

Savings Unit

You would only build a house on a sturdy, solid foundation.
Your financial life must be along the same principles!

I want you to Debt-Proof your life!

There are five things you can do with money:

1. give it
2. save it
3. earn it
4. invest it
5. spend it

It starts now, before you have any money

- ✓ You have to have a strategy a plan
- ✓ Money is not for spending, it is for managing 1st!
- ✓ Pay in full now, or pay twice later! (credit cards, unsecured debt)
- ✓ More money is not the answer!
- ✓ It's what you do with it that matters!

Reasons to Debt-Proof your life:

1. to protect your relationships or marriage
a major thing couples fight over
2. to survive lean times (gas prices, inflation, loss of job, medical problems)
3. reduce stress (worry, sleeplessness, depression, anxiety)
stress affects us physically – we are less immune to disease and illness

4. to protect your future security for you family
5. to teach your children
“do as I say, not as I do”
they observe and imitate exactly what you are doing
6. you work hard for your money, don't let it control you,
YOU CONTROL IT.
7. to care for your community not become a burden to it

Your Money

1. You must never keep it all
 - ✓ give some away – suggested 10%
 - ✓ says “I already have enough, I'm going to help someone else”
 - ✓ gives you a grateful, appreciative heart
 - ✓ you are responsible for helping make this world a better place
 - ✓ find a charity, place that takes donations that's close to your heart (St. John's Hospital)
 - ✓ give without asking for anything in return
 - ✓ go from selfish to selfless

2. You must never spend it all
 - ✓ always pay yourself first, before anyone else – suggested 10%
 - ✓ a part of what you earn is yours to keep, you are worth it
 - ✓ prepare for the future
 - ✓ build money for the future (house, family, retirement!)
 - ✓ your savings are your **assets** – **WHAT YOU ARE WORTH**

A. Emergency Fund (\$1,000)

B. Contingency Fund (long-term savings)

- ✓ protects you in case of emergency (lose your job, garbage disposal quits, flat tire)
- ✓ invest this in a somewhat liquid account (you can get your hands on it within 24 to 36 hours)
- ✓ preparing for the future (you won't have to rely on credit!)
- ✓ 3-6 months living expenses – suggested \$10,000 (when you have your own career)
- ✓ this is like your own personal debt insurance
- ✓ when you take money out of it, immediately put it back ASAP, or replace it

C. Freedom Account (short-term savings)

- ✓ expected the unexpected
- ✓ all expenses that don't occur monthly (every two months, annually)
- ✓ ex: insurance, garbage, dentist appointments, life insurance, vet. bills, clothing, car checkups)
- ✓ determine all irregular, unexpected, and ones that come every once in a while
- ✓ separate account for this – maybe checking account with interest
- ✓ EX: