Spring is here and it’s time to think about growth potential—for both your garden and your journey toward financial wellness! The following steps can help you cultivate a budget that works for your life, so you don’t have to worry about falling short of your financial goals.

**Step 1: Sow Your Seeds**
Take the time to think about your financial goals and actually write them down. Examples include building up an emergency fund, saving for a new car or home, starting a college education fund for a child, or increasing your retirement savings by 1% a year. Make sure the goals are measurable and include actual dollar amounts and time frames. Here are some examples of measurable financial goals:

- Have a $1,000 emergency fund built up in 10 months.
- Pay off $5,000 credit card debt in 18 months.
- Increase the retirement plan contribution rate by 1% by May 31, 2021.
- Open a 529 college savings account with an automatic monthly contribution of $50 by December 31, 2021.

Divide the dollar amount by the number of months in your time frame to figure out your monthly goal. If your goal is to build up a $1,000 emergency fund in 10 months, your monthly goal is $1,000 divided by 10, which equals a $100 monthly contribution.

**Step 2: Water Regularly**
Before you can establish a budget, you have to know exactly how much money you have coming in every month from your employer and other sources. Make sure to include only the money you actually receive (the exact amount of your net paycheck, not your gross pay before taxes and other deductions).

**Step 3: Establish Weed Control**
You can’t budget until you know how much money you’re spending each month. When figuring out your monthly expense number, be sure to include the following major spending categories:

- Groceries
- Rent or mortgage
- Car loan payment
- Student loan payment
- Credit card payment(s)
- Cell phone service
- Cable/streaming/wifi service
- Entertainment/dining out/take-out
- Utilities (water/electric/garbage/etc.)

Also remember to include occasional expenses, such as doctor and dentist visits and veterinary/pet expenditures (if applicable), as well as car and other insurance payments. It’s also important to look through past bank and credit card statements to get a realistic picture of your spending.

**Step 4: Check Your Soil Quality**
To take your first stab at a budget, add your monthly expenses from Step 3 to the monthly goals you calculated in Step 1. Then, subtract that total from your monthly income calculated in Step 2. If the balance is positive, you’ve created a budget that works for your current lifestyle. Here’s an example:

Continued on page 2
Go Green

Help sustain the environment with these practical money-saving tips

Here are some easy ways to protect the environment and improve your budget at the same time.

**Wash your clothes in cold water.** They get just as clean, but without the energy needed to heat the water.

**Take shorter showers.** Shaving even one minute off of your daily shower could save nearly a thousand gallons of water every year, which translates into big savings on the water bill (and it’s better for the planet).

**Replace your light bulbs with light-emitting diode (LED) lights.** A small upfront investment in LEDs can save hundreds or even thousands of dollars (and a lot of energy) over the life span of these bulbs—which can be as long as 10 years. Buy them on sale and replace them one or two at a time to put less pressure on your budget.

**Turn your electronics completely off.** Even when they are “off,” TVs, cable boxes, WIFI routers, and computers continue to draw electricity all day. You can put them all on a power strip and shut them totally off at night or when you leave the house.

**Buy second-hand.** These days you can buy almost anything used and in good shape. Not only is it cheaper, but it reduces your consumer footprint and saves one more thing from going to a landfill.

**Ditch the bottle.** Bottled water is usually no better than your typical tap water. Consider getting a faucet water filter and a reusable water bottle to save money and help the environment.

**Use a pressure cooker.** Using a pressure cooker is a great way to save time, money, and energy all at the same time. Pressure cookers can take up to 70% less time (and less energy) to cook a meal, and they’re more versatile than you might think (check out pressurecookrecipes.com).

**Eat less meat.** Meat isn’t cheap, and producing it isn’t great for the environment. Consider trying a few vegetarian meals once or twice a week. Check out “It Doesn’t Taste Like Chicken” and “Gimme Some Oven” websites for menu ideas.

**Make your own chemical-free cleaners.** If you want to save money while also avoiding harmful chemicals, consider making your own cheap and easy cleaners (check out thespruce.com).

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**Sample Budget**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly income</td>
<td>$3,000</td>
</tr>
<tr>
<td>(from Step 2)</td>
<td></td>
</tr>
<tr>
<td>Monthly living expenses</td>
<td>($2,100)</td>
</tr>
<tr>
<td>(from Step 3)</td>
<td></td>
</tr>
<tr>
<td>Monthly financial goals</td>
<td>($750)</td>
</tr>
<tr>
<td>(from Step 1)</td>
<td></td>
</tr>
<tr>
<td><strong>Total left over</strong></td>
<td><strong>$150</strong></td>
</tr>
</tbody>
</table>

If the balance is negative, you have some more work to do. That leads us to Step 5.

**Step 5: Add Compost if Necessary**

If the first swipe at your budget came out negative, rework the numbers and try again. For example, you can revisit expenses and decide which ones are top priority and need to stay in your budget and which you can do without. You can also consider changing the amount of time needed to meet your financial goals.

Or you can figure out a way to increase your income.

**Step 6: Cultivate Your Green Thumb**

To keep yourself moving forward toward achieving financial wellness, check out www.americasaves.org. The site features lots of money-saving ideas, as well as other tips on setting financial goals and making a plan to achieve them.

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Sources: greatist.com; greenamerica.org; thesimpledollar.com; Kmotion research.
When you get to a certain age, you may find yourself daydreaming about retiring early, or at least before the “traditional” age of 65. It’s only natural—the COVID-19 pandemic has caused many people to rethink their priorities with regard to personal fulfillment and work/life balance. Perhaps you want the freedom and flexibility to pursue other opportunities and adventures that life has to offer. Or maybe you just want to cut back and do something else on a part-time basis. If so, here are some things to think about before deciding to retire early.

**You’ll likely be around for a long time**
Life expectancy is increasing, so retirement may last longer than you expect. According to the Social Security Administration, the average life expectancy for a 60 year-old man is about 83 (86 for a woman). Individuals should consider their health, family history and other personal factors to help determine life expectancy. A comprehensive life expectancy calculator can be found at www.livingto100.com, which takes into account numerous factors you may not be considering—including your weekly bacon consumption! Other factors, such as your stress level and marital status, help provide a more personalized life expectancy.

**You’ll need to fund that long time**
These days, people expect more in retirement. They want to be comfortable and enjoy travelling, visiting family, pursuing hobbies and volunteer opportunities, as well as completing their “bucket list.” How much do you need to fund a long retirement? The rule of thumb is that you’ll need to replace about 75%-80% of your preretirement income. Social Security will help fund part of your income needs. However, the earliest you can take it is age 62, and that benefit will be reduced versus if you wait until your full retirement age to start taking your benefit (currently age 67 for those born in 1960 or later). Your personal savings and retirement account will have to make up the difference. You can begin taking retirement plan distributions without an early withdrawal penalty starting at age 59½. However, financial advisors recommend not taking more than a 4%-5% annual withdrawal from your account if you want it to last 20 years or more.

**Don’t forget about healthcare**
For most people, employer-sponsored healthcare benefits end when you leave work. Most companies provide COBRA coverage for a limited period of time after workers leave, but that tends to be expensive and often more costly than individual plans. Most people may sign up for and begin to receive Medicare benefits at age 65. If you retire sooner, you will have to secure healthcare on your own. That means choosing COBRA coverage or shopping around on the state healthcare exchanges and paying the high costs of healthcare for yourself and your spouse or partner.

Many financial planners advise their clients to pursue activities that they think they might like while they’re still working. If you plan to volunteer, take language classes or become an artist, consider setting time aside to pursue these activities during your working years to help you determine if they are true passions you want to continue doing in retirement.

Retiring early may seem challenging, but it isn’t impossible. You just need to be realistic about the trade-offs. And save as much as you can right now!

**How will you spend your days?**
Having worked every day for the past 30 or more years, some people don’t know what to do with their free time. Will you pursue a hobby like painting, horticulture or yoga? How do you know you’ll really enjoy it?
Knowledge is retirement power
According to the latest Fidelity Retiree Health Care Cost Estimate (2020), an average retired couple age 65 may need approximately $295,000 saved (after tax) to cover health care expenses in retirement. Of course, the amount you’ll need will depend on when and where you retire, how healthy you are, and how long you live. Whether retirement is a long way off for you, or it’s starting to get closer, it’s a smart move to start planning for healthcare costs. The AARP Health Care Costs Calculator (www.aarp.org) is an educational tool designed to help you estimate your health care costs in retirement. You can include a spouse or partner in the calculation as well.

Q&A
How do I establish an emergency fund?
It’s important to have an easily accessible emergency fund available for when something unexpected comes up, such as a car, refrigerator or dishwasher breaking down. Here are the key features of an emergency fund:
- Aim to have 3-6 months of living expenses saved
- Keep separate from your checking account
- No (or low) transaction fees; no penalties for withdrawals
- Interest earnings on the balance (a little something is better than nothing).

Tools & techniques
According to the 2020 Retirement Confidence Survey,* half of workers (48%) have tried to calculate how much money they will need to live comfortably in retirement. It’s always a good idea to get a ballpark estimate each year to see where you are at. Your retirement plan recordkeeper will likely have calculators available on their website. You can also check out the AARP Retirement Calculator at: www.aarp.org. In addition, you can access a number of comprehensive retirement planning calculators at smartasset.com/retirement.

* The annual Retirement Confidence Survey is conducted by the Employee Benefit Research Institute and independent research firm Greenwald & Associates.

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