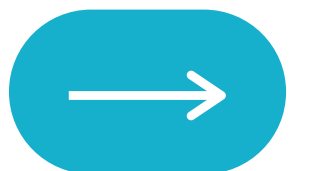




10 Steps to Financial Success



Financial Success = Being in Control of Your Money

- **Your income does not determine how successful you are- your choices and priorities do.**

Step # 1 – Establish Goals

- **Identify needs & wants**
- **Be specific:**
 - *When will you reach it?*
 - *How much will you need?*
- **Be realistic:**
 - *Can it be done with current or proposed resources and expenses?*

- **Determining where you stand allows you to establish a starting point**

- **What you own - what you owe = your net worth**

Step # 2 – Take Stock

Step # 3 – Create a Spending and Savings Plan

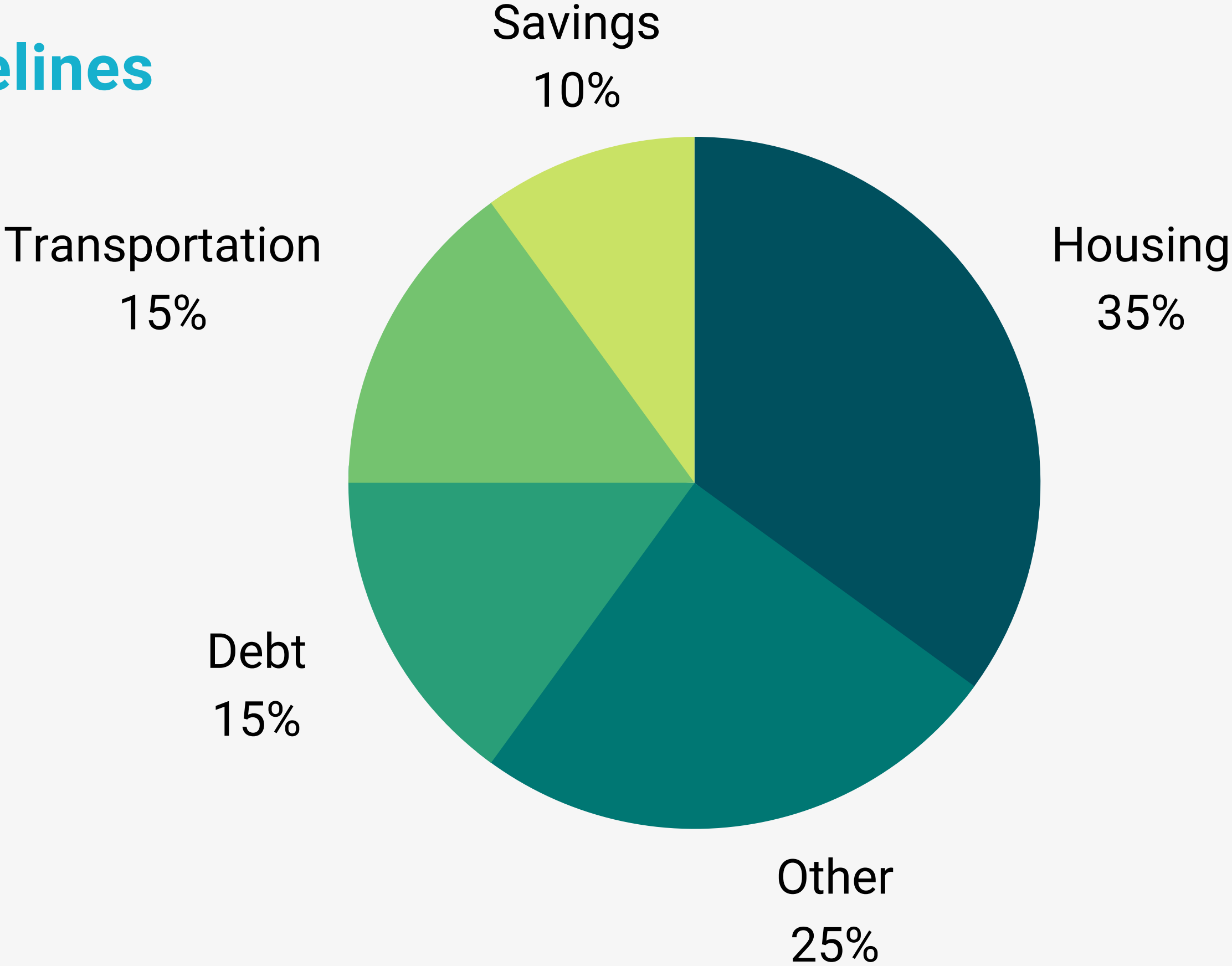
- **Income**
- **Expenses**
 - *Tracking*
 - *Budget Busters*
- **Savings**
- **Debt**
- **Bottom line**

- **Increase income**
- **Prioritize Spending**

- *Reduce*
- *Substitute*
- *Postpone*
- *Forego*

Step #4 – Live Within Your Means

Suggested Budget Guidelines



Step # 5 – Pay Yourself First

- **Saving enables you to reach your goals**
- **Save at least 10% of your income**
- **Weigh instant gratification against ultimate gratification**

3- Tiered Saving Plan

1.

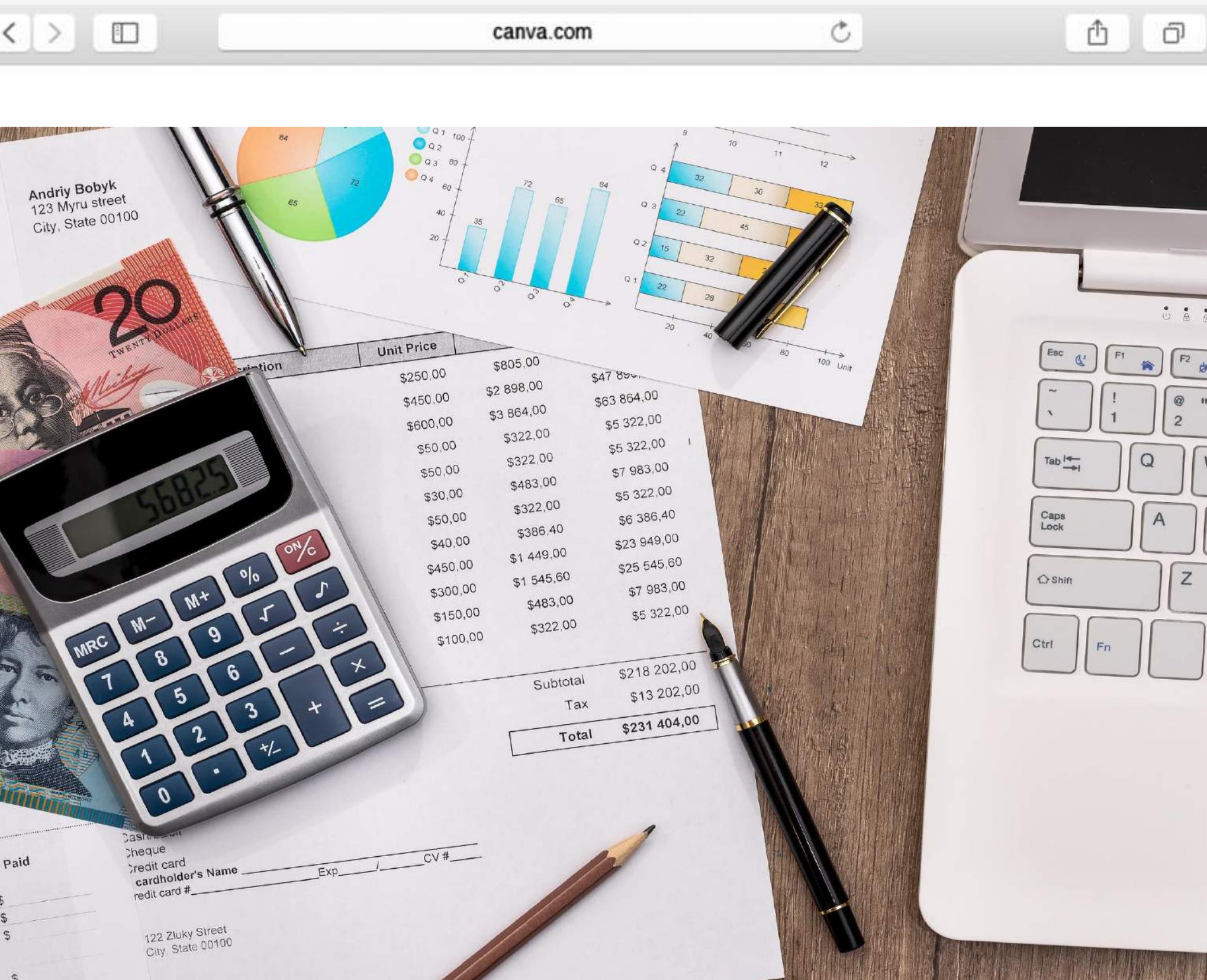
Liquid account –
emergency
savings, debt
repayment

2.

Semi-liquid –
goals 2-5 years

3.

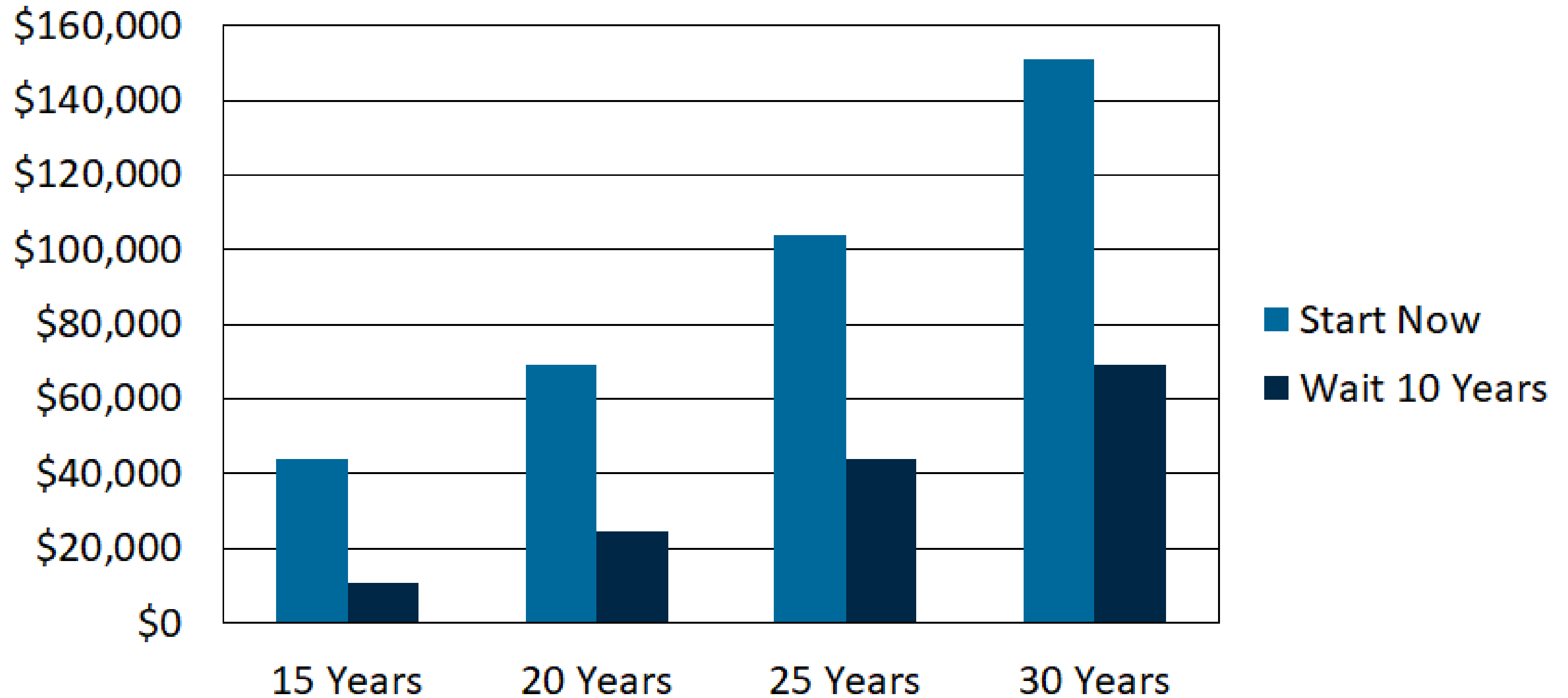
Invested –
retirement,
education 5+ years



Quit Procrastinating!

- Start now – decide how much to put aside and have it auto-deducted
- Compounding interest only works over a period of time
- Your future is worth spending a little less today

Harness the Power of Time



Step #6 – Delete Your Debt

- **Live a cash-only lifestyle**
- **Reduce interest**
- **Increase payments**
- **Aggressively repay your most expensive debts**

Asset Debt vs. Liability Debt

1. Asset Debt

Increases in value

- *Home, business,
education*

2. Liability Debt

Decreases in value

- *Clothes, meals, vacations*

“The abuse of credit is a leading cause of financial failure”

- **Advantages: build equity over time and get tax breaks**

- **Start saving now and building good credit score**

- **Homeownership is not right for everyone**

- *Only do it if you can afford it*

Step #7 – Buy a Home

Step #8 – Diversify

- **Weigh risk against return**
 - **Stocks**
 - **Bonds**
 - **Cash**
- **Mutual funds**

- **Health**
- **Disability**
- **Life**
- **Liability**
- **Auto**
- **Renter's**
- **Homeowner's**

Step #9 – Plan Ahead: Insurance

Plan Ahead

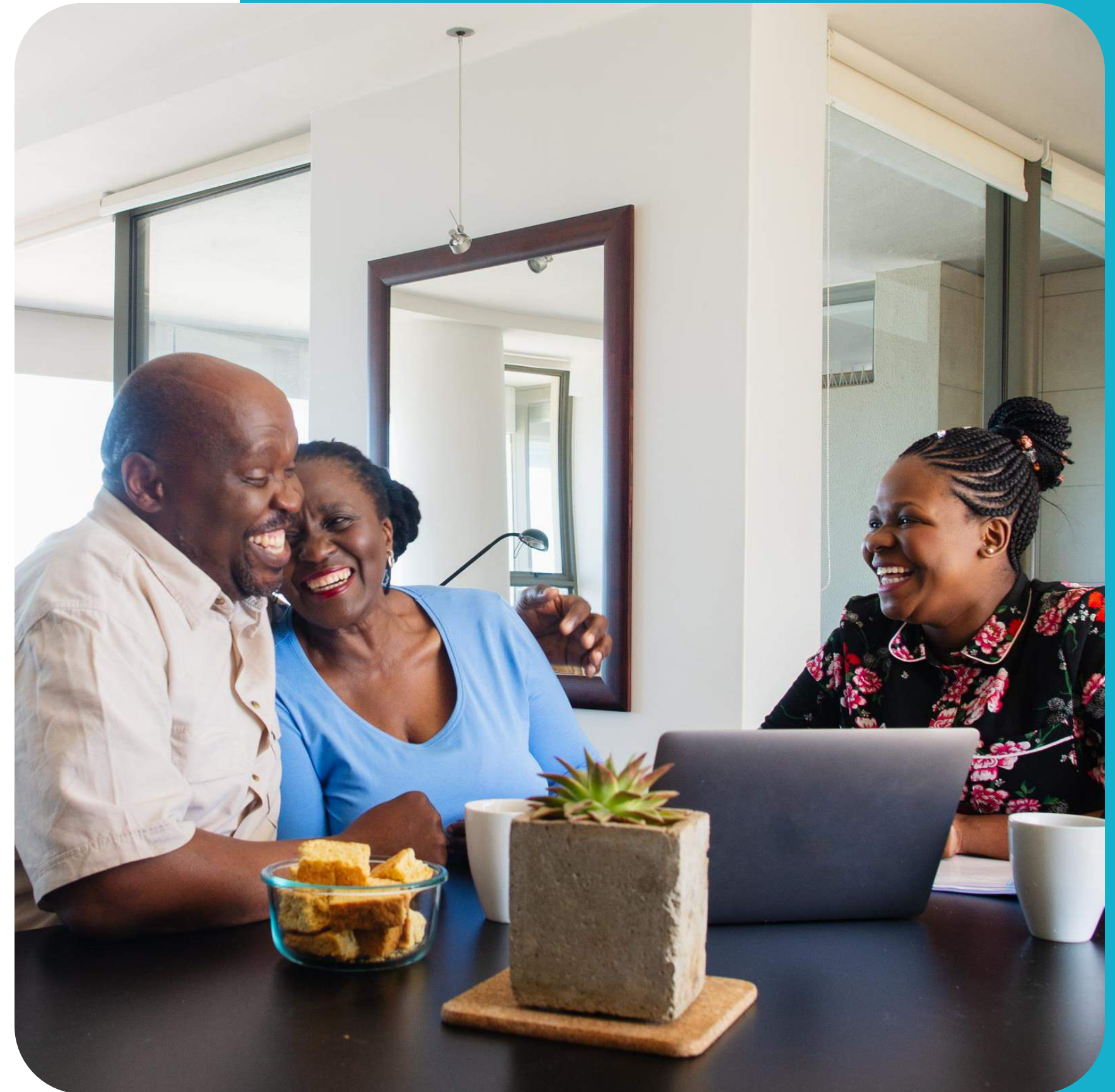
Estate Planning

- **Wills**

- Determine your executor
- Decide distribution and alternate beneficiary
- Choose a guardian
- Include a residuary clause

- **Trusts**

- **Document wishes for life-saving measures**



Step # 10- Get Help

- **Use a professional**

- Financial institution
- Financial planners
- Estate planners

- **Learn on your own**

- Internet
- Seminars
- Books and magazines

**“An investment in knowledge
always pays the best
interest.”**

Ben Franklin



Thank You!

BALANCE is a financial education and counseling service. Services include money management counseling, debt repayment options, credit report review, and more.

**Call toll-free 888.456.2227 or visit
suncoastcreditunion.balancepro.org**

**Facebook.com/BALANCEFinFit Twitter.com/BAL_Pro
Twitter.com/BAL_Pro**

