or finding additional sources of income.

## DEVELOP A SAVINGS AND INVESTMENT PLAN

- Establish an emergency fund.** You never know when an unexpected cost might pop up. Set aside enough money to cover three to six months of expenses in an account that allows you to access your cash within a few days, like a traditional savings account.
- Contribute to your 401(k).** If your job offers a retirement plan with an employer match, invest at least up to the point where the employer match ends (if possible). If you don't have a 401(k) through work, you can start your own IRA using automatic deductions from your paycheck.
- Consider other ways to save and invest to meet your financial goals.** Your financial representative can help you determine where to put your money depending on your goals and time horizon.

## PROTECT YOUR FAMILY, INCOME, AND ASSETS

- Protect your loved ones.** Make sure your family will have the financial resources they need to maintain their lifestyle if you passed away. Consider getting enough life insurance to pay the mortgage, educate your kids, and pay for final expenses. Plus, make sure you have a will and powers of attorney in place.
- Protect your paycheck.** Check your workplace disability income coverage. It probably has a cap on how much it pays if you become sick or injured. If so, consider buying individual disability income insurance to help fill the gap.
- Protect your property and assets.** Make sure you're protected with property casualty insurance\* if you need to replace or fix an item like your home or car. It can also protect you if you injure someone else or damage their property or if another person injures you and doesn't have the proper type or amount of insurance in place.

## CREATE A STRATEGY TO MANAGE YOUR DEBT

- Make a list of all your debts.**
- See if you can lower any of your interest rates.** You may be able to lower the rate on your credit cards by simply asking, especially if you have a good credit score.
- Determine how much extra money you can put toward your debt.** How much of your take-home pay can you comfortably put toward debt without sacrificing other important goals like building up your emergency fund or saving for retirement?
- Pay high-interest debt first.** Make minimum monthly payments on all your debts. Then devote any extra money toward paying off the highest-interest-rate debt first.
- Keep any future debt in check.**

### GET STARTED NOW: PRIORITIZE YOUR GOALS

My top financial goal for the short term (1-2 years from now) is:

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My top financial goal for the medium term (3-10 years from now) is:

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My top financial goal for the long term (11+ years from now) is:

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