

Get Good With Money Summary

 fourminutebooks.com

1-Sentence-Summary: *Get Good With Money* is a guide to creating a healthy relationship with money and achieving financial security

Read in: 4 minutes

Favorite quote from the author:



Oftentimes the world as we know it takes an unexpected twist. Natural hazards, unforeseen crises, or rapidly spreading viruses can turn our lives upside down. So if you think your job and your home are secure, you might want to reconsider that.

Financial freedom is the only way to guarantee those things. Therefore, becoming financially literate and having a budget should be everyone's priorities. Getting to know yourself and your spending habits is another important milestone on the path to success.

Don't fall into the common misconception that money only belongs to the rich or that it takes all your sweat and tears to achieve your financial goals. The objective is to make your money work for you and use it to eliminate the stress from your life, not create more of it.

Work on creating an environment with like-minded people and positivity. From social media pages to books and words of affirmation, gather everything related to your goals around you. *Get Good With Money* is a great start on your journey to financial security.

Here are my three favorite lessons from the book:

1. Creating a budget sets the foundation of a good financial plan.
2. Being debt-free and having a great credit score helps achieve financial freedom.
3. Investing regularly will make money work for you.

Lesson 1: Your first financial milestone is creating a solid budget

Everything runs on a budget. From your local shop to corporations, they all use financial estimates. So why shouldn't you? Creating one will make you less likely to overspend on impulsive purchases. This is a great first step towards your financial success.

Don't think about your budget as something restrictive, but rather the opposite. Setting a budget and managing to keep some extra cash aside is a future payment to yourself that you can use to go on vacation or buy something you've never had the money for.

You want to start by making a list with all your income sources and all your expenses. Just like in accounting, try to be as accurate as possible with the "*money in*" and "*money out*" sections. Then, set a percentage of your income that you will put aside each month.

You may find it easier to use labels. For example, try tagging bills as B, utility bills as UB, and non-contractual costs like groceries as C. If you find that the first two are the biggest expenses for you, you're not earning enough. But if the latter costs the most, you're an overspender.

Aliche suggests setting up two checking accounts – for cash expenses and bills and two savings accounts – for emergencies and long-term goals. But, of course, the best thing you can do with these is to automate your payments to avoid temptation and errors.

Lesson 2: Become debt-free and boost your credit score

Debts are a burden most of us carry around like an anchor. Mortgages, student loans, car loans, and any other liabilities are all standing in your way to achieving financial freedom. Luckily, there is a way out of this rut. It starts with changing your mentality on debts.

Create an accurate list of what you owe. Make sure to include interest rates. You can start by paying off debts from smallest to largest, also known as the snowball method, or getting rid of the one with the highest interest rate using the avalanche method.

After choosing your preferred way of operating, it's time to take care of your credit score. **Debt is generally a bad thing, but it can get you places if you use it wisely. For example, good** credit can provide you with better interest rates and huge savings on purchases.

Make it a financial priority to improve your credit score by always paying on time and making monthly contributions. In addition, aim for a credit utilization of a maximum of 30% to build a credit history without burdening you with huge liabilities to fulfill.

Lesson 3: Investments help build wealth and secure your retirement

Have you ever heard about compound interest? Albert Einstein called it the eighth wonder of the world! It's when your money makes more money using reinvested interest. Set this process on repeat until your wealth grows exponentially.

You can start by opening up a retirement fund and investing 20% of your income every month. Ideally, it would be best to multiply your expenses by 25 to determine the amount you'll need once you stop working.

Make sure never to withdraw more than 4% per year, and they should suffice. **Commit to automated contributions and diversify your portfolio with both stocks and bonds.** After all your expenses are paid for, consider investing in wealth. You can start small at first.

Figure out what type of investor you are: *active* or *passive*. If you're willing to take more risks, consider picking some of the stocks yourself. If you're risk-averse, look up Exchange-Traded Funds (ETFs) and invest in them for small but steady returns.

Get Good With Money Review

Get Good With Money is your go-to guide for achieving financial wholeness. Aliche's insights on saving, investing, and earning more are invaluable for any reader willing to apply this knowledge.

Her advice is easy to follow and can help any financially struggling person turn their life around. I personally recommend this book to everyone willing to improve themselves and become financially literate.

If you want to build a sound future, change your spending habits and prepare for retirement, this book is great for you.

Who would I recommend the Get Good With Money summary to?

People who struggle financially and want to change their spending habits, earners looking to find additional sources of income, and anyone looking to cut off debt, create a budget, and achieve financial stability.