

Financially

Mindful
*Increasing Financial Awareness
and Building Stability*

TAKE CONTROL OF YOUR FINANCES



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Hello Lifestyle Planners!

Thank you so much for signing up to our community and downloading this E Book,
Take Control Of Your Finances.

Do you get discouraged about your financial situation? Do you lack the knowledge or tools to change your financial situation?

My mission is to increase financial literacy among young professional women and their families. I believe in empowering women to be financially strong, financially safe and financially mindful (aware) in their pursuit of building financial stability.

If changing your financial situation is an important goal, this guide will help you accomplish your goal and get you on the track to living the lifestyle you desire.

Take Control Of Your Finances - Step 1

Can you guess what is the most popular personal goal that is set, but the most difficult to accomplish?

That's correct! Improving your finances is the most popular personal goal.

Although that is a very important goal, why do so many people fail to follow through? Do they find themselves too busy? Do they get discouraged because they do not have the dedication? Do they lack the knowledge or tools to accomplish this goal?

Are any of these your reasons for failing to improve your finances?

Regarding being too busy or not having dedication, you will need to do some type of self-reflection and sort through your priorities. If improving your finances is high on your priority list, a change in your mindset will be needed to make a success of this goal. Decide now to make a change and *Take Control Of Your Finances.*

If you feel that you are lacking the knowledge or tools, Financially Mindful can be your resource and help you accomplish your desire to take control.

The first step to take control of your finances is to get clarity of your current financial situation. You must have complete awareness of what comes in and what goes out. This means being completely aware of all income sources that come in the bank account as well as all expenses that go out of the bank account.

There are two objectives of being aware of your income and expenses. Objective one is to determine if you are allocating your income appropriately. Ask yourself...Is my income going to unnecessary expenses instead of necessary expenses? The best example to help you relate to unnecessary expenses versus necessary expenses is to distinguish between wants versus needs.

Objective two is to determine if you have discretionary income, which means money left over after monthly expenses are paid. Ask yourself...Do you have enough income to cover your expenses? Or, is there more expenses than income; therefore, leaving you in the hole each month?

DEBT					
DEBT OBLIGATIONS	BALANCE	MONTHLY PAYMENT	DUE DATE	INTEREST RATE	TERM
Unsecure Loan	\$9,000.00	\$400.00	2/19/2019	16%	60
Visa	\$2,000.00	\$50.00	2/3/2019	19%	
Mastercard	\$2,500.00	\$75.00	2/6/2019	21%	
Mastercard	\$1,000.00	\$25.00	2/10/2019	20%	
	Total Debt	\$550.00			

LIFESTYLE EXPENSES TOTAL	\$3,738.00
LIFESTYLE INCOME	\$5,000.00
DISCRETIONARY INCOME	\$1,262.00

Now that you have some knowledge, take the time to complete the first step and get clarity of your current financial situation.

Improving your finances is a goal that is set every year. It also is a goal that is pushed to the bottom of the list of priorities once the year gets started. If you

truly want to improve your finances, you have to put this goal at the top of your priorities and **KEEP IT THERE!** So, start now and take control of your finances.

In this first step to Take Control Of Your Finances, you are learning to get clarity of your current financial situation. This means having complete awareness of all income and expenses. The key words are having complete awareness. This refers to being able to pinpoint at a moment's notice where you stand. The best way to have complete awareness is to have a visual reference of written data to use as a guide to answer pertinent questions such as what, how much and when for both income sources and expenses.

I hear comments all the time such as "I don't have to write it down. I know what comes in and out of my account." Yes, you should know as you are the one putting in the work hours to get your income. You also are the one swiping your card every day on expenses. The majority of people who have those thoughts are the ones that tend to be behind on payments, getting late charges, getting bank overdrafts and worst of all...living with no financial goals.

Yes, you may know what's coming in and out of your account but are the **RIGHT** things coming in and out of your account? Having a visual reference of written data will give you the complete awareness you need to determine if the **RIGHT** things are coming in and going out of your account. Having the **RIGHT** things in or out of your account is the only way you are going to take control of your finances.

Take Control Of Your Finances - Step 2

In step 1, you learned the importance of having clarity of your current financial situation. You now have a clear understanding of your total income and your total expenses. At this point, you are faced with one of the following situations:

- Your income doesn't cover all of your expenses and there is no money left at the end of the month.
- Your income covers all of your expenses but still there is no money left at the end of the month.
- Your income covers all of your expenses and there is money left at the end of the month.

Number 3 is the ultimate financial situation. You want to have more money left at the end of each month to pay down/off debt or save for your financial goals (college funding, emergency funds, short-term goals, long-term goals, start your own business or retirement). Now that you have clarity of your financial situation, it is time to determine if your income is allocated appropriately to your expenses.

There are five lifestyle categories that represent areas where your money is spent on a monthly basis. Each lifestyle category has a guideline for a maximum dollar amount to be allocated on expenses each month. The guideline is based on a specific portion or percent of your monthly income. The allocated expenses should not go over the guideline maximum dollar amount. If your expenses exceed the guideline maximum dollar amount, you will need to reduce your expenses accordingly to remain under the guideline maximum dollar amount.

Below are the five lifestyle categories and the corresponding percent of income to use as a guideline for the maximum dollar amount to allocate on monthly expenses:

LIFESTYLE GUIDELINES	
CATEGORY	% OF INCOME
HOUSING	35%
TRANSPORT	15%
LIFE	25%
DEBT	15%
SAVINGS	10%

Here is an example to help you use the lifestyle guideline chart:

Lifestyle Guidelines for monthly income of \$3,500		
Category	Percent of Income	Maximum Dollar Amount
Housing	35%	\$1,225
Transportation	15%	\$525
Life	25%	\$875
Debt	15%	\$525
Savings	10%	\$350

With this example, the monthly income is \$3,500. The maximum dollar amount to spend each month in the housing lifestyle category is \$1,225. If you are currently spending more than \$1,225 for your housing expenses, you will need to review each expense to determine what can be reduced or eliminated. For the savings lifestyle category, the guideline is 10% of your monthly income. However (for this category only), the 10% should be considered as a minimum guideline instead of a maximum guideline. Keep in mind, it will NEVER hurt to save more than 10% of your income.

The goal for this step is to forecast monthly expenses at the beginning of each month using the five lifestyle categories. This gives you a clear guide as to where you should spend your money throughout the month.

Referring back to two of the three financial situations described at the beginning of this step, (income doesn't cover expenses and income covers expenses but no money left over), using the lifestyle guidelines will help you to reduce expenses and take control of your financial situation by having more money left at the end of each month.

Take Control Of Your Finances - Step 3

By now, you are well on your way to taking control of your finances and getting closer to creating a lifestyle that you desire. Before you get too excited, the next step is the most crucial step of the entire process.

To recap, in step 1, you learned to get clarity of your current financial situation. In step 2, you learned to determine if your income is allocated appropriately to your expenses. Although this next step is the most crucial, it is also the most disregarded part of taking control of your finances. When it comes to this next step, you will find that people avoid it like the plague. People will come up with every reason they can to excuse them of completing this step. Unfortunately, avoiding this step will make taking control of your finances impossible.

The next step to take control of your finances is tracking your activity. I can sense your hesitation. If I haven't stressed this enough, I must say it again. Tracking your activity, starting with the breakfast sandwich or the cup of coffee all the way

down to the pack of gum, will be key in turning around your financial situation. Tracking your activity is how you identify your spending habits to allow you to gain control of where your money is going.

Tracking your activity doesn't have to be difficult. It can be as easy as using a small note pad to jot down the item and price of every purchase. However, if you use the tracking sheets that correspond to the lifestyle categories that were mentioned in step 2, you will find it easier to tally your activity and have an accurate account for your spending. Here are sample tracking sheets that are used in the Lifestyle Navigator Workbook.

TRANSPORTATION

Fixed Expenses

Date	Description	Amount
	Car Payment	
	Car Insurance	
	Property Tax	
	License Tags	

Variable Expenses

Gas			Budget Amount	\$80.00
Date	Description	Amount	Remaining Budget	\$70.00
		\$10.00		
Total		\$10.00		

HEALTHCARE

Fixed Expenses

Date	Description	Amount
	Health Insurance	
	Dental Insurance	
	Vision Insurance	
	Life Insurance	
	Disability Insurance	
	Long-Term Care Insurance	
	Supplemental Insurance	
	Ancillary Insurance	

Variable Expenses

Office Visits			Budget Amount	\$0.00
Date	Description	Amount	Remaining Budget	\$0.00
Total				\$0.00

Tracking your activity using a note pad or tracking sheets is especially necessary when you are using cash for purchases. We all know how fast cash can disappear. Once you break a bill, whether it's \$100, \$50, \$20 or so on, the remaining change is quickly spent on items unknown. All items need to be accounted for to help you determine your spending habits.

If you use a card, debit or credit, for your purchases, use your statements as reference for your activity. Take the entries from the statements and separate the activities into the five lifestyle categories, mentioned in step 2. For instance, your gas purchases from last week, over the weekend and then again today, must be listed in the transportation lifestyle category. Another example, your latte purchases from Monday through Friday for every week this month, must be listed in the life lifestyle category.

Tracking your activity as accurately as possible is key to understanding your spending habits. As most people are visual learners, actually seeing exactly where you are spending as well as how often you are spending will bring awareness to negative habits. For latte lovers, if you spend \$5.60 on a cup every weekday morning, at the end of the month you would have spent \$112. What if there are one or two other items that share that same pattern, like a muffin with your latte and then the daily special for lunch? You at least are spending \$336 on possibly unnecessary items. Could that \$336 be allocated for something more beneficial, let's say...maybe your savings?

Since you are well on your way by implementing steps 1 and 2, do not let step 3 be the reason you stay in your current financial situation. Include this step of tracking your activity and you will take control and improve your finances as soon as by the end of this month.

Take Control Of Your Finances - Step 4

Congratulations! You have reached step four of taking control of your finances. You have received clarity on your financial situation, you have determined where to allocate your income to appropriately cover your expenses and you have tracked your spending activity to know exactly where your money is going.

This last step serves as a time for self-reflection. Your eyes will become bright with awareness. You now will come to understand what is happening with your financial situation. For some, you will see light at the end of the tunnel. You now realize that you are on the right path to truly taking control of your finances. For others, you will see why the light is still dim in your tunnel.

Step four involves reviewing the results of the actual month's activity. I encourage comparing your forecast plan that was designed in step two. Typically, step two is completed at the beginning of each month as it is your guide to follow throughout the month. When you compare the forecast plan to the actual end of month results, you will identify what adjustments are necessary.

Maybe you did not allocate enough income to cover groceries for the month and you over spent in that category. When planning for the next month, determine if you will need to allocate additional income to that category or if you will keep the same allotment but be more conscious of your spending so that you remain within the plan.

	INITIAL AMOUNT	MONTH-END AMOUNT	DIFFERENCE
FOOD	EXPENSE AMOUNT	EXPENSE AMOUNT	EXPENSE AMOUNT
Groceries	\$300.00	\$380.00	(\$80.00)
Meals Out/Fast Food	\$75.00	\$70.00	\$5.00
School Lunches	\$0.00	\$0.00	\$0.00
Work lunches	\$0.00	\$0.00	\$0.00
Coffee	\$30.00	\$25.00	\$5.00
Other Items	\$0.00	\$0.00	\$0.00
FOOD TOTAL	\$405.00	\$475.00	(\$70.00)

Another example, maybe you exceeded your entertainment amount allocated for the month by attending too many girls/guys night out events. Instead of increasing the entertainment amount, become creative in ways to be entertained, like potlucks instead of meeting at the restaurants.

	INITIAL AMOUNT	MONTH-END AMOUNT	DIFFERENCE
Parties/Holidays/Guests	\$0.00	\$0.00	\$0.00
Electronics/Video Games	\$0.00	\$0.00	\$0.00
Guy's/Girl's Night Out	\$75.00	\$100.00	(\$25.00)

One last example, maybe you exceeded your clothing allotment for the month. Again, instead of increasing the clothing amount, take an inventory of your closet. You may have clothes pushed to the back of the closet with the tags still on. Or maybe, you can just buy a new shirt to go with a pair of pants that you already

have. There may not be a need to buy a whole new outfit, right? This is where you will need to have a clear understanding of needs versus wants.

Financial Lifestyle Management System™		April		Expense Comparison - Page 4	
		INITIAL AMOUNT	MONTH-END AMOUNT	DIFFERENCE	
CLOTHING		EXPENSE AMOUNT	EXPENSE AMOUNT	EXPENSE AMOUNT	
Clothing		\$100.00	\$325.00	(\$225.00)	
Accessories		\$0.00	\$45.00	(\$45.00)	
Shoes		\$40.00	\$39.00	\$1.00	
Dry Cleaning		\$0.00	\$0.00	\$0.00	
Alterations		\$0.00	\$0.00	\$0.00	
Shoe Repair		\$0.00	\$0.00	\$0.00	
Laundry Care		\$0.00	\$0.00	\$0.00	
Other Items		\$0.00	\$0.00	\$0.00	
CLOTHING TOTAL		\$140.00	\$409.00	(\$269.00)	

Taking control of your finances is 100% dependent upon YOU! You have complete control in changing your financial situation. Stop searching from article-to-article, book-to-book or webinar-to-webinar. You will not find a secret or a miraculous formula that has been hidden from you. Taking control of your finances depends on your self-control and the strength you have within to make a change.

There are three important values you must have if you truly want to take control of your finances.



Let's take these values and relate them specifically to taking control of your finances:

Dedication - Committing yourself to changing your financial situation.

Discipline - Monitoring your activity and adjusting bad habits and poor decisions accordingly.

Diligence - Be persistent and stick to your plan as if it is a map to the fountain of youth or a pot of gold (whichever makes you understand the importance).

Implementing these values in your value system will not just help you take control of your financial situation but give you a lifestyle that you truly desire.

If you need additional assistance with implementing these steps to take control of your finances, please feel free to set up a consultation appointment.

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