

THE LIVE RICHER MONEY MAP BY THE BUDGETNISTA



The 9 steps I took to take my net worth from
-\$300,000 to 7-figures in 5 years.

STEP 1: BUDGET

Create and Automate your personal/family budget. Control your Spending. Open a checking account specifically for your bills (decline to get a debit card), and a checking account specifically for spending. Look for new ways to increase your income (side hustles, home based business etc.). Get your core team on board (family that's directly affected by your finances). Start to automatically set aside something for retirement (even if it's just 1% of your total income).

STEP 2: HIGH RISK DEBT

Focus "dangerous debt" like credit cards with high interest rates and store cards. Create and automate a pay down plan (i.e. the snowball method). Add monthly check-in debt dates to your calendar. Celebrate each time a debt is paid off. Look for new ways to earn income. Don't forget to still save.

STEP 3: SAVE

Identify savings in your budget and automate weekly, bi-weekly or monthly transfers. Start and stock your emergency funds. Create specific savings goals and open a separate savings account for each monthly goal. Rename the account the same name as the goal you are saving for. Save in an online-only savings account. It takes 24+ hours to access money that is saved there *and* the interest rates are better! Look for new ways to increase your income. Get an accountability partner and connect regularly. Celebrate when goals are met.

STEP 4: RETIRE

Start at work. If possible, allocate money towards your company's retirement fund. Ask if your company has a matching program. If so, set aside the same percentage they are matching or more. Can't match? Start small. Set aside 0.5% - 1% of your income for retirement and increase every New Year by 0.5% or more.

STEP 5: CREDIT

Create a plan, start easy. First, get your credit score and reports. Consider getting a secured card. Consider balance transfers from cards with high interest rates to a card with a lower interest rate. Consider getting a personal loan to pay down cards with high interest rates. Consider asking a close family member to add you as an authorized user to a card in good standing. This will enable you to inherit their good financial choices. Try to pay off a credit card in full each month by automatically charging a bill that's less than \$50/month then having your bank account automatically pay off the card on it's due date. Doing this will help to raise your score more quickly because scores are based more on your habits than your amounts.

STEP 6: INSURANCE

Identify current coverage (home, car, health, disability, life etc.). What coverage are you needing? What coverage do you currently have but need more of? How much will coverage cost? How much will it cost not to have it? Crowdsource your network for an insurance professional that can help you achieve maximum coverage.

STEP 7: INVESTING

Pick an investment vehicle to start with e.g., stock, bonds, mutual funds/ETFs, real estate, business etc. Create a wealth plan. Educate yourself via classes on and offline. Seek mentorship. Join associations and online groups. Practice with small amounts. Make your first investments under the guidance of an expert. Practice. At first, reinvest most of what you make. Continue to educate yourself. Practice. Diversify your investments by choosing another vehicle. Get started despite your fear.

STEP 8: LOW RISK DEBT

Use the money you earn from investing to pay down low risk debt like your mortgage, student loans and any debt with low interest rates. Create an automated debt payoff plan. Consider using the snowball or avalanche method to pay off this debt

STEP 9: GIVE BACK

Giving activates abundance. It's great to be helped; it's greater to use what you've been given to help someone else. Share your time, energy, resources, and knowledge with those who have less than you. Commit to sharing your abundance with the world through small acts of kindness. Help someone else achieve a Richer Life. Pick a cause the inspires you and take action.

9 STEPS TO THE LIVE RICHER MONEY MAP

1. Budget
2. High Risk Debt
3. Save
4. Retire
5. Credit
6. Insurance
7. Investing
8. Low Risk Debt
9. Give Back

LET'S RECAP

The Start: You are HERE>>> Your current financial life.

The Journey: Your desire to Live a Richer life.

The Vehicle: Savings. The purpose of Steps 1-6 is to increase your savings. Savings is the vehicle that you need to acquire as you travel toward financial freedom. It's ok to start small. Every Oak Tree started as an acorn.

The Bridge: Investing. If Savings is the vehicle, Investing is the bridge that you drive over to reach your destination. You MUST invest in order to achieve financial freedom. You can not budget, save, debt free, or credit score your way to wealth. All of those are the tools you'll need to help you invest.

The Destination: Financial Freedom and a Richer Life. Only you know what financial freedom and a richer life means for you. Define it for yourself. Go after it with all that you have in you and live and give with joy.

Live richer,
Tiffany "The Budgetnista" Aliche