

COMPARE YOURSELF WITH RECOMMENDED BENCHMARKS

Do what you can, with what you have, where you are.

—Theodore Roosevelt

Sometimes, when you want to make a health or financial change, it helps to compare yourself with universally accepted progress indicators. These benchmarks, such as body mass index (BMI) for weight and stock market indices for investment performance, help to answer the question “How am I doing?” with respect to other people and/or expert recommendations. If you currently fall short of recommended benchmark figures, this may provide an incentive to make positive changes to improve your health and increase your wealth. For example, studies show that for every one unit increase in HDL (“good”) cholesterol, a person’s risk of heart disease

drops by as much as 3%. Benchmarks also provide an automatic goal-setting mechanism because they indicate target numbers (e.g., BMI under 25) to strive for.

A good idea is to compare your diet to the *2010 Dietary Guidelines for Americans*. Go to www.choosemyplate.gov and review the dietary guidelines. Then, click on Supertracker and assess your food intake. Supertracker includes access to nutritional information for over 8,000 foods. The site will help you develop a personal plan based on your nutritional and physical activity benchmarks. To view an excellent slide show, *Guide to Portion Control for Weight Loss*, go to:

— TABLE 4 —

Health Benchmarks

Blood Pressure	120/80 is considered a normal blood pressure. Hypertension (high blood pressure) is usually defined as consistent readings of 140/90 or higher.
Blood Sugar	A fasting blood sugar test measures the amount of sugar in your blood after fasting for eight hours. Fasting blood sugar is normal if it's 70 mg/dl. If fasting blood sugar is 100 mg/dl to 125 mg/dl, you may have pre-diabetes.
Cholesterol (Total)	Less than 200 mg/dl is desirable. 200–239 mg/dl is borderline high. 240 mg/dl or above is high.
HDL (“Good”) Cholesterol	Less than 40 mg/dl is low. 40 mg/dl or higher is desirable. The higher the HDL number, the better.
LDL (“Bad”) Cholesterol	Less than 130 mg/dl is desirable. 130–159 mg/dl is borderline high. 160 mg/dl is high and 190 or above is very high.
Fruit and Vegetable Consumption	The <i>2010 Dietary Guidelines</i> state that “½ your plate should contain fruits and vegetables.” For a 2,000 calorie per day diet, about 4 ½ cups of fruits and vegetables need to be consumed.
Physical Activity	The <i>2008 Physical Activity Guidelines for Americans</i> suggest taking small steps to increase activity level to 150 minutes per week of moderate-intensity exercise or 75 minutes per week of vigorous-intensity aerobic exercise. For more information, visit HTTP://WWW.HEALTH.GOV/PAGUIDELINES .

— TABLE 5 —

Body Mass Index Table

BMI	Normal					Overweight					Obese					Extremely Obese																				
	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54
	Body Weight (pounds)																																			
58	91	96	100	105	110	115	119	124	129	134	138	143	148	153	158	162	167	172	177	181	186	191	196	201	205	210	215	220	224	229	234	239	244	248	253	258
59	94	99	104	109	114	119	124	128	133	138	143	148	153	158	163	168	173	178	183	188	193	198	203	208	212	217	222	227	232	237	242	247	252	257	262	267
60	97	102	107	112	118	123	128	133	138	143	148	153	158	163	168	174	179	184	189	194	199	204	209	215	220	225	230	235	240	245	250	255	261	266	271	276
61	100	106	111	116	122	127	132	137	143	148	153	158	164	169	174	180	185	190	195	201	206	211	217	222	227	232	238	243	248	254	259	264	269	275	280	285
62	104	109	115	120	126	131	136	142	147	153	158	164	169	175	180	186	191	196	202	207	213	218	224	229	235	240	246	251	256	262	267	273	278	284	289	295
63	107	113	118	124	130	135	141	146	152	158	163	169	175	180	186	191	197	203	208	214	220	225	231	237	242	248	254	259	265	270	278	282	287	293	299	304
64	110	116	122	128	134	140	145	151	157	163	169	174	180	186	192	197	204	209	215	221	227	232	238	244	250	256	262	267	273	279	285	291	296	302	308	314
65	114	120	126	132	138	144	150	156	162	168	174	180	186	192	198	204	210	216	222	228	234	240	246	252	258	264	270	276	282	288	294	300	306	312	318	324
66	118	124	130	136	142	148	155	161	167	173	179	186	192	198	204	210	216	223	229	235	241	247	253	260	266	272	278	284	291	297	303	309	315	322	328	334
67	121	127	134	140	146	153	159	166	172	178	185	191	198	204	211	217	223	230	236	242	249	255	261	268	274	280	287	293	299	306	312	319	325	331	338	344
68	125	131	138	144	151	158	164	171	177	184	190	197	203	210	216	223	230	236	243	249	256	262	269	276	282	289	295	302	308	315	322	328	335	341	348	354
69	128	135	142	149	155	162	169	176	182	189	196	203	209	216	223	230	236	243	250	257	263	270	277	284	291	297	304	311	318	324	331	338	345	351	358	365
70	132	139	146	153	160	167	174	181	188	195	202	209	216	222	229	236	243	250	257	264	271	278	285	292	299	306	313	320	327	334	341	348	355	362	369	376
71	136	143	150	157	165	172	179	186	193	200	208	215	222	229	236	243	250	257	265	272	279	286	293	301	308	315	322	329	338	343	351	358	365	372	379	386
72	140	147	154	162	169	177	184	191	199	206	213	221	228	235	242	250	258	265	272	279	287	294	302	309	316	324	331	338	346	353	361	368	375	383	390	397
73	144	151	159	166	174	182	189	197	204	212	219	227	235	242	250	257	265	272	280	288	295	302	310	318	325	333	340	348	355	363	371	378	386	393	401	408
74	148	155	163	171	179	186	194	202	210	218	225	233	241	249	256	264	272	280	287	295	303	311	319	326	334	342	350	358	365	373	381	389	396	404	412	420
75	152	160	168	176	184	192	200	208	216	224	232	240	248	256	264	272	279	287	295	303	311	319	327	335	343	351	359	367	375	383	391	399	407	415	423	431
76	156	164	172	180	189	197	205	213	221	230	238	246	254	263	271	279	287	295	304	312	320	328	336	344	353	361	369	377	385	394	402	410	418	426	435	443

Source: Adapted from *Clinical Guidelines on the Identification, Evaluation, and Treatment of Overweight and Obesity in Adults: The Evidence Report*.

[HTTP://WWW.MAYOCLINIC.COM/HEALTH/PORCION-CONTROL/NU00267](http://www.mayoclinic.com/health/portion-control/NU00267)

The health benchmarks in Table 4, page 58, are measured in routine physical exams or included in federal government dietary recommendations. Review this and the BMI information that follows. Then fill out Worksheet 20, *Benchmark Comparison—Health*, page 61, to compare your health status with the health benchmarks. List up to three benchmarks to measure your health status against. Then describe your current health status indicator, your desired health status indicator, and the action necessary to bring yourself in line with the recommended benchmark. Two sample entries are provided in the worksheet.

Another frequently cited health benchmark, body mass index (BMI), is an indicator of both underweight and overweight/obesity in adults. It is based on a person's height and weight. The formula to calculate BMI is as follows: multiply your weight in pounds by 700. Divide that number by your height in inches. Divide those results by height in inches again. You can also find online BMI calculators at government agency websites

such as [WWW.CONSUMER.GOV/WEIGHTLOSS/BMI.HTM](http://www.consumer.gov/weightloss/BMI.HTM) and [HTTP://WWW.CDC.GOV/NCCDPNP/DNPA/BMI/INDEX.HTM](http://www.cdc.gov/nccdpnp/dnpa/BMI/INDEX.HTM).

A BMI under 18.5 is considered underweight; from 18.5 to 24.9, normal; from 25 to 29.9, overweight; 30 to 39.9, obese; and 40 or higher, extremely obese. Note that the BMI does not differentiate between fat and muscle, so a person with lots of muscle, such as an athlete, may have a BMI in the unhealthy range but still be healthy. Also, the BMI may not be accurate for people who are less than 5 feet tall. Table 5 indicates BMIs for various height/weight combinations.

Now it is time to compare your wealth status with accepted financial benchmarks. Table 6, page 60, shows wealth-building and personal finance benchmarks. After reviewing the table, compare your status with the benchmarks by completing Worksheet 21, *Benchmark Comparison—Wealth*, page 62. List up to three benchmarks to assess your financial status. Then describe your current financial status indicator, your desired financial status indicator, and the action necessary to bring yourself in line with the recommended benchmark.

— TABLE 6 —

Wealth and Personal Finance Benchmarks

Consumer Debt-To-Income Ratio	Monthly consumer debt expenses (excluding a mortgage) should not exceed 15% of take-home pay. This includes payments for credit cards, car loans, and student loans. A debt-to-income ratio of 20% or more is considered a “danger zone.”
Credit Score	The higher the number, the better. Credit scores range from 300 to 850 with those in the 760+ range considered the best evidence of creditworthiness. People with high credit scores generally pay lower interest rates to borrow money than others.
Emergency Fund (Liquidity)	Financial experts generally recommend having access to enough cash to cover household expenses for three to six months. This money can be a combination of liquid assets (e.g., money market fund) and lines of credit (e.g., home equity line).
Expense Ratios (Mutual Funds)	Expense ratio is the percentage of fund assets deducted for management and operating expenses. The lower the number, the better; for example 0.2% (1/5 of 1%) versus 1.5%. High expense ratios are a drag on investment returns and should generally be avoided.
Inflation Rate	Some people use the annual inflation rate (i.e., Consumer Price Index) as a benchmark and try to have their investments outpace it by a certain percentage.
Investment Returns on Specific Securities	Investment performance is generally tracked against market indices. Indices are portfolios of stocks or bonds that are tracked to monitor investment performance over time. Some common indices that are used to measure personal investment performance against include the Standard and Poor's 500 (U.S. large company stocks), the Russell 2000 (U.S. small company stocks), the Wilshire 5000 (all U.S. company stocks), and the Morgan Stanley Capital International EAFE Index (international company stocks). Many investors buy index funds that hold the stocks or bonds that comprise an index. By doing so, they match the market's performance, minus fund expenses.
Net Worth	Net worth is calculated by subtracting household debts from household assets. A benchmark for net worth, described in the book <i>The Millionaire Next Door</i> , is calculated by multiplying age by pretax (gross) income, excluding inheritances, and dividing by ten. This number, or higher, is what your net worth should be. For example, if you are age 35 with a \$40,000 gross income, $35 \times 40 = \$1.4$ million, divided by 10 = \$140,000. This is your benchmark net worth.
Personalized Benchmarks	Individuals can set benchmarks for their own progress based on their current financial status. Examples include saving 10% of gross annual income or increasing net worth annually by 5% (e.g., from \$50,000 to \$52,500).
Retirement Savings	Save \$300,000 for every \$1,000 of monthly income (to supplement a pension and/or Social Security) needed in retirement. For example, \$3,000 of supplemental monthly living expenses would require a \$900,000 nest egg. This calculation is based upon the maximum 4% inflation-adjusted withdrawal rate recommended by many researchers. Four percent of \$300,000 is \$12,000 per year or \$1,000 per month. Studies have found that a portfolio comprised of 50% stock and 50% fixed-income and cash assets will last 35 to 40 years with a 4% inflation-adjusted withdrawal rate.
U.S. Household Financial Data	Statistics from federal government databases, such as the Survey of Consumer Finances and Bureau of the Census data, provide useful financial benchmarks. Average household asset holdings and net worth can all be used for comparison purposes. The median net worth of all U.S. households in 2010 was \$77,300. Many media sources regularly report household economic data.

— Action Steps —

Health

- Have a comprehensive physical by your doctor and discuss the results of your blood tests.
- Calculate your body mass index (BMI) to see if you are in a healthy or overweight range. If you are considered overweight, change your eating and activity behavior to work toward a healthy BMI.
- Buy a pedometer and work up to walking the recommended 10,000 steps per day.

Wealth

- Take the Rutgers Cooperative Extension Financial Fitness Quiz to assess your overall financial situation at [HTTP://NRAES.RUTGERS.EDU/MONEY/FFQUIZ/](http://nraes.rutgers.edu/money/ffquiz/).
- Request your credit score from lenders if you are applying for a car loan, mortgage, or other credit.
- Calculate your net worth using the form available at [HTTP://NJAES.RUTGERS.EDU/MONEY/DEFAULT.ASP#RESOURCES](http://njaes.rutgers.edu/money/default.asp#resources).

Worksheet 20

Benchmark Comparison—Health

List up to three benchmarks to measure your health status against. Then describe your current health status, your desired health status, and the action necessary to bring yourself in line with the recommended benchmark. Two sample entries are provided.

Benchmark	Current Health Status	Recommended Health Status	Change Required
<i>Body Mass Index (BMI)</i>	<i>5'5", 170 pounds, BMI of 28 (overweight)</i>	<i>5'5", 140 pounds, BMI of 23 (normal weight)</i>	<i>Lose 30 pounds (1–2 pounds/week)</i>
<i>Fruit and vegetable consumption</i>	<i>Eat 1 cup or less per day</i>	<i>Eat 2 cups of fruit and 2½ cups of vegetables per day (2000 calorie diet)</i>	<i>Eat about 3½ cups more of fruits and vegetables per day</i>

Worksheet 21

Benchmark Comparison—Wealth

List up to three benchmarks to measure your financial status against. Then describe your current financial status, your desired financial status, and the action necessary to bring yourself in line with the recommended benchmark. Two sample entries are provided.

Benchmark	Current Financial Status	Recommended Financial Status	Change Required
<i>Emergency Fund</i>	<i>One month's expenses (\$2,500)</i>	<i>Three month's expenses (\$7,500)</i>	<i>Save \$5,000</i>
<i>Debt-to-Income Ratio</i>	<i>Consumer debt equal to 22% of net income</i>	<i>Consumer debt no greater than 15% of net income</i>	<i>Pay off existing debt to lower debt-to-income ratio</i>