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# 6 Steps To Finding Finding Freedom

Learn how to master your personal family budget, gain tools to manage your money, and see where you are spending, how much you are spending, and begin to see improvement... *immediately*.



## **Budget Jeopardy**

#### Did you know:

**70** % of Americans live paycheck to paycheck.

% of the work force have no pension.

When social security was first created, the average life expectancy was 62 years. Now it is in the 80's .

62% of Americans retire on less than \$ 10,000 per year income.

% of Americans "Always or Sometimes" worry about their money.

75 % of Americans fear they aren't saving enough money for retirement, but only a few are willing to do something about it.

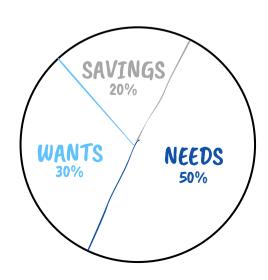
#### **Important Facts:**

If you are 45 years old and put \$100 per month into investments at an average of 105 return, you will have \$ **71.880** by the age of 65.

If you are 35 years old and put \$100 per month into investments at an average of 105 return, you will have \$ **206.440** by the age of 65.

If you are 25 years old and put \$100 per month into investments at an average of 105 return, you will have \$ **555.454** by the age of 65.

#### **Money Spending Formula:**



## 6 Steps To Financial Freedom

#### 01 Track Everything

- -Three main accounts
  - · Checking Pay bills only
  - Savings Personal allowance/ATM
  - Money Market Float account (3x survival number)

#### 02 Be consumer debt free

- -Average credit card rate is 17%
- -Credit card company charges usage fee
- -Maxium law for credit card interest is 27%
- -Invest in your consumer debt frst. Most investments will not return 27% annually

#### 03 Build your survival account

- -Minimum payments so you can pay your bills without going into additional debt.
- -Survival account number does not include monies saved.
- -Survival account should be 3x your monthly minimum bills.

#### 04 Maximize your retirement savings

- -Roth IRA \$5,500 per year or \$458.33 monthly max (plus additional \$1,000 per year catch up for over 50 years old)
- -401k company match. (This is a raise you may not be taking advantage of.) \$18,000 max per year (plus additional \$6,000 per year catch up for over 50 years old \$24,000 max).
- -SEP (Self Employed Pension fund) Max \$53,000 per year.

#### 05 Invest in the market

- -This offers the most diversifed strategies to invest in the stock market.
- -Pick a Mutual Fund that has an average of at least 20 stocks.
- -Pick two different Mutual Funds (B or C type).
- -Invest monthly (i.e. Dollar Cost Averaging).
- -Create an account for your children.
- -Consider investing in your child's education, like a 529 plan.

#### 06 Pre-pay your mortgage

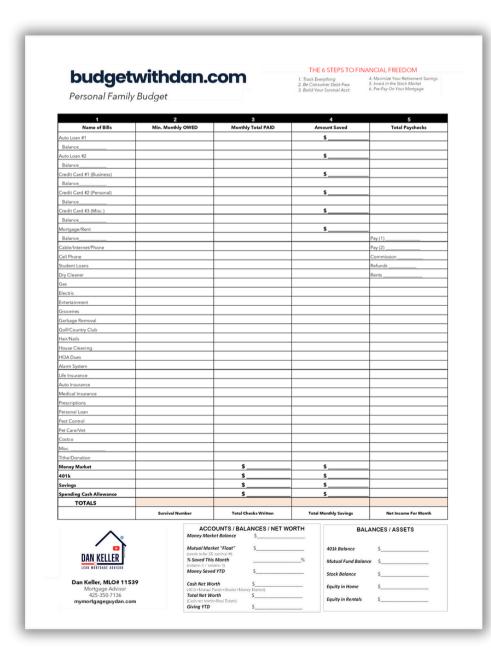
- -Last savings strategies employed.
- -Return on investment = Interest rate (5% = 5%).
- -Shorter term mortgages should be considered if you are not disciplined to prepay

#### **Overview**

This form will help you by prioritizing and developing an executable budgeting system.

This is a Personal Family Budget. You're going to fill one out **EVERY** month.

If you start today, you will see where you are spending, how much you are saving, and you can begin to see improvement.



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#### Column One & Two

1	2
Name of Bills	Min. Monthly OWED
Auto Loan #1	\$475,00
Balance_ <b>\$19,794</b>	
Auto Loan #2	\$350.00
Balance_ <b>\$9,350</b>	
Credit Card #1 (Business)	\$100,00
Balance_\$5,250	
Credit Card #2 (Personal)	\$250.00
Balance_ \$11,350	
Credit Card #3 (Misc.)	\$0
Balance\$0	
Mortgage/Rent	\$2135.00
Balance \$235,692	
Cable/Internet/Phone	\$103,50
Cell Phone	\$82,00
Student Loans	\$0
Dry Cleaner	\$125,00
Gas	\$47,00
Electric	\$119.00
Entertainment	\$300.00
Groceries	\$975,00
Garbage Removal	\$30,00
Golf/Country Club	\$30,00
Hair/Nails	\$150.00
House Cleaning	\$200.00
HOA Dues	\$300,00
	\$25.00
Alarm System	\$500.00
Life Insurance	
Auto Insurance	\$200.00
Medical Insurance	\$100.00
Prescriptions	\$50.00
Personal Loan	\$0
Pest Control	\$35.00
Pet Care/Vet	\$50.00
Costco	\$100,00
Misc	\$0
Tithe/Donation	\$0
Money Market	\$0
401k	\$0
Savings	\$0
Spending Cash Allowance	\$400.00
TOTALS	\$7496.50
	Survival Number

The beauty of this form is that you can customize it to your life. Here are some examples of Column 1.

You need to put the balance of your mortgage, car, credit cards, and student loans all in Column 1.

In Column 2, you're going to write the minimum amount owed.

Example: If you have a \$5,250 credit card balance, but a \$100 minimum payment every month - you're going to write off \$100 in Column 2, even if you've paid more off.

You will not put things in column 2 that are one-time expenses, like an automobile repair or a vacation.

You will include things you pay for on a monthly basis. This isn't just the bare essentials; it's whatever it takes to keep up you lifestyle. If you get your nails done monthly, that will go in Column 2. You'll also include your spending money there.

To get your Survival Number, you're going to add all of the numbers in Column 2. Again, this is just what you need to survive. No Extras.

Notes:			

#### **Column Three**

This is where you're going to put how much money you actually paid.

So if your credit card bill was \$5,250 and you paid \$2,100 then you're going to put \$2,100 in Column 3 (even if the minimum owed in Column 2 was \$100).

1	2	3
Name of Bills	Min. Monthly OWED	Monthly Total PAID
Auto Loan #1	\$475.00	\$475,00
Balance <b>\$19,794</b>		
Auto Loan #2	\$350.00	\$350.00
Balance\$9,350		
Credit Card #1 (Business)	\$100,00	\$2,100.00
Balance\$5,250		
Credit Card #2 (Personal)	\$250.00	\$4,000.00
Balance \$11,350		
Credit Card #3 (Misc.)	\$0	\$0
Balance\$0	70	, , , , , , , , , , , , , , , , , , ,
Mortgage/Rent	\$2135,00	\$3135,00
Balance_ \$235,692_		, , , , , , , , , , , , , , , , , , , ,
Cable/Internet/Phone	\$103,50	\$125,00
Cell Phone	\$82.00	\$97.00
Student Loans	\$0	\$800,00
Dry Cleaner	\$125.00	\$80.00
Ĝas .	\$47.00	\$70.00
Electric	\$119.00	\$120,00
Entertainment	\$300.00	\$800.00
Groceries	\$975,00	\$500,00
Garbage Removal	\$30.00 \$0	\$0 \$0
Golf/Country Club		
Hair/Nails	\$150.00	\$250.00
House Cleaning	\$200.00	\$200.00
HOA Dues	\$300.00	\$300,00
Alarm System	\$25,00	\$0
Life Insurance	\$500.00	\$500,00
Auto Insurance	\$200.00	\$200.00
Medical Insurance	\$100.00	\$250,00
Prescriptions	\$50.00	\$50,00
Personal Loan	\$0	\$0
Pest Control	\$35.00	\$0
Pet Care/Vet	\$50,00	\$0
Costco	\$100,00	\$195.00
Misc	\$0	\$513
Tithe/Donation	\$0	\$0
Money Market	\$0	\$ <u>150.00</u>
401k	\$0	\$ 0
Savings	\$0	\$ 2,730,00
Spending Cash Allowance	\$400.00	\$ 500.00
TOTALS	\$7496.50	\$19,840,00
	Survival Number	Total Checks Written
	Survival Number	Total Checks written

Here's an example of a Personal Family Budget where the person paid off more than he had to on credit cards and in other areas, like his mortgage. In Column 1 it says what he owes for things like his credit card and mortgage. In Column 3 it shows he paid down \$2,100 on his business credit card and prepaid his mortgage an additional \$1,000. We always encourage you to pay off you debt with any extra money you have each month.

Column 3 is where you're going to put one-time expenses like vacations, repairs, special expenses, etc. • Always remember to add the total and put it in the space noted "Total Checks Written."

**Notes:** 

#### **Column Four**

EXCITING NEWS! If you pay down any debt, that counts as savings. So if you have a credit card debt of \$5,250 with a minimum payment of \$100 and you actually pay \$2,100 - You've saved \$2,000.

If you're in a 401k program, that will go directly into Column 4. It should not go in Column 3 since it is taken out pre-tax.

Make sure you add up your savings and put them in the space noted "Total Month Savings."

1	2	3	4	
Name of Bills	Min. Monthly OWED	Monthly Total PAID	Amount Saved	Notes:
Auto Loan #1	\$475.00	\$475,00	s 375.00	
Balance \$19,794				
Auto Loan #2	\$350,00	\$350,00	\$ 300.00	
Balance \$9,350	\$350,00	\$350,00	4 500,00	
Credit Card #1 (Business)	\$100.00	\$2.100.00	\$ 2,000.00	
Balance \$5,250	3100.00	32,100,00	4 400000	
Credit Card #2 (Personal)	\$250.00	\$4,000.00	\$ 3,750.00	
Balance\$11,350	3270.00	34,000,00		
Credit Card #3 (Misc.)	\$0	\$0	\$ 0	
Balance\$0	30	<b>40</b>		
Mortgage/Rent	\$2135,00	\$3135,00	\$1,000.00	
Balance_ \$235,692_	, , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	4 1,000,00	
Cable/Internet/Phone	\$103,50	\$125,00		
Cell Phone	\$82,00	\$97.00		
Student Loans	\$82,00	\$800.00	\$350,00	
Dry Cleaner	\$125.00	\$80,00	\$350.00	
Gas	\$47.00	\$70,00		
Electric	\$119.00	\$120,00		
Entertainment		\$800.00		
Groceries	\$300.00	\$500,00		
Garbage Removal	\$975.00	\$0		
	\$30,00 \$0	\$0		
Golf/Country Club Hair/Nails		\$250.00		
House Cleaning	\$150.00	\$200.00		
	\$200,00	\$300.00		
HOA Dues	\$300,00	\$300,00		
Alarm System Life Insurance	\$25,00	\$500.00	#400.00	
	\$500,00	\$200,00	\$400,00	
Auto Insurance	\$200.00	\$250.00		
Medical Insurance	\$100.00	\$50,00		
Prescriptions	\$50.00	\$50,00		
Personal Loan	\$0	7 -		
Pest Control	\$35.00	\$0 \$0		
Pet Care/Vet	\$50.00	\$0 \$195.00		
Costco	\$100.00	\$195,00 \$513		
Misc	\$0	,		
Tithe/Donation	\$0	\$0	6450000	
Money Market	\$0	\$ 150.00	\$1,500.00	
401k	\$0	\$ 0	\$	
Savings	\$0	\$ 2,730.00	\$2,730.00	<u> </u>
Spending Cash Allowance	\$400.00	\$ 500.00	\$	
TOTALS	\$7496.50	\$19,840.00	\$12,405,00	
	Survival Number	Total Checks Written	Total Monthly Savings	

Notes:		

## Column Five (all about income)

Total Paychecks	where it's coming from.
	Deposits include things such as paychecks, rent checks, dividends, gifts, refunds, etc.
	Always remember to add up all of your deposits received and put them in the space noted "Net Income for Month."
	Notes:
Pay (1) \$10,460.00 Pay (2) \$7,625.00	
Commission \$1200.00  Refunds \$555.00	
Rents_\$0	
\$19,840.00	
Net Income For Month	

#### Wealth and Net Worth

Money Market Balance	\$	10,350	
Mutual Market "Float" (needs to be 3X survival #)	\$	27,764.50	
% Saved This Month (column 4 / column 5)		62,53	%
Money Saved YTD	\$	31,542.00	
Cash Net Worth	\$	98,350.00	
(401k+Mutual Funds+Stocks+Mo	oney Market	t)	
Total Net Worth	\$	213,125.00	_
(Cash net worth+Real Estate)  Giving YTD	Ś	1,500.00	

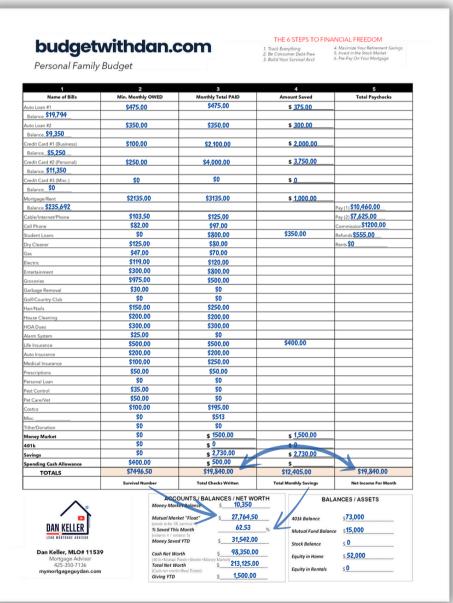
Notes:			

## **Balances/Assets**

#### 

Notes:			

## **Completed**



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**Notes:** 

## **Professional Reccomendations**

#### **My Personal Board of Directors**

#### 01 Professional Business and Money Coach

RICK RUBY thecoretraining.com 800-660-6670



#### 02 Financial Advisor

MATT ROSS rossfinancialinc.com 425-357-0400

Ross Financial Inc.

#### 03 Financial Advisor/Life insurance

BRENDAN FOOR emerald.nm.com 206-777-3447



#### 04 Estate Planning - Will, Estate Attorney, Real Estate Law

WILLIAM KESSLER beresfordlaw.com 425-776-4100



#### 05 Homeowners and Auto Insurance

JONATHAN CISNEROS cisnerosagencyllc.com 425-513-8723



#### 06 Credit Repair and Identity Theft Solutions

NATALIE AND JEFF SIPES bluewatercredit.com 877-577-7496

