



PERSONAL FINANCE WORKBOOK

Back to Basics Blueprint

Your balance sheet, monthly cash flow and four financial buckets

Use this workbook to see what you own, what you owe and how money moves through your household. Then choose practical goals and prepare for a more useful conversation about your finances.

Prepared for

Date

How to use this workbook

Gather recent account statements, debt balances and a typical month of income and spending. Use estimates where necessary and mark anything you need to verify. You can complete the exercises on your own or with a partner.

Work through the balance sheet first, then cash flow, the four buckets and your goals. Keep account numbers, passwords and other sensitive identifiers out of this workbook.

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START HERE

Your financial picture

A balance sheet records your financial position on one date. This workbook adds a separate cash flow review so you can look at balances and monthly commitments together.

What you own

Assets are things you own that have value, such as cash, a home, retirement accounts and investments. Record a reasonable current value for each item.

What you owe

Liabilities are debts you are responsible for, such as mortgages, credit cards and loans. Record the current balance as well as the monthly payment and interest rate when available.

What comes in and goes out

Cash flow measures income and payments over a period of time. A valuable asset may be difficult to sell, and a low monthly loan payment can still come with a long repayment term or significant total cost.

Your net worth

Total assets minus total liabilities equals net worth.

Net worth is a snapshot, not a measure of monthly spending money. You will calculate it after completing the next two worksheets.

Look at the full picture

Ask how quickly you could access money, what costs or risks apply, and whether your monthly commitments fit your income. Borrowing, selling an asset or moving money between accounts can affect several parts of your finances at once.

What would you most like to understand or improve?

The exercises organize information for discussion. A self-rating or example is not a recommendation to borrow, invest, refinance or withdraw money from an account.

ACTIVITY 1

List your assets

Use current values as of the same date. Include each asset once. Enter the full market value of real estate here and the related loan balance on the liabilities worksheet.

Valuation date: _____

Asset	Details or valuation source	Current value
Primary residence	Estimated market value	\$
Other real estate	Rentals or vacation properties	\$
Retirement accounts	401(k), IRA and similar plans	\$
Investment accounts	Brokerage accounts and other investments	\$
Checking and savings	Current balances	\$
Cash value life insurance	Current cash surrender value, if applicable	\$
Business ownership	Your estimated ownership value	\$
Personal property	Vehicles, valuables and collectibles	\$
Other assets	Describe any additional assets	\$

TOTAL ASSETS \$ _____

Do not add interest already included in an account balance a second time. For business ownership or any value stated net of debt, note how it was calculated so you can check for double counting.

Estimates or missing values to verify

ACTIVITY 2

List your liabilities

Use balances from the same date as your assets. Monthly payments belong in the payment column, not in the balance total.

Debt or account	Balance owed	Monthly payment	Rate
Primary mortgage	\$	\$	%
HELOC or second mortgage	\$	\$	%
Other property loans	\$	\$	%
Auto loans	\$	\$	%
Student loans	\$	\$	%
Credit cards	\$	\$	%
Personal loans	\$	\$	%
Business loans you owe personally	\$	\$	%
Other debts or taxes owed	\$	\$	%

TOTAL LIABILITIES \$ _____

TOTAL MONTHLY DEBT PAYMENTS \$ _____

Calculate your net worth

Total assets	Minus total liabilities	Equals net worth
\$	\$	\$

A negative result means recorded debts exceed recorded assets on this date. Use the result to plan your next step, rather than judging your progress by this figure alone.

Which balances, rates or payment terms need a closer look?

ACTIVITY 3

Safety liquidity and return

Review your assets using your own situation. These scores are discussion prompts, not objective ratings or guarantees.

Factor	1	5
Safety	Higher chance of loss	Lower chance of loss
Liquidity	Harder or slower to access	Easier or faster to access
Return potential	Lower expected return	Higher expected return

Higher return potential can involve more risk. Access may depend on selling, borrowing, taxes, fees or account restrictions. Rate what you understand, and leave an uncertain score blank.

Asset	Safety 1-5	Liquidity 1-5	Return 1-5	Notes
Home				Sale or borrowing may be needed
Retirement accounts				Check tax and withdrawal rules
Checking and savings				Check account terms and coverage
Investment accounts				Values can change
Rental property				Consider costs and sale time
Other				

Review borrowing separately

A mortgage or HELOC is a liability, so a return score is not directly comparable to an investment return. Compare its interest rate, payment, total cost, collateral and repayment terms instead. Available credit is not an asset or a guaranteed source of emergency cash.

Which tradeoff or restriction surprised you?

What should you verify before making a change?

ACTIVITY 4

Plan your monthly cash flow

Use take-home income and a typical month of payments. Include irregular expenses by setting aside a monthly amount. Track each payment in only one category.

Month: _____

Monthly item	Planned	Actual
Take-home income	\$	\$
Housing costs excluding debt payments	\$	\$
Utilities and communications	\$	\$
Food and household spending	\$	\$
Transportation excluding debt payments	\$	\$
Insurance and health costs	\$	\$
Debt payments from page 4	\$	\$
Other spending and irregular expense reserves	\$	\$
Savings contributions	\$	\$
Investment contributions	\$	\$

Monthly summary	Planned	Actual	Difference
A Total take-home income	\$	\$	\$
B Total spending and debt payments	\$	\$	\$
C Total savings and investment contributions	\$	\$	\$
Money remaining A minus B minus C	\$	\$	\$

Difference = Actual minus Planned. Interpret the result according to the item being compared.

A negative remainder means your plan uses more money than your recorded income. Compare the worksheet with your account activity and check for omitted or duplicated items.

One adjustment to try this month

THE FOUR BUCKETS

Give each part of your money a purpose

The four bucket system is a way to organize a discussion about cash, reserves, debts and investments. It does not require opening four new accounts.

Checking for cash flow

Use this money for routine bills and day-to-day spending. Review income dates, bill due dates and the minimum balance you need between paydays.

A possible starting point for discussion is 1-2 months of expenses. Choose a buffer that fits your cash flow.

Savings for reserves

Set aside accessible money for unexpected costs and near-term goals. Keep emergency reserves separate from money already committed to a planned purchase.

A planning example is 3-6 months of expenses. Your own target depends on income stability, responsibilities and available resources.

Debts for repayment

List what you owe and plan the payments. Consider rates, fees, collateral, payment timing and total repayment cost together.

Meet required payments and decide how additional repayments fit your wider plan. A lower payment alone does not establish a lower total cost.

Investments for longer term goals

Identify the money intended for retirement or other longer term goals. Consider when you will need it and how much uncertainty you can accept.

Set contributions and investment choices to suit your circumstances. Returns are uncertain and investments can lose value.

FOUR BUCKET CHECK IN

Review your current position

Complete the balances first, then identify one practical change. Do not add these figures together as a second net worth calculation.

Bucket	Current position	Your target or question
Checking and cash flow	Current balance \$	Working buffer \$
Savings and reserves	Current balance \$	Reserve target \$
Debts	Total balance \$ Monthly payments \$	Is this debt helping or hurting my cash flow?
Investments	Current value \$	Contribution or goal \$

Which bucket feels strongest, and why?

Which needs the most attention?

Is money committed to one purpose that you need for another?

What small change could you make this month?

SMART GOALS

Turn a priority into a clear goal

Write two short term goals and two longer term goals. Give each a specific action, a way to measure progress and a realistic deadline.

SMART criterion	Question
Specific	What exactly do I want to accomplish?
Measurable	How will I track progress?
Achievable	Can I support this with my current resources?
Relevant	Why does this matter to my wider plan?
Time bound	When will I review or complete it?

Example 1 Reduce a credit card balance

I will put \$500 a month toward a \$5,000 credit card balance and review progress after 10 months. I will check the interest rate and statement so the payment and deadline include interest, fees and any new charges.

The payments total \$5,000 over 10 months. That does not guarantee the balance is paid off in that time.

Example 2 Build an emergency fund

I will save \$750 a month toward a \$9,000 emergency fund over 12 months by reducing spending I have identified in my budget. I will review the target if my income or expenses change.

This example starts at \$0 and assumes no withdrawals. It does not rely on interest earnings.

Which priority do you want to work on first?

YOUR GOALS

Short term goals

Use one goal per section. Keep the payment, contribution or action within the cash flow you recorded on page 6.

Goal 1

SMART criterion	Your goal
Specific	
Measurable	
Achievable	
Relevant	
Time bound	

First action: _____

Review date: _____

Goal 2

SMART criterion	Your goal
Specific	
Measurable	
Achievable	
Relevant	
Time bound	

First action: _____

Review date: _____

Longer term goals

Use one goal per section. Keep the payment, contribution or action within the cash flow you recorded on page 6.

Goal 1

SMART criterion	Your goal
Specific	
Measurable	
Achievable	
Relevant	
Time bound	

First action: _____

Review date: _____

Goal 2

SMART criterion	Your goal
Specific	
Measurable	
Achievable	
Relevant	
Time bound	

First action: _____

Review date: _____

Understand your relationship with money

Complete pages 13 and 14 separately before comparing answers. Use another copy for your partner. If you are completing this alone, use the prompts to clarify your own priorities.

Name: _____ Date: _____

Set the stage

Choose a quiet time, bring something to write with and agree to listen without judgment. Take turns, let each person finish and ask questions before trying to solve a difference.

What emotions come up when I think about money?

What money habit am I proud of?

What would I like to improve about how I manage money?

When it comes to money, I feel safest when

I get most nervous financially when

PERSONAL REFLECTION CONTINUED

Debt home and the future

There is no score to compare. Use your answers to understand what matters to each person and what needs more discussion.

To me, debt feels like

I think credit is best used for

A house is

A home is

I believe the purpose of owning a home is to

In 5 years, I hope we are financially

In 20 years, I want to say we

Agree on your next steps

Take turns sharing your answers before choosing an action. You do not have to resolve every difference in one conversation.

Questions that help the conversation

Can you tell me more about why that matters to you?

What experiences shaped how you feel about debt or credit?

How could we balance our different views?

What would help you feel more comfortable with this decision?

Where would a clearer plan help?

What values do we share about money?

Where do we see things differently?

What decision or goal needs another conversation?

What financial habit could we work on together?

Next action: _____ Who: _____

Review date: _____

Bring these reflections and your worksheets to a conversation with an appropriate financial professional when you need help evaluating a specific decision.

REFERENCE

Financial glossary

Use these definitions as you complete the worksheets and review your account terms.

- 01 Asset** Something you own that has value, such as cash, a home, a vehicle or an investment.
- 02 Liability** A debt or obligation you owe, such as a mortgage, credit card balance or loan.
- 03 Net worth** The value of your assets minus your liabilities at a particular time.
- 04 Equity** The value of an asset after subtracting debt secured by it. For a home, this is its value minus the mortgage and other secured loans.
- 05 Budget** A plan for income, spending, debt payments and saving over a period of time.
- 06 Income** Money you receive from work, a business, investments or other sources. Take-home income is what remains after deductions.
- 07 Expense** Money paid for goods, services or other costs.
- 08 Fixed expense** A cost that is usually similar from one period to the next, such as rent.
- 09 Variable expense** A cost that changes, such as groceries, utilities or dining out.
- 10 Interest** The cost of borrowing money, or an amount earned on certain savings and investments.
- 11 Principal** The amount borrowed or invested, separate from interest. A loan statement may also show the remaining principal balance.
- 12 Credit score** A number based on information in a credit report that helps predict repayment behavior. There are different scoring models.
- 13 Mortgage** A loan secured by real estate. Missing required payments can put the property at risk.

Financial glossary continued

Use these definitions as you complete the worksheets and review your account terms.

14 Amortization Repaying a loan over time through payments allocated to principal and interest.

15 Liquidity How quickly an asset can be converted to usable cash without a substantial loss of value. Fees or withdrawal restrictions can affect access.

16 Return An investment gain or loss, often expressed as a percentage over a stated period. Check whether a figure includes fees.

17 Risk The possibility of a loss or an outcome different from what you expected.

18 Diversification Spreading investments across different holdings to reduce concentration risk. It does not eliminate the possibility of loss.

19 Compound interest Interest calculated on the principal and on accumulated interest. Compounding can affect both savings and debt.

20 Leverage Using borrowed money to buy or invest. It can increase gains and losses and adds repayment obligations.

21 Opportunity cost The benefit you give up when choosing one use of money or time over another.

22 Refinancing Replacing an existing loan with a new loan. Compare fees, the rate, the term and total cost, as well as the payment.

23 Emergency fund Accessible money reserved for unexpected expenses or an interruption in income.

24 Debt to income ratio Monthly debt payments divided by gross monthly income, expressed as a percentage. Gross income is income before taxes and deductions.

25 Credit utilization The share of available revolving credit being used. It can affect credit scores; it is different from a debt to income ratio.

Keep the workbook useful

Return to your worksheets when balances, income or household responsibilities change. Compare progress with your own starting point.

One thing I understand better now

One figure or account term I still need to verify

One action I will take next

I will review my plan on: _____

Useful resources

Consumer Financial Protection Bureau
An essential guide to building an emergency fund
consumerfinance.gov/an-essential-guide-to-building-an-emergency-fund/

Consumer Financial Protection Bureau
What is a debt to income ratio
consumerfinance.gov/ask-cfpb/what-is-a-debt-to-income-ratio-en-1791/

US Securities and Exchange Commission Investor.gov
Asset allocation and diversification
investor.gov/introduction-investing/getting-started/asset-allocation

US Securities and Exchange Commission Investor.gov
Liquidity or marketability
investor.gov/introduction-investing/investing-basics/glossary/liquidity-or-marketability

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