



[HOME](#)
[ABOUT US](#)
[HR/TRAINING OFFICERS](#)
[FEDERAL EMPLOYEES](#)
[CONTACT US](#)



In-The-Know Monthly eNewsletter

APRIL 2015

What Path Are You On?

Ray Kirk, Ph.D., Federal Benefits Specialist

"Would you tell me, please, which way I ought to go from here?"

"That depends a good deal on where you want to get to."

"I don't much care where - "

"Then it doesn't matter which way you go."

- Lewis Carroll, *Alice in Wonderland*

Do you know where you are going when managing your finances or are you like Alice?

The President's Advisory Council on Financial Literacy defines personal financial literacy as "the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being." (*2008 Annual Report to the President*)

Managing your financial resources requires you to have a plan and set goals. It does not have to be a complicated, formal plan but you do need to think about where you are and where you want to go. While having a financial plan is important for everyone, it is critical for employees covered by the Federal Employees Retirement System (FERS). In addition to everyday financial decisions, FERS employees have to manage their Thrift Saving Plan (TSP) while they are working and develop a strategy to integrate the three components of FERS (FERS annuity, TSP and Social Security) to have a financially secure retirement.

The Office of Personnel Management developed an overall strategy for employees' financial education and agencies have resources such as agency web sites and seminars to help you. In addition, agencies who are members of the Federal Financial Literacy and Education Commission developed worksheets, calculators, and financial education information. These resources are available at www.MyMoney.gov.

There are a few simple steps you can take to get started toward financial well-being.

Learn the basics.

The Federal Deposit Insurance Corporation's *Money Smart* program is an easy-to-use tool to help you learn about basic personal financial management. <https://www.fdic.gov/consumers/consumer/moneysmart/index.html>

Money Smart covers basic financial topics such as: a description of deposit and credit services offered by financial institutions, choosing and maintaining a checking account, spending plans, the importance of saving, how to obtain and use credit effectively, and the basics of building or repairing credit.

Create a spending plan.

Once you know the basics it is time to create a spending plan. There is no need for complicated programs and spreadsheets - although there are many available to use if that's your style. Simply tracking all your income and expenses for a month will give you a pretty good picture. Is that how you want to spend your money? Does your spending meet your goals? If not, make some adjustments the following month and see if you make progress. Keep making adjustments until you have a spending plan that will help you toward your goals, and you can live with. One way to do this

is "The 10% Solution." Make changes in your spending by reducing flexible expenses, such as food, clothing, and entertainment by 10% at a time. Over time, the results can be amazing.

© 2013 All Rights Reserved • National Institute of Transition Planning, Inc. • 51 Monroe Place Suite 1900 Rockville MD. 20850 • NITP Hotline: 301-309-0138 EMAIL: info@nitpinc.com

Monitor your credit report.

site design & hosting by [DHWEB INC.](#)

Whether you are shopping for a car, buying or renting a home, buying insurance, or applying for a job, your credit report is going to be reviewed. Your credit report has information about your finances, bill payments, and bankruptcy history. You should check your credit report to ensure it has accurate information about you. Federal law says you can get a **free** copy of your credit report every year from each of the three national credit reporting companies. You can get your free credit report at www.AnnualCreditReport.com, the only authorized website by the Federal government for free credit reports.

Following these few simple steps can get you started on the path to manage your financial resources effectively for a lifetime of financial well-being.

Ray Kirk, Ph.D., is a Federal Benefits Specialist with NITP and the former manager of Benefit Officer's Training and Development in Retirement Services for the U.S. Office of Personnel Management. He helped design the retirement financial literacy and education strategy for Federal Employees; he authored the Retirement Financial Education Strategy for OPM, as required by the Thrift Savings Plan Open Elections Act of 2004

NITP's goal is to educate Federal employees about their benefits and financial opportunities throughout their careers. To learn more about our seminars and/or to schedule a seminar at your agency, contact our business office at 301-309-0138. Visit our new website, www.nitpinc.com for information on:

1. **Our monthly webinar series**, Second Thursdays, from 2-3 PM, ET, is an excellent source of information. This is a way to uncover little-talked about details regarding your retirement benefits, Social Security claims, TSP accounts, and more. Webinar sign-up links are available on the homepage of our website.
2. **Our weekly radio program**, ForYourBenefit, which is a great source of timely retirement information; it airs every Monday morning at 10:05 AM on WFED 1500 AM and on the web at www.federalnewsradio.com. This is your opportunity to email questions regarding the show's topic at ForYourBenefit@nitpinc.com or call into the show at **202-465-3080**. **MP3 downloads** of past shows are also available
3. **Our Senior Benefits Director, Tammy Flanagan's weekly column** entitled "Retirement Planning", published on GovExec's website. For links to the current article and an archived list of past articles, visit www.nitpinc.com, and click on the link to "Tammy's Weekly GovExec Articles" in the Quick Links Box in the right corner of our website.

1.

National Institute of Transition Planning, Inc.
www.nitpinc.com



In Partnership with:

