Financial Workbook

"Now I will tell thee an unusual truth about men and sons of men. It is this; That what each of us calls our 'necessary expenses' will always grow to equal our incomes unless we protest to the contrary.

Confuse not the necessary expenses with thy desires.

Each of you, together with your good families, have more desires than your earnings can gratify. Therefore are thy earnings spent to gratify these desires insofar as they will go. Still thou retainest many ungratified desires.
All men are burdened with more desires than they can gratify. Because of my wealth thinkest thou I may gratify every desire? Tis a false idea. There are limits to my time. There are limits to my strength. There are limits to the distance I may travel. There are limits to what I may eat.

There are limits to the zest with which I may enjoy.

I say to you that just as weeds grow in a field wherever the farmer leaves space for their roots, even so freely do desires grow in men whenever there is a possibility of their being gratified. Thy desires are a multitude and those that thou mayest gratify are but few.

Study thoughtfully thy accustomed habits of living. Herein may be most often found certain accepted expenses that may wisely be reduced or eliminated. Let thy motto be one hundred percent of appreciated value demanded for each coin spent."

George S. Clason, The Richest Man in Babylon 1926

Introduction

This workshop is only for serious and committed individuals who are ready to take control of their financial lives. I'm here to support you in your journey to becoming wealthy and debt-free, especially for those struggling with high-interest loans. In this group, everyone is a novice, and we'll all be working through financial challenges together, so leave any insecurities behind and let's get to work.

To get a head start, I recommend reading The Compound Effect, as wealth isn't just about money—it's about having the right mindset. Coupled with discipline, this mindset will lead to amazing results over time. Write down any limiting beliefs you have about money, be vulnerable, and explore what's truly holding you back.

Finally, commit to fully engaging in this workshop and doing whatever it takes to eliminate financial pain and stress from your life. It's not just about knowing financial principles—it's about living them.

Make the decision now to create a financially successful future.

Table of Contents

01 Step One:
Stop the Bleeding

02 Step Two:
Build an Emergency Fund

03 Step Three:
Control your Spending

04 Step Four:
Building Wealth

MONTH 1

Step One - Triage Stop the Bleeding

The best starting point is exactly where you are right now. For real, it doesn't matter where you start. What matters most is the direction you are going.

During this month you will review some basic financial rules and then take an inventory of where you are with debt. We will also talk about avoiding some serious pitfalls and then cover your first steps toward getting out of serious financial troubles.

Begin by reading the 10 Rules for Financial Success, and The Richest Man in Babylon, that are attached. You will then create a comprehensive list of all your debt and fill out your debt schedule from smallest to largest.

Lastly, we will create a plan to get out of debt and stay out of debt. Remember, with money, time is either your best friend or your worst enemy. Start moving towards making time your friend by lowering your debt and using that money to build wealth.

10 RULES FOR FINANCIAL SUCCESS

Money is a weighty subject that affects all of us every single day. Unfortunately, many of us did not learn correct financial principles growing up. We are slaves to our whims, and we fall into the trap of just doing what our parents did. My hope is that over the next 6 months and beyond, you will learn important financial lessons that will help you grow your wealth. I want you to become a healthy thinker when it comes to money, and I want you to take steps that will actually move you forward towards financial wellbeing.
This course is only a beginning but if you start living these principles, you will be better off financially, I promise. As you implement these lessons into your life you will have less stress, more opportunities and more control than you have ever had before. So, dig in, and commit to start living in a financially smart way. Enjoy the results.

- [ ] **RULE 1: SELF MASTERY**

Self-discipline is the number 1 delineating factor between being wealth or not. Being wealthy is only in your mind - You are already wealthy or not wealthy depending on how you perceive things. Money can mean so many things; security, control, ego, ability to do what you want, freedom, etc. It's typically not about the stuff – stuff doesn't make you happy (experience vs stuff) In the USA we all have everything we need, it is just a matter of degrees (phones, TV, education, etc.) Look for good role models and choose friends who are good examples of people who are wealthy and happy.

- [ ] **RULE 2: SPEND LESS THAN YOU MAKE**

This is about you taking control "It's not how much you make but how much you keep that defines wealth" Think of the Marshmallow Study about delayed gratification. Creating a budget will help you take back control. You have too many options and too many marketers telling you what you "have to "have. Clarity and good information about your money is powerful. Become good at buying your necessities – dollar stores, coupons, thrift stores/2nd hand stores for clothes.

10 RULES FOR FINANCIAL SUCCESS

- [ ] **RULE 3: MAKE YOUR MONEY WORK FOR YOU**

Take some of what you make and put it to work for you – Create an automatic savings. One of the most impactful things I ever did was set up an automated withdrawal into an investment account. Wealth starts building – do not use it to pay down debt. Retirement plans (Money grows tax free but is tied up vs. pay tax but it is yours to choose = balance). Make it a habit to save some portion of what you make and start building your wealth.

- [ ] **RULE 4: BUILD WEALTH**

Create your army of money makers. Money making you money -“I don’t work for money; money works for me” (Rich Dad Poor Dad) There are 3 ways to increase your earnings. Over 90% of Warren Buffet’s wealth has come in his 80s and 90s. This is because of compounding interest. Your home, your car, jewelry, clothes. These are not assets/wealth builders. Put your money into things that appreciate.

- [ ] **RULE 5: GET OUT OF DEBT**

Interest never sleeps nor sickens nor dies; it never goes to the hospital; it works on Sundays and holidays; it never takes a vacation; it never visits nor travels . . . it has no love, no sympathy; it is as hard and soulless as a granite cliff. Once in debt, interest is your companion every minute of the day and night; you cannot shun it or slip away from it; you cannot dismiss it; it yields neither to entreaties, demands nor orders; and when- ever you get in its way or cross its course or fail to meet its demands, it crushes you.”

- J. Rueben Clark

Don't spend money you don't have, and avoid borrowing for wants or luxuries—steer clear of consumer debt. Instead of taking out a loan for a car, save by making payments into an account for two extra years, then continue those payments until you can buy the car with cash.

10 RULES FOR FINANCIAL SUCCESS

- [ ] **RULE 6: KEEP YOUR WEALTH - PROTECT IT FROM LOSS**

Don’t take long shots or get sucked into those get rich quick schemes. Never force it. It must be something you are personally very knowledgeable about don’t go in debt to do it.

- [ ] **RULE #7 – INCREASE YOUR ABILITY TO EARN**

Schooling/education isn’t the end, it’s the beginning.
Become a more effective and efficient employee Learn new skills, (communication, sales, management, leadership, technology, etc.) Focus on delivering more results and the earnings should increase.

- [ ] **RULE #8 – INCREASE YOUR FINANCIAL IQ**

Learn about financial literacy, which involves reading and understanding numbers and their relevance; investing literacy, which focuses on the principles of money growth; market and economic awareness, which helps you understand what drives financial trends; legal knowledge, including taxes, government regulations.

- [ ] **RULE #9 – START A SMALL BUSINESS**

In the US our tax system is built to incentivize individuals to build companies (more workers and more taxes). There are two major benefits First, you can write off many expenses thus paying less in taxes. Second, you can grow your wealth tax free (use pre-tax dollars to build company). Find something you like For pet lovers – breed pets and sale them, Etsy, Internet, etc. This is not about getting a 2nd job, it’s about increasing your financial wisdom.

10 RULES FOR FINANCIAL SUCCESS

- [ ] **RULE 10: GIVE 10% AWAY**

This is about living in abundance. Develop an attitude of gratitude. When you consistently give a percentage of your money to charity/others you immediately feel abundant. You know in your soul that “you have so much wealth that you are giving it away.”

ACTION ITEMS:

Commit to read a book to build your understanding of wealth accumulation
Open an account and start withdrawing automatically 100-500 each month
Start reviewing what you spend each month – put everything into categories
Make a chart of all your debt with monthly payments, interest rates, and amount of interest paid each month.
Start thinking of ways to consolidate or erase debt
Start thinking of ways to give some of your money to charity

AVOIDING PITFALLS:

Get rid of Credit cards - Debit Cards only
No “Payday” loans - No quick and easy loans or cash advances
Avoid late payments and lawyer fees
No consumer spending on credit
No purchases of stuff /non-necessities on credit
Avoid warranties
Absolutely no gambling or lottery tickets
Avoid costly get-out-of-debt programs
Be extremely careful with debt consolidations.
(Hint -Your debt is not the problem, you are!)
Don’t focus on your credit score. Credit scores are for people who want to be in debt

Personal Debt Schedule:

Creditor	Balance	Interest Rate	Min. Payment
TOTALS:			

due date:

goal payoff date:


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MONTH 2

Step Two - Build an Emergency Fund

Now that you have your debt in check, even if it is still painful to look at, you now need to build an emergency fund.

For most of you, this emergency fund should be $1,000 -$2,000. It can be in cash or a savings account. The important thing is that you do not touch it unless there is an emergency. Often, we fall into the trap of borrowing money at high interest rates because we are desperate. Building a small nest egg will help you feel more secure and stable, and the money will be there when that true emergency happens.

This month you will do whatever it takes to raise $1,000 and hide it away as your emergency fund.

You may want to make a list of things you will sell to raise the money or think of a 2nd job. You want to do something really hard to prove to yourself you will do whatever it takes to be financially secure. Be prepared to show me your emergency fund.

MONTH 3

Step Three - Control your Spending

When you are talking about wealth, it is rarely about how much you make. It is all about controlling your spending. I have friends who make over 300k each year and are on the verge of bankruptcy because they can't control their spending. I also have friends who make a very modest living and are millionaires. Controlling your appetite is the key.
You can never get enough of the things you don't need.

If you always spend less than you make, I guarantee you will be wealthy because that is the definition of wealth. Most people believe that having a budget is restrictive and painful. The exact opposite is true. Budgets give you the ultimate freedom to get anything you "truly" want while excluding all the other things you "kind of' want. Your financial success is almost exclusively dependent on your willingness to create and stick to a budget.

This month you will compile your past 4 months of expenditures and build out a budget. You must do a written budget for now but ultimately you can use an online budget tool such as OTTO, Mint, or Goodbudget. We will also talk about your transportation and ensure you're not overspending on your car. (short term car payments, buy used, car insurance review, etc.)

Budget Worksheet

Use a budget to help pay your bills and save for goals or emergencies.

Use this worksheet to make a budget. Fill in how much money you make. Then fill in your expenses. Subtract your expenses from how much money you make.

MONTH ______________________ **YEAR** ___________

My income this month

Income	Monthly Total
Wages after taxes	
Other income (like child support)	
Total monthly income	

My expenses this month

	Expenses	Monthly Total:
HOUSING	Rent or mortgage	
	Insurance (like renter's, homeowner's)	
	Utilities (like electricity, gas, water)	
	Internet and phone	
	Other housing expenses (like property taxes, condo fees)	
FOOD	Groceries and household supplies	
	Eating out/food delivery	
	Other food expenses	
TRANSPORTATION	Public transportation	
	Taxis/rideshares	
	Gas for car	
	Parking and tolls	
	Car maintenance (like oil changes)	
	Car insurance	
	Car payment	
	Other transportation expenses	

	Expenses	Monthly Total
HEALTH	Health insurance	
	Prescriptions	
	Co-pays for doctors' appointments	
	Other health expenses	
PERSONAL AND FAMILY	Childcare (like daycare, babysitting)	
	Child support you pay	
	Money you send to family	
	Clothing and shoes	
	Entertainment (like subscriptions, movies, concerts)	
	Travel	
	Gym or fitness membership	
	Other personal and family expenses (like donations, laundry, haircuts)	
SCHOOL	Student loan payment	
	Tuition payment	
	Other school expenses (like books, supplies)	
OTHER	Bank account or credit card fees	
	Credit card or other debt payments	
	Savings deposits	
	Investment contributions	
	Other expenses this month	
	Total monthly expenses	

$ ______ – $ ______ = $ ______

Income **Expenses**

- ▶ Is your income more than your expenses? Then you have money left to save or spend.
- ▶ Are your expenses more than your income? Look at your budget to find expenses to cut.

MONTH 3

Step Four - Build Your Wealth

Part of any wealth equation is the amount of income you bring in. The more money you can bring in, the faster you build wealth (as long as you keep your spending in check). When people combine making more income with spending less money, amazing things start to happen.

There are 4 ways to make money. First, you make money yourself (wages). Second, your money makes you money (investments). Third, other people's money makes you money (leveraging other's money-loans). Fourth, other people's work makes you money (building a business). For starters, your goal will be to increase your wealth using the first two methods. Start thinking about how you can improve your earning capacity as well as start saving and investing.

By the end of this month, you will open an investment account and understand what types of investments are best for you. You will set up an automatic withdrawal account that takes money out of your pay before you ever even see it. You will also take a look at retirement planning to make sure you are on track.

As you continue to pay off debt and save monthly, it won't belong until you have the financial happiness and security you have always wanted and it will all be because of you! You made it happen and it is all in your control. Well done and keep living these principles of financial wellbeing.


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