![MoneyGuidePro logo]

Budget Module – Client User Guide

The MoneyGuidePro Budget module will help you evaluate current expenses and consider possible future spending needs as it relates to your Financial Goal Plan. Enter your current expenses to create your current budget as a starting point, and then create up to three alternate budgets to reflect possible future spending needs. This exercise will help you and your advisor identify and define Financial Goals to be considered in your Plan. After using the Budget module, you may have a clearer picture of which expenses would be considered Needs, Wants, and Wishes, allowing you and the advisor to identify and prioritize specific individual goals (recommended). Alternately, you may also use the Budget module to help determine an approximate value to be used for a single, lump sum Retirement Living Expense goal.

The Budget module can be accessed online by logging into your MoneyGuidePro SmartPortal using the user ID and password provided by your advisor. On the "My Plans" page, the link for the Budget module is located in the Other Features section near the bottom of the page.

When accessing the Budget, or any other component, we recommend you do not use the back button in your browser. Use the links in the menu at the top and left side of your screen to navigate and save your changes (where a 'Done' or 'Calculate' button do not exist). For example, once you make changes to an alternate scenario, you can click on the "Start" link on the left side to save changes before exiting the system.

How Can a Budget Help Me?

Many people hear the word "budget" and begin to get nervous. This is because people often equate budgeting with a restriction of freedom; however, the process can be a liberating experience, which provides peace of mind.   Also, there is a sense of accomplishment resulting from being proactive and considering your future needs, wants and wishes which results in more meaningful discussions, and leads to a plan to help achieve your goals.

Budgeting can help you:

- Increase awareness of how you are currently spending your money.

- Identify opportunities to adjust spending and potentially increase savings.

- Evaluate which expenses will end at retirement and which are life-long.

- Consider future spending needs that are not occurring today.

- Plan ahead for changes in spending needs due to life changes.

Budget Worksheet– Getting Started

On the Budget start page, first select whether or not you would like to include income. If you select 'Yes,' the program will calculate the budget shortfall or surplus.

Once you have made your selection, continue to the Worksheet link on the left toolbar. The Worksheet can display two budgets side-by-side for comparison. Expand each section by clicking the expansion arrow next to each heading, and complete the appropriate income or expense fields.

A few things to remember:

- All income and expenses are entered as MONTHLY amounts

- Save changes by clicking on any link in the left navigation menu

- To change the budget displayed, select the budget you want to display from the drop-down and click the "Go" link

- You have the option to copy the budget data to an alternate budget to be used as a starting point. To copy one budget to another, first display the two budgets on the Worksheet page, then select the correct "copy to" command from the Copy drop-down box located below the Income and Expense Summary chart (or the Expense Summary chart if Income was not included in the Worksheet) and click the "Go" link.

- Use the "Add Item" link at the bottom of each section to add a specific expense that does not fall into a default category

- Click the blue "Add" link next to Home or Vehicle expenses to add individual homes or vehicles and their associated expenses

Using Budgets to Determine Financial Goals

The four budget alternatives are displayed two at a time. When you first click "Worksheet," the Current Budget and the Alt 1 / Retirement Budget will be displayed. A summary of expenses by category will appear at the top of the page once the Worksheet is completed.

The first budget, labeled "Current Budget," should include everything you are currently spending. The second budget is labeled "Alt 1 / Retirement Budget." If you are employed now, you might use this for an estimate of your expenses when you retire. If you are already retired, you can use this as an alternate budget to increase or decrease what you are currently spending. Use alternative budgets to consider possible lifestyle changes, hobbies, life events (circumstances dramatically affecting your lifestyle), and how your spending needs could change.

If desired, a third budget, "Alternate 2," can be used for creating a second, alternate set of expenses. The fourth budget, "Retirement Goal," is useful if you or your advisor will be creating a Financial Goal Plan in the program. The "Total Expense Amount" created in this budget will be displayed for reference purposes in the Retirement Goal of the Financial Goal Plan.

MGP recommends you create multiple goals for your retirement period, rather than using a single, lump-sum expense goal. To follow this recommendation, you should separate your necessary living expenses from your discretionary expenses. The necessary expenses (such as rent, food, and utilities) should be represented by the Retirement Living Expense goal, and the discretionary expenses (such as travel, gifts, and major purchases) should be entered as separate, specific goals. To implement this philosophy in the Budgeting module, include all your expenses (both basic living expenses and discretionary expenses) in the Alt 1 / Retirement Budget. Then, copy the Alt 1 / Retirement Budget into the Retirement Goal Budget, and delete (from the Retirement Goal Budget) the discretionary expenses, which will be included as separate Financial Goals. Use your other budgets to review additional expenses in consideration of separate goals.

Budget – Reports:

The Reports section gives you the ability to print your budgets. You have the ability to choose which budget(s) you would like to include in each Report; just use the drop-down menus to make your selection.

- Budget Review Report -lists one or two budgets you have entered. Each budget is followed by a blank column to use for revisions.

- Budget Summary Report -lists one, two, or three budgets side-by-side.

- Budget Comparison Report- compares two budgets side-by-side, and shows the differences between them.