KCCU
KIMBERLY CLARK
CREDIT UNION

FOR ADULTS



The Money Toolkit

Adult Financial Education

A KIMBERLY CLARK CREDIT UNION WORKBOOK

MY NAME _____

Start where you are

This book does not assume you are starting from zero, and it does not assume you are starting from comfortable. Work the pages in any order. Each lesson stands on its own, and most worksheets use your real numbers rather than made-up ones.

WHAT IS INSIDE

Six lessons

1. Your Real Monthly Budget — p. 3
2. Tackling Debt: Snowball vs. Avalanche — p. 5
3. Emergency Fund & Credit Health — p. 7
4. Buying a Car Without Overpaying — p. 10
5. Renting, Owning, and the Real Numbers — p. 12
6. Retirement, Whenever You Start — p. 14

A note on honesty: These worksheets only help if the numbers are true. Nobody else has to see this book. Pull up your actual statements and write down what is really there, not what you wish were there.

Your Real Monthly Budget

A budget is just a plan for the money you already have. Fill in real numbers, not the numbers you wish were true, and you will see exactly where you stand each month.

WORKSHEET

Money in, money out

MONEY IN	AMOUNT / MONTH
Take-home pay (after taxes)	$
Other income (side work, support, benefits)	$
Total money in	$

MONEY OUT	AMOUNT / MONTH
Housing (rent/mortgage, utilities)	$
Transportation (car payment, gas, bus)	$
Food & groceries	$
Insurance (health, auto, home)	$
Debt payments (cards, loans)	$
Savings (pay yourself first)	$
Everything else	$
Total money out	$

Left over (or short) = money in minus money out = $ _____

> **Prefer to do this online?** Try KCCU's **Budget Builder**. It adds up your income and expenses for you and shows your monthly surplus or shortfall automatically.

Where It Actually Goes

Almost everyone underestimates two categories: food and “everything else.” Pull up one month of statements and check your guesses against what really happened.

AUDIT

Guess, then check

Write your guess first. Then fill in the actual amount from your statement. Difference = actual − guess.

CATEGORY	GUESS	ACTUAL	DIFFERENCE
Groceries	$	$	$
Eating out	$	$	$
Subscriptions	$	$	$
Shopping	$	$	$
Everything else	$	$	$

A ROUGH TARGET

The 50/30/20 guideline

One common starting point: about 50% of take-home to needs, 30% to wants, 20% to savings and debt payoff. It is a guideline, not a rule, and high housing costs can make it unrealistic. Target = take-home pay × 0.50, 0.30 or 0.20. Needs are housing, utilities, groceries, transportation, insurance and minimum debt payments. Wants are everything else. Savings & debt is what you save plus any debt payment above the minimum.

BUCKET	TARGET	WHAT I ACTUALLY PUT HERE
Needs (50%)	$	$
Wants (30%)	$	$
Savings & debt (20%)	$	$

The one category I am going to change first, and by how much:

Tackling Debt: Snowball vs. Avalanche

Both methods keep you making every minimum payment, then put any extra money toward one debt at a time. They differ only in *which* debt gets the extra first.

Snowball

Pay the **smallest balance** first. Quick wins keep you motivated to stick with it.

Avalanche

Pay the **highest interest rate** first. Costs you the least money over time.

WORKSHEET

List your debts

DEBT	BALANCE	INTEREST RATE	MINIMUM PAYMENT
	$	%	$
	$	%	$
	$	%	$
	$	%	$
Totals	$		$

DECIDE

Circle the method you will use, and say why

I am choosing: **Snowball** / **Avalanche**

Your Payoff Order

Now put the plan in writing. Rank your debts by whichever method you chose, then find the extra dollars that will do the work.

THE ORDER

Rank them, then attack one at a time

ORDER	DEBT	BALANCE	MINIMUM	EXTRA I WILL ADD
1st (gets the extra)		$	$	$
2nd		$	$	minimum only
3rd		$	$	minimum only
4th		$	$	minimum only

When the first debt is gone, roll its entire payment onto the second. That rolling amount is what makes either method work.

FIND THE EXTRA

Where will the additional payment come from?

Left over from my budget	$
One expense I am cutting	$
Extra income or side work	$
Total extra per month	$

Good to know: If high-rate balances are the problem, KCCU offers Consumer Loans, which can roll several of them into one fixed payment. Compare the total cost, not just the payment, and keep paid-off cards at zero.

Emergency Fund & Credit Health

An emergency fund is cash set aside for the surprises: a car repair, a medical bill, a gap between paychecks. A common target is **3 to 6 months of expenses**.

QUICK MATH

Find your target

My essential monthly expenses (your actual Needs spending from p. 4): $ _____

Starter target, 3 months (× 3): $ _____

Full target, 6 months (× 6): $ _____

CREDIT BASICS

Your **credit score** affects the rates you are offered on loans and cards. A few main factors move it:

1. Payment history: paying on time (counts most)

2. Amounts owed: how much of your limit you use

3. Length of credit history

4. New credit and mix of accounts

HABITS THAT HELP

Four things you can start this month

1. Pay every bill on time. Set up autopay for at least the minimum.
2. Keep card balances under about 30% of the limit.
3. Leave older accounts open to lengthen your history.
4. Check your free credit report and dispute any errors you find.

Building It From Nothing

Six months of expenses is a big number, and staring at it stops a lot of people before they start. So do not start there. Start at $500.

THE LADDER

Four steps, in order

STEP	TARGET	WHAT IT COVERS	DATE I WILL HIT IT
1	$500	Most car and appliance repairs	
2	$1,000	A deductible, an urgent care visit	
3	$ (your 3-month target, p. 7)	A job gap	
4	$ (your 6-month target, p. 7)	A long disruption	

DO THE MATH

How long to the first $500?

If I set aside $ _____ per week, I reach $500 in _____ weeks (round up).

If I set aside $ _____ per week instead, I reach it in _____ weeks.

WHERE TO KEEP IT

Boring on purpose, but still earning

Keep it separate from checking, federally insured, and with no debit card attached. Then make it earn more with a **certificate** (a CD, or share certificate at a credit union): a set, guaranteed rate for a set time. A **ladder** splits the fund across several so one comes due every few months. Cash is never far away, and the rest earns the higher rate. KCCU offers share certificates.

Start with what you have saved today. Keep $1,000 in savings, divide the rest by 4, and write that amount in each rung. Under $1,000 saved? Skip this for now.

RUNG 1: 3 MONTHS	RUNG 2: 6 MONTHS	RUNG 3: 9 MONTHS	RUNG 4: 12 MONTHS
$	$	$	$

When a rung comes due, renew it for 12 months. Keep your first $1,000 in savings for same-day needs. Cashing a certificate early usually costs some interest.

Where You Keep It Matters

An emergency fund, a checking account and a car loan cost different amounts depending on where you hold them. Banks and credit unions are both federally insured. The difference is who they answer to, and it shows up in fees and rates.

COMPARE

Bank vs. credit union

	BANK	CREDIT UNION
Who owns it	Investors who buy its stock	Its members, the people who save and borrow there
Who it works for	Its shareholders, who expect a profit	Its members. It is not-for-profit
Where profit goes	Paid out to shareholders	Back to members, often as better rates and lower fees
Who runs the board	Directors chosen by shareholders	Volunteers elected by members, one member, one vote
Deposits insured by	The FDIC, up to $250,000	The NCUA, up to $250,000

Who can join KCCU: See kimberlyclarkcu.org to find out if you are eligible to join. Family of members can join too.

FEE AUDIT

What is your account costing you?

Pull up your last few statements. Estimate each cost for a full year.

Monthly maintenance fees (× 12)	$
Overdraft and returned-payment (NSF) fees this year	$
Out-of-network ATM fees	$
Total fees per year	$
Rate my savings earns now	%
Rate on my car loan or card	%

Then compare. Current savings and loan rates for KCCU are at kimberlyclarkcu.org. If your loan rate is higher than KCCU's, ask whether refinancing would lower your payment.

Buying a Car Without Overpaying

A car is usually the second largest purchase people make, and it is the one where the most money gets lost quietly. The monthly payment is the wrong thing to shop for. Dealers can hit almost any monthly payment by stretching the loan longer, and a longer loan costs far more.

COMPARE

The same $22,000 loan at 8%, different terms

Interest paid = total paid − $22,000.

LOAN LENGTH	MONTHLY PAYMENT	TOTAL PAID	INTEREST PAID
36 months	$689	$24,804	$
48 months	$537	$25,776	$
60 months	$446	$26,760	$
84 months	$343	$28,812	$

The 84-month loan is $346 a month cheaper. How much more does it cost in total? $ _____

THINK ABOUT IT

Why long loans are risky

Cars lose value faster than a long loan pays down. Being **upside down** means owing more than the car is worth, which traps you if it is wrecked or you need to sell.

Which term above would you choose, and what would you do if the payment felt too high?

The Whole Cost of Ownership

The payment is only part of it. Price the whole thing before you sign, and get your financing arranged before you walk onto a lot.

WORKSHEET

What this car really costs each month

Loan payment	$
Insurance	$
Fuel	$
Maintenance set-aside (tires, brakes, oil)	$
Registration and taxes, divided by 12	$
True monthly cost	$
% of take-home (cost ÷ take-home × 100)	%

Keep all transportation under about 15% of take-home pay.

BEFORE YOU SHOP

Checklist

Check each one you will do.

- [ ] Get pre-approved for a loan at your credit union first, so you have a rate to beat
- [ ] Negotiate the price of the car, not the monthly payment
- [ ] Ask for the out-the-door price in writing, including fees
- [ ] Get an independent mechanic to inspect any used car
- [ ] Decline add-ons you have not researched, and know you can say no
- [ ] Check what your insurance will actually cost before you buy, not after

> **Why pre-approval helps:** Your own financing turns it into a simple price negotiation. If the dealer beats your credit union's rate, that is a win. If not, you already hold the better deal.

Renting, Owning, and the Real Numbers

Owning a home is not automatically better than renting. It is better in some situations and worse in others, and the honest comparison includes costs that never show up in a mortgage payment.

VOCABULARY

What a mortgage payment contains

Principal	The part that actually reduces what you owe.
Interest	The lender's charge. Early on, most of your payment is this.
Taxes	Property taxes, usually collected monthly and held in escrow.
Insurance	Homeowners insurance, also usually escrowed.
PMI	Extra insurance charged when the down payment is under 20%. It protects the lender, not you.

Together the first four are called **PITI**. Add PMI if you pay it, and that is the number to compare against rent.

COMPARE HONESTLY

Rent versus own, same month

COST	RENTING	OWNING
Rent, or PITI plus any PMI (no quote yet? use an online mortgage calculator)	$	$
Renters insurance	$	$0
Utilities not included	$	$
Maintenance set-aside (home value × 0.01 ÷ 12)	$0	$
HOA, if any	$	$
Monthly total	$	$

Can I Actually Afford It?

Two numbers decide whether a lender says yes, and whether yes was a good idea: your down payment and your debt-to-income ratio.

DO THE MATH

The cash you need up front

Home price you would consider (not sure? use $200,000): $ _____

DOWN PAYMENT	AMOUNT	MORTGAGE INSURANCE?
3.5%	$	Yes
20%	$	No

Closing costs, paid on top of the down payment, run 2% to 5%: from $ _____ (2%) to $ _____ (5%)

DO THE MATH

Your debt-to-income ratio (DTI)

All monthly debt payments divided by gross monthly income. Most lenders want it under about 43%.

Proposed housing payment (PITI)	$
Car payments	$
Student loans	$
Credit card minimums	$
Total monthly debt	$
Gross monthly income (before taxes)	$
DTI = debt ÷ income × 100	%

REFLECTION

Is buying right for you in the next two years? What would have to change first?

Retirement, Whenever You Start

If you have not started, start small this month rather than big someday. Time does more of the work than the amount does.

THE ACCOUNTS

What each one is

401(k) or 403(b)	Offered through work. Often pre-tax, and many employers match part of it.
Employer match	Your employer adds money when you contribute. The closest thing to free money.
Traditional IRA	You open it yourself. May cut your taxes now; taxed when you withdraw.
Roth IRA	You open it yourself with taxed money. Withdrawals in retirement are tax free if you follow the rules.
Vesting	How long you must stay before the match is fully yours.

DO NOT LEAVE IT ON THE TABLE

The match is a raise you have to claim

> **A COMMON SETUP**
>
> Your employer matches 100% of the first 4% you contribute. You earn $45,000 a year.

1. 4% of your salary is $ _____ a year.
2. Your employer would add $ _____ a year.
3. Contributing nothing means turning down $ _____ a year.
4. Over 10 years, before any growth, that is $ _____ left behind.

THE ENGINE

Compound interest

Compound interest means you earn a return on the money you put in *and* on the _____ it already earned (fill in the missing word). Your growth starts earning its own growth. Each year, multiply the year before by 1.10.

$1,000 AT 10%	YEAR 1	YEAR 2	YEAR 3	YEAR 30
Balance	$1,100	$	$	about $17,400

What Time Does

Same monthly amount, same return, different starting age. This is compound interest at work.

COMPARE

$200 a month at 10% a year, until age 65

START AT AGE	YEARS CONTRIBUTING	TOTAL YOU PUT IN	ROUGHLY WHAT IT BECOMES
25	40	$96,000	$1,265,000
35	30	$72,000	$452,000
45	20	$48,000	$152,000
55	10	$24,000	$41,000

10% is roughly the S&P 500's long-run average yearly return before inflation. Some years lose money. Illustrative only; returns are never guaranteed.

1. The 25-year-old put in $24,000 more than the 35-year-old. How much more did they end with? $ _____
2. What does that tell you about the value of the first ten years?

_____

THEN WHAT?

What you actually buy: index funds

An **index fund** owns every company in a list, called an index, so one low-cost purchase spreads your money across hundreds of businesses.

S&P 500 fund	The 500 largest U.S. companies. Example: VOO
Total market fund	Nearly every U.S. public company. Example: VTI
Target-date fund	A mix that gets safer as your retirement year nears

Funds are named as examples, not recommendations. Unlike savings, investments are not federally insured and can lose value.

My start: three things to do this month (check each as you finish it)

☐ Find out my employer's match ☐ Contribute to get it all ☐ No plan at work? Open an IRA

I will start with $ _____ per month. Over 50? Catch-up contributions let you put in more.

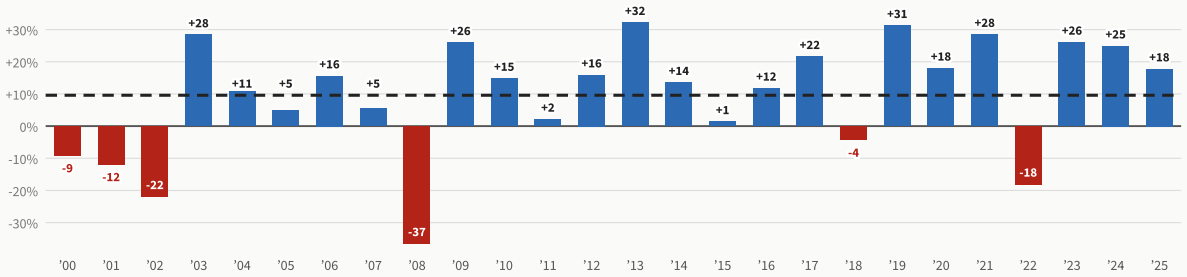
What "Average" Really Means

"About 10% a year on average" does not mean 10% every year. Here is what the S&P 500 actually did: some years soared, and some fell hard.

YEAR BY YEAR

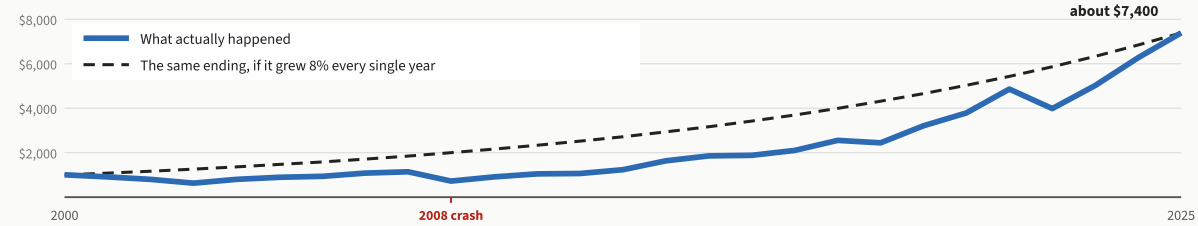
S&P 500 return each year, 2000 to 2025 (percent)

Dashed line: the simple average of all 26 years, about 9.6% a year.



THE PATH

$1,000 invested at the start of 2000



Why does steady growth of 8% end where an average of 9.6% does? Losses hurt more than gains help: after a 50% loss, you need a 100% gain to get back to even.

READ THE CHARTS

1. Which was the worst year, and how much did it lose? Year _____ lost _____ %
2. How many of the 26 years went down? _____
3. Someone sold in a panic at the end of 2008. What return did they miss in 2009? _____ %
4. Why should money you need in the next few years stay in savings, not stocks?

Source: S&P 500 total returns, Aswath Damodaran, NYU Stern. Since 1928 it has grown about 10% a year. Past returns do not guarantee future results.

Your Plan on One Page

Pull the answers forward from the lessons you worked. This page is the whole book in summary.

WHERE I STAND

The numbers

Monthly money in (take-home)	$
Monthly money out	$
Left over, or short	$
Total debt balance	$
Emergency fund today	$
Emergency fund target	$
Retirement saved so far	$

NEXT THREE MOVES

What I will do, and by when

1. _____ by _____
2. _____ by _____
3. _____ by _____

You do not have to do this alone. Kimberly Clark Credit Union members can sit down with someone and go through these numbers together, at no cost.



You’ve got the tools.

A budget, a debt plan, an emergency fund, and a retirement start. Those four cover almost everything that matters.

KCCU
KIMBERLY CLARK
CREDIT UNION

KIMBERLY CLARK CREDIT UNION

Founded in 1947. Serving KCCU members nationwide.

kimberlyclarkcu.org

Teachers and group leaders: request class sets and the free answer key.

Request class sets →

Scan or visit **kccu-financial-wellness.getostrich.com/classroom**

This workbook is provided for educational purposes only and is not financial advice.
See kimberlyclarkcu.org to find out if you are eligible to join. Family of members can join too.
Federally insured by NCUA. Equal Housing Opportunity.