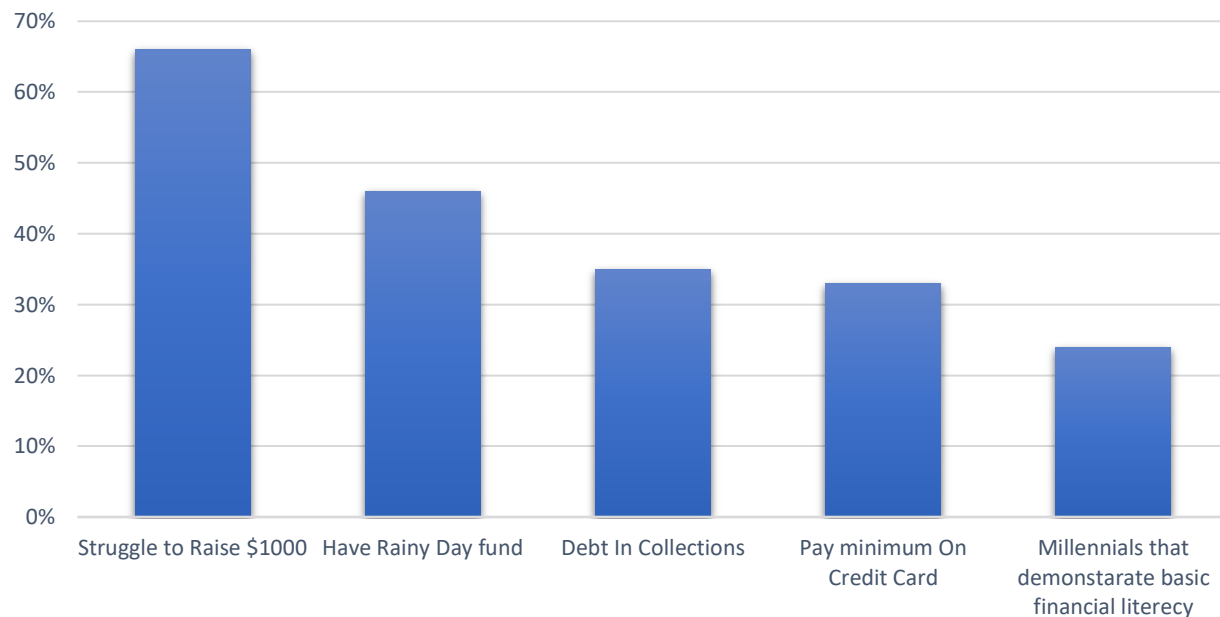


Financial Planning - free download

Education regarding personal finances is lacking in mainstream education. Financial coaching is both important and powerful and will ensure a tangible return on the investment of your time and money.

Half of all Americans live paycheck-to-paycheck, meaning that the majority of families are one missed paycheck away from financial disaster.

American's Fiscal Preparedness



Do you know if your financial habits are in line with your life goals?

Do you know if you are saving enough for college or retirement?

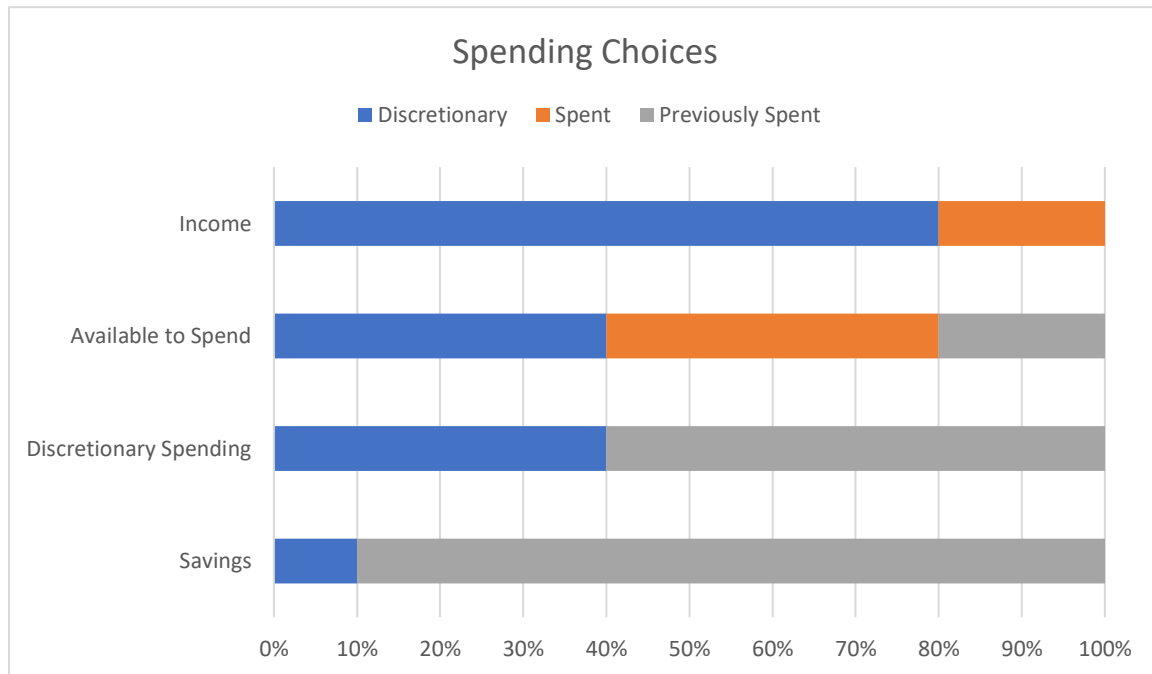
Could you pay for an “Emergency” expense?

Households with financial discipline and a financial plan are making solid progress towards reaching their financial goals. Are you?

Are you ready to be empowered?

Is it time to have a plan in which you can achieve financial freedom?

The best way to gain solid financial freedom is through financial literacy. We are here to assist you in understanding the financial essentials.



Income - It is not your salary or hourly rate!

Your income is not what you make, it is where you start your expenses.

For example, if you make \$50,000 per annum, this is not your 'available to spend total'. You may think that you can spend \$5,000 on a vacation because it's 10% of your income - this is not correct. It's actually closer to 14% if your tax burden is 25%. Your true income is the money you have available after all mandatory withholdings, such as taxes, union dues, child support, etc.

Available to Spend - This is what you really make!

The easiest way to calculate your 'available to spend' is to look at what is available in your bank account or what is the amount of your paycheck that you get to keep. This is where your decisions matter. You have the choice to either save or spend this money. This is where YOU decide what is important. There are things that you NEED

such as shelter and food or things that you WANT, car, TV, etc. These 'needs' vs 'wants' are not to be confused thought. It's easy to convince yourself that you need a car, but would you trade food to have it?

Now, what you spend on each of your needs is a choice. Do you spend all your money on a nice apartment and eat scraps? Your spending decisions for necessities directly affect what you're able to afford in your "wants" category.

Discretionary Spending - These are your wants!

This is where you can have the greatest impact on achieving financial freedom. Do I want to drive a new luxury car or save for retirement, emergencies, and education? This may be a subconscious question, but buying or leasing the luxury car vs saving is your answer. Being financially literate will enable you to responsibly decide what you can afford.

Saving - This is your future!

This is where you build financial freedom and is first and foremost a safety net. Making financial decisions when you have no savings is not wise, and mostly leads to bad decisions. Not having savings may also affect your children if you neglect to save for their education or health expenses. Savings will allow for investing, which creates passive income and utilizes the compounding effect to increase wealth.

What creates financial freedom?

Paid Off

FREEDOM



Pay Monthly

LIABILITY



Personal finance is about cash flow, we are taxed on the money when it's earned, not after expenses. To achieve financial freedom, you need to understand cash flow.

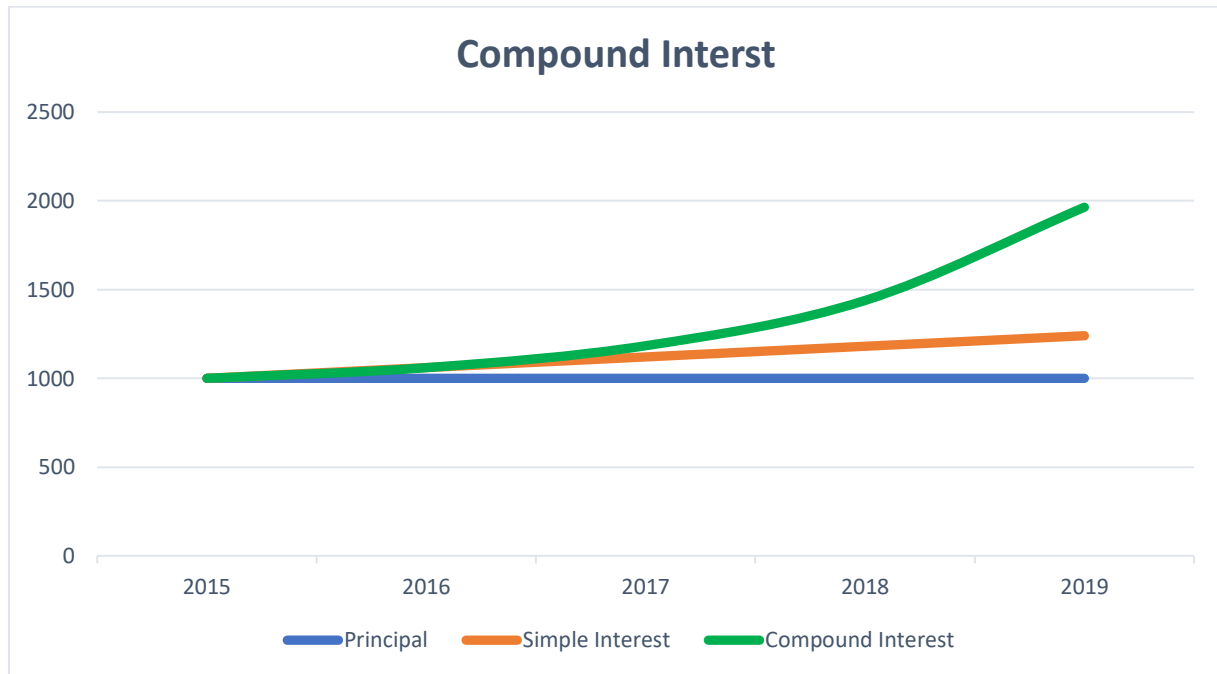
Money can only be earned or spent, anything that generates or preserves cash is an asset and anything that continually consumes cash is a liability.

By setting goals and living below your means, you will reduce your liabilities and create assets. This is achieved by deciding to make wise decisions. To drive a nice used car that is paid off vs having a car loan and a monthly obligation to drive the new car. To buy or rent a home that meets the needs of your family vs paying the bank to have a status symbol.

Understanding how your future cash flow will be affected by your current decisions will lead you to make more financially responsible decisions.

Having money saved allows you to pay for emergencies instead of using credit. It eliminates the stress of these unforeseen expenses which is good for your mental and physical health. There are studies that suggest the more that you save the happier you are.

Having savings also allows your money to help create wealth with a basic financial principal called compound interest.



When you are encumbered by monthly payments there is less freedom to your life. When opportunities arise, the liabilities that you acquired will need to be reviewed to see if they fit the opportunity. This can affect your professional life as well. A new job that may have a lower wage, but is at a company everyone wants to work for, may not be a good fit for the liabilities you are carrying. On the other hand, if you had no liabilities then taking that job would be an easy choice with minimal or no sacrifice to you.

Utilizing debt also entices you to purchase more. There is a saying, *"It is not what you can afford but what you can afford monthly."* This mentality drives the credit industry. When we use debt to purchase, we tend to spend more. In the long run, the utilization of debt adds to the cost of the item that is purchased.

There is a proven process to achieve financial freedom.



Step 1: Monitor spending

Track your spending for at least three months, preferably up to a year to get a full understanding where your money goes.

Step 2: Review and analyze

Evaluate and consider your spending over this period of time, review your values and trace them back to see how you got into debt to begin with.

Step 3: Set goals with information obtained

To achieve financial freedom, you will need to determine what your goals are. Setting goals will help to create motivation, accountability and focus. Goals should be specific, measurable and attainable. The first goals should be something that can be achieved quickly to create results and momentum. As momentum builds you will be empowered to tackle the larger goals.

Some popular goals to help you get started are:

- *Pay down debt - call companies for better rates to start*
- *Save more for emergencies, retirement, and education*
- *Spend less/earn more*
- *Rebuild credit*

Step 4: Create the plan to achieve the goals

Create a reasonable budget that will help you achieve your goal. Don't make the budget so constraining that you are bound to fail. Start with a reasonable budget that's realistic to live with and then reduce the budget as you grow accustomed to living more frugally. Saving goals need to be part of this plan. The budget will help keep you on track to save towards your financial freedom.

Step 5: Execute the plan

Putting your plan into action doesn't need to be overwhelming. Break it down to monthly, weekly and daily tasks. Focusing on the small tasks will eventually help you achieve the overall goal.

Step 6: Monitor and return to step 2

There are many tools on the market to monitor spending against a budget. This can also be done by hand using a spreadsheet or a pencil and paper. The important part is that you understand what is being reported and if you are on your planned path.