

George's 7 - 3 - 7 Spending Plan

Part 3 – Become Really Good With Money

Normal is... too much month left at the end of the money, broke, no savings, credit card debt, making minimum payments, can't cover an emergency, no retirement fund, no college fund, student loan debt, stress, money fights, anxiety, worry, relationship pressures, etc..., just like the Jones Family next door.

The statistics are terrible! Yet perception is often, *"I'm OK. I'm fine. I'm good with money."*

You work too hard to settle for *"normal"* ...but normal is still available, should you choose to step back into old habits and patterns.

Keep doing the same things you've been doing, you'll get the same things you've got.

Do something different to get something different! – Change can be hard, but worth it!

Part 1 - A Seven Part Spending Plan - *Gain Control of Your Money*

Not a Budget! The Spending Plan must be working before any more progress can be made. It is the foundation for everything moving forward.

Again, how is your Spending Plan working? What questions do you have? What do you need additional help with? No Spending Plan works perfectly the first month, or the second month, but that does not mean that Spending Plans do not work. Adapt and overcome! It gets better.

Part 2 - Three Actions to Increase Gap Money - *Maximize the Gap* will speed progress toward your goals, and get you farther down the path toward Financial Well-Being. Have you squeezed the Spending Plan too hard? ...or not hard enough? Increase income, decrease expenses, and track and control leakage. Adapt and overcome!

Part 3 - Seven Steps to Apply the Gap Money - *Become Really Good with Money*

1. Starter Emergency Fund - Build a minimum of \$1K and up to one month expenses in savings. Squeeze the Spending Plan. Sell some *"stuff"* you don't need. Having this fund in place lowers stress, avoids most emergencies, and allows you to stop using cards. Prioritize this step- make it happen fast (within a month is best). Celebrate your progress!

2. Debt Snowball - List debts, smallest to largest by balance. Put all the Gap Money on smallest debt #1 until it is paid. Then payment #1 and Gap Money go to debt #2 until it is paid... Then payment #1 and #2, and Gap Money on debt #3..., etc... Destroy the cards, close the accounts, and don't look back. If an emergency happens, stop the Debt Snowball, and rebuild the Starter Emergency Fund. **Celebrate becoming DEBT FREE!!!**

3. Full Emergency Fund - Grow emergency fund to 3 to 6 months expenses. Three to six - depending on your circumstances, stability of income source(s), and comfort level. Ladies, in particular, tend to react very positively to the feelings of safety and security with the Emergency Fund in place. Now, even more major life events are not a source of stress; just pay the expense to cover the situation... and move on. Re-build the fund as quickly as possible. Let's talk about where to put this money. Celebrate your progress!

4. Fund Retirement - Invest 10% to 15% of income in diverse, growth Mutual Funds. Ask for training on the time value of money. tax advantages, Roth vs Traditional investments, dollar cost averaging, risk assessment and the potential for losses, the Rule of 72, vesting schedules, employer matching moneys, 401(k), IRA, TSP, BRS, diversification, stocks vs mutual funds, etc...

Find a great Certified Financial Planner, and be sure they communicate clearly, educate and inform, and explain options for you to choose within your goals and risk tolerance.

***Sorry kids, #4 happens before #5. First responders know you must help yourself first, before you help others. If you don't care for yourself first, you become a problem later.

5. Fund Kids Education – Consider 529 plans. Do not “give” kids their entire education, but help them if they work for it. Kids who are given too much generally do not have positive outcomes. Consider offering kids matching monies for their contribution to their own education. Take advantage of advanced high school courses offering college credits, internship experiences, vocational / trade schools, community college transfer programs, using employer education benefits, etc... There is no rule in the parenting handbook requiring parents to provide college - it is not an entitlement.

“College is not for everyone... but education is, and for a lifetime”

6. Pay off Home – No mortgage and no interest is better than a mortgage tax deduction. A deduction is not the same as a credit. Let's look at the math on this.

7. Live Beyond Normal - Build wealth – live, and give far beyond normal. Almost anything you want can be enjoyed... but not everything you may want. Your income is still not an unlimited resource. **Enjoy Financial Well-Being!**

The 7 -3 - 7 Spending Plan is for a Lifetime... Why would you abandon a Spending Plan now?
If it ain't broke, don't fix it! If it works, do it!