MONEY MADE SIMPLE with NISCHA

www.nischa.me

THROUGH SPENDING 9 YEARS WORKING IN THE FINANCIAL INDUSTRY I REALISED THAT

01

The 'experts' love making it sound more complicated than it is, so you feel that you have to pay thousands for their advice

02

Money goals will provide direction and give you motivation, but it is a well-designed system that will always win

03

Most of us are missing the big wins and are leaving money on the table without even realising

04

When it comes to investing, you don't need to try to beat the market, you need to focus on what wins time and time again

05

Defining your lifestyle is the most important thing you can do to live a fulfilled life where you are in control of your money, not your money in control of you

What the other Money Experts don’t tell you

THEY MAKE IT WAY SOUND MORE COMPLICATED THAN IT NEEDS TO BE.

The so-called, financial experts, love making everything ‘personal finance’ related seem overly complex. With a load of jargon, there is no wonder so many people pay thousands to others to handle their money for them. It’s either that or listening to the countless advice on which cash-back sites to use.

FOCUS ON SETTING SYSTEMS

How often have you said you are going to commit to saving a portion of your next paycheck? Then that day comes and you either forgot you said it, or you convince yourself that it’s not important enough and you will spend on something else that you didn’t need. Focusing on
The surefire way to stay on top of your finances is to set up systems that will make your money work hard without you having to keep up.

WORK SMARTER INSTEAD OF HARDER

Define your lifestyle, focus on the big wins and cut on the things you don't need. With the things you DO need and want, I'll show you how to make sure you're not leaving any money on the table and you're getting the most value for what you pay for.

PAY OFF YOUR DEBT & BUILD YOUR CREDIT

Why does building your credit score have to feel so daunting? I'll show you why you need a good credit score as well as the optimal way to pay off your debt.

INVEST AND MAKE MORE MONEY

If you want to build true wealth you need to think of both sides of the equation. Both how you can save more money but also how you can make more money because the saving money side has a cap, whereas the making money side is infinite and whilst there are 101 ways to make money through side hustles, the single most effective way to get rich is through investing in diversified portfolios. I will share the right retirement accounts that beat the 'experts' in the long term?

01

MONEY MISTAKES YOU WANT TO AVOID

Mistake #1

Paying thousands for good personal finance advice

Most of us don’t need to know how to set up complicated tax structures in the cayman islands and don’t want to take a gamble on that stock that is “guaranteed” (no such thing) to give us a 5x return on our investment.

IF YOU STRIP EVERYTHING AWAY, THE REAL, CORE BASICS OF PERSONAL FINANCE IS ABOUT:

“Increasing the gap between your expenses and income as much as possible and then investing and diversifying the difference, whilst having enough left over to enjoy your life”

The financial advisors that make it sound more complicated than that are after your money, and everything that you need to know about those three rules can be explained in simple, actionable terms.

01 MONEY MISTAKES YOU WANT TO AVOID

Mistake #2

Burying your head in the sand

How will you get where you want to be financially if you don't know where you are right now and where your money is going?

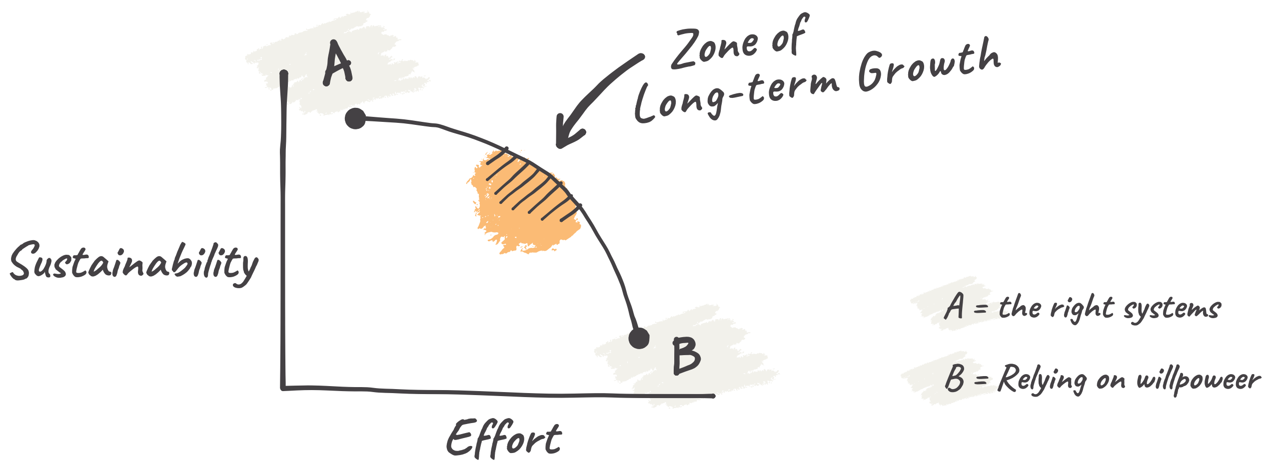
LET'S BE REALISTIC, RELYING ON AN OVERLY-COMPLICATED TRACKER AND YOUR WILLPOWER TO SAVE MONEY IS ONLY GOING TO MAKE THINGS WORSE THAT'S WHY YOU NEED TO:

01 - KEEP IT SIMPLE

Use a personal finance tracker that will give you a snapshot of everything, all your incoming and outgoing expenses so that you're not missing anything (I have one available for free if you prefer to use the same one: *LINK HERE*).

02 - FOCUS ON SYSTEMS

Set up the systems that let you live your life now, and get to your financial goals WHILST still being able to save in the background.



01 MONEY MISTAKES YOU WANT TO AVOID

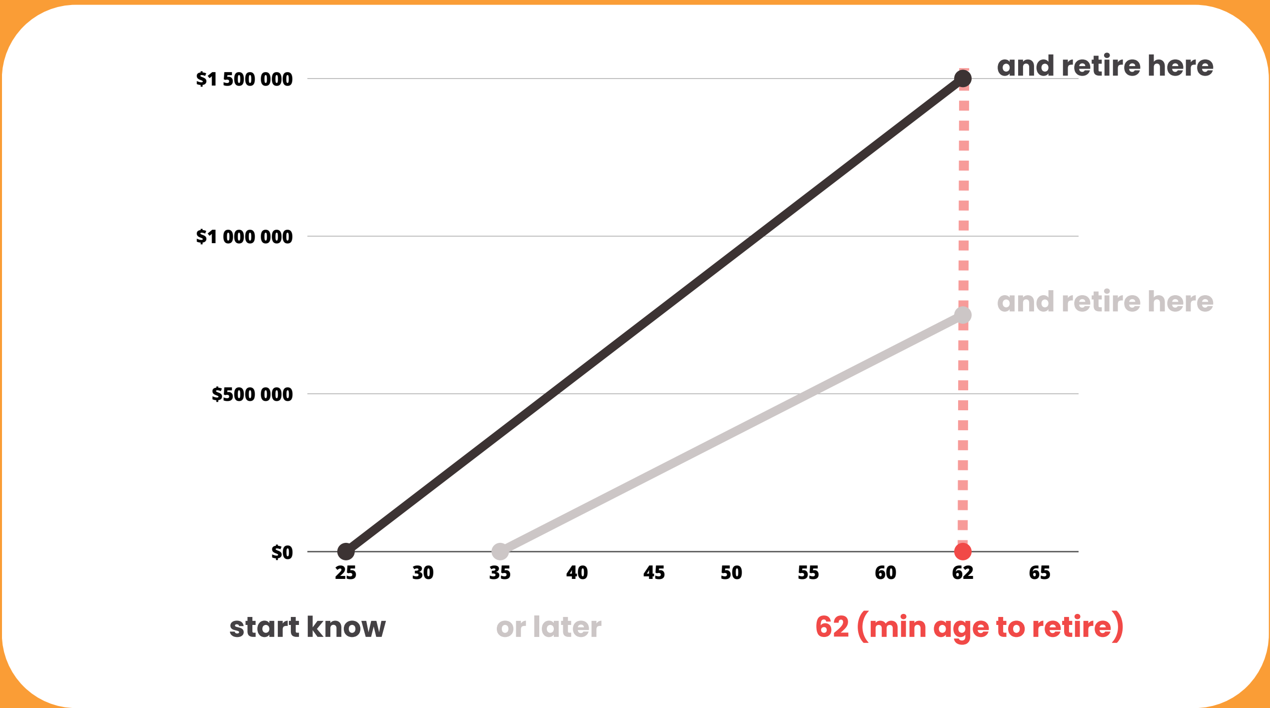
Mistake #3

Thinking you can save yourself to wealth.

There is plenty of advice telling you about things you should cut back on, and yes – reducing your expenses is part of the equation, but for every year that you are focusing on just saving, you are losing a year on investing – and that is going to cost you a LOT more. People forget the easiest way to get rich. Compound interest.

COMPOUND INTEREST

A RIDICULOUSLY EASY WAY TO GET RICH



01 MONEY MISTAKES YOU WANT TO AVOID

Mistake #3

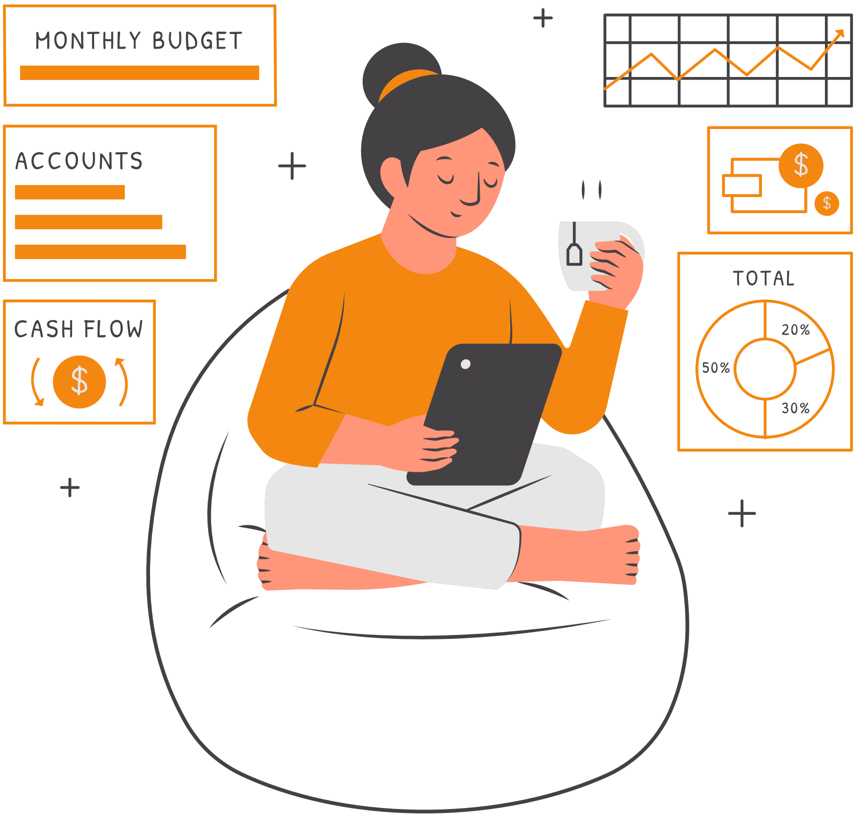
Thinking you can save yourself to wealth.

Look at the chart carefully.

	Sharp Sara	Careless Carl
How old when they start investing	25 years old	35 years old
Each invested $100/month for...	10 years	30 years
With an 8% rate of return, at age 65 their accounts are worth...	**$200,061** voilá - the value of staring early	**$149,036** even though he invested 3x as long, he's still behind

Let me explain...

Sara invests less than Carl but ends up with about $50,000 more. She invests $100/month from age 25 and never touches her money again. Carl on the other hand WAITS to do anything with his money. He doesn't start investing until he's 35. Then he invests the same $100/month every year until he's 65. So whilst Sara only invested her money for 10 years and Carl invested for 30, by the age of 65 she is $50,000 ahead. Let that sink in. Every day you wait is costing you money.



02

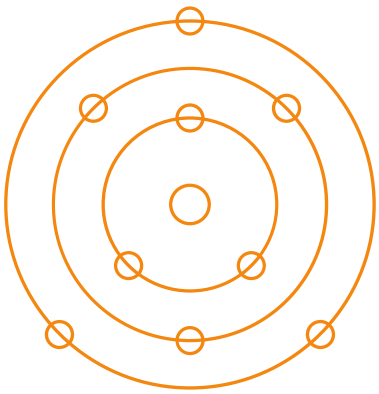
SETTING UP THE SYSTEMS

02 SETTING UP THE SYSTEMS

As James Clear said in his book the Atomic Habits,

“ YOU DO NOT RISE TO THE LEVEL OF YOUR GOALS. YOU FALL TO THE LEVEL OF YOUR SYSTEMS. ”

This cannot be truer when it comes to your finances, you want the process of your money machine working for you so that you have to do as less work as possible in the process and this is one of the best things you can do for your finances.



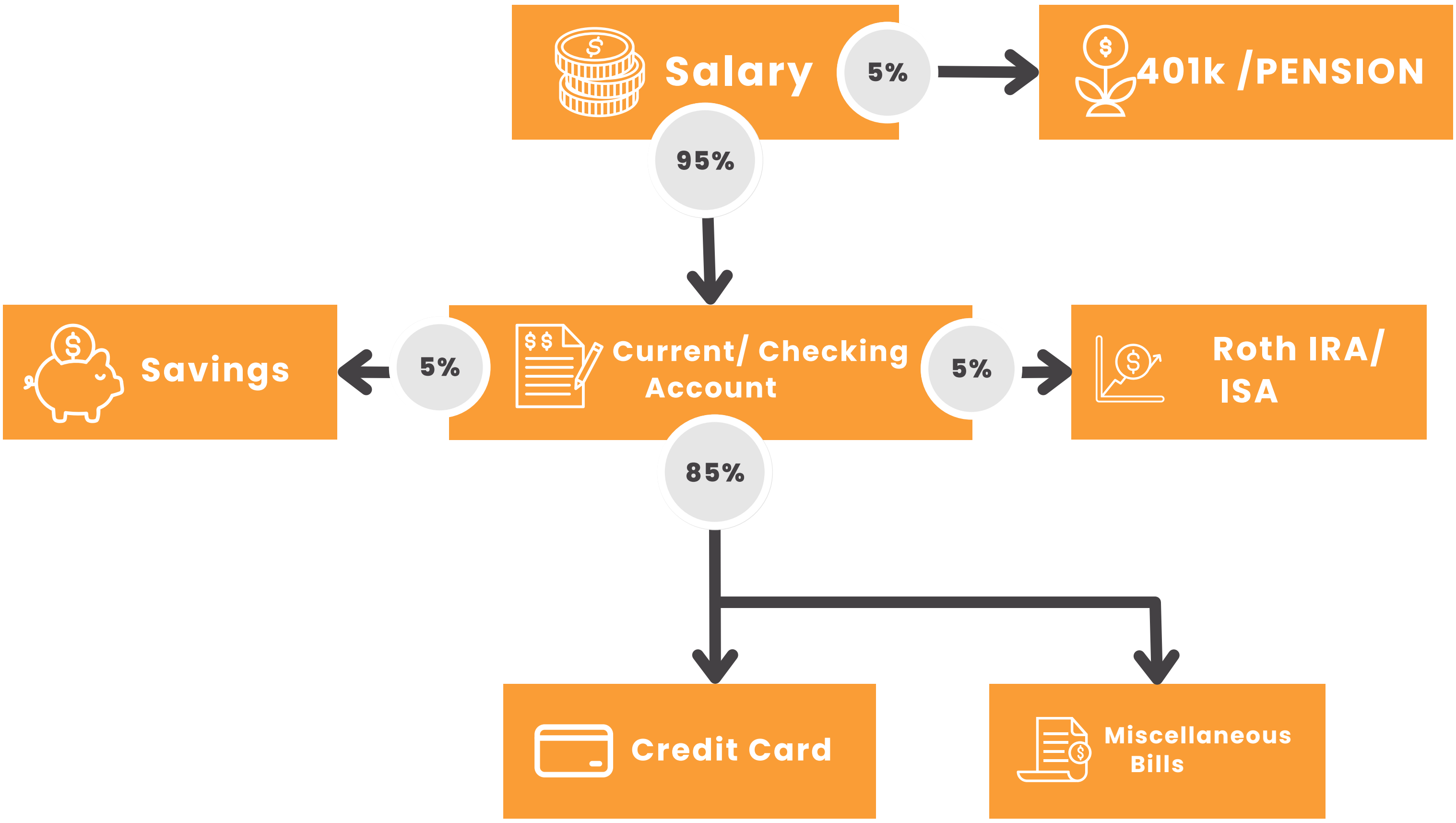
Once you’ve mastered this, you will give yourself so much bandwidth, mental-capacity, let alone additional money to start investing.

02 SETTING UP THE SYSTEMS

HOW TO SET UP YOUR SYSTEMS SO THAT YOUR MONEY IS GOING WHERE YOU NEED IT TO ON PAYDAY:

AUTOMATION

Let's see how.



02 SETTING UP THE SYSTEMS

Why this is Helpful?

Because it removes any excuse you have in saving, it encompasses the pay yourself first rule.

When you pay yourself first and treat paying yourself as you would paying any other bill, you're mentally establishing saving as a priority.

PAYING YOURSELF FIRST ENCOURAGES SOUND FINANCIAL HABITS.

Most people spend their money in the following order: bills, fun, and saving. Unsurprisingly, there's usually little left over to put in the bank. But if you ***bump saving & investing to the front*** — saving, bills, fun — you're able to set the money aside before it slips through your fingers.

02 SETTING UP THE SYSTEMS

SPENDING RECOMMENDATION

50 / 30 / 20 Rule

50%-60%

FIXED COSTS

things like rent, utilities, and repaying debt should make up 50% of your after-tax income

20%-30%

INVESTMENTS

things like your Roth IRA/ Pension and 401k/ISA should be about 10% of your after-tax income and another 10% should go towards your savings, big or small – downpayment for a house, vacation or gifts.

5%-20%

WHAT MAKES YOUR HEART SING

Things like dining out, drinking, and other luxury spending should make up 30% of your after-tax income.

02 SETTING UP THE SYSTEMS

SPENDING RECOMMENDATION

If you look through your finance tracker and have a clear idea of where your money is going, you will be able to further categorise your spending habits and subtract them from your take-home pay.

But, here's the thing – the 20-30% is only after you've built up an emergency fund. Life will throw at you plenty of unexpected, unpredictable surprises. Be planned.

The recommended amount for this to start with is $1000 (or equivalent).

Do this before you start saving for anything else, after that you want to simultaneously put in money every month that contributes to your emergency fund as it does with your other savings and investments account until you have at least 3-6 months of an immortality buffer behind you. You will be surprised at the amount of mental peace and clarity this gives you. Doing this will help you keep your systems in place and flowing without having to dip into any of the other accounts.

03

WORK SMARTER NOT HARDER

03 WORK SMARTER NOT HARDER

We've set the money systems up, we know where our money is going automatically and we have 'justified' spending every month.

Now let's talk about ***how we can get a little more cash going into each of these accounts***, and one of the easiest and quickest ways to do that is by tightening the belt on the money that is already going out and seeing how you can get more for less.

ONE OF THE REASONS IT IS SO IMPORTANT TO DEFINE YOUR LIFESTYLE AS WE DID EARLIER IS TO KEEP SPENDING ON WHAT MAKES YOU HAPPY AND RUTHLESSLY NEGOTIATE OR CUT OUT ON EVERYTHING ELSE.

03 WORK SMARTER NOT HARDER

When going through your fixed bills ask yourself these three questions:

1º **Do I need it?**

2º **Can I live with less of it?**

3º **Can I get it for cheaper?**

Unless you're already on top of managing your money, then number 1 above is likely to apply for a large portion of your bills including Credit card and bank fees, car insurance, and mobile phone bill. You can most likely get it for less. So how do you go about it? Let's use lowering your phone bill as an example (which can be applied to virtually any subscription you're paying).

So how do you go about "GETTING IT FOR LESS?"?

Let's use lowering your phone bill as an example (which can be applied to virtually any subscription you're paying).

03 WORK SMARTER NOT HARDER

1º Step 1

Compare other providers that offer the same usage as you. For example, I am on Vodafone so I will look at Three (3), EE and 02. If you're in the US and you're using Verizon, you may want to look at Sprint and AT&T. Do the same for wherever you're located go to their websites and write down how much your plan costs with them, or what else they are offering (include how many minutes you get and any other benefits).

2º Step 2

Can you get it for cheaper? Call your phone company

3º Step 3 - give them a call

Start with all the niceties, talk about the weather as we usually do. Don't start aggressively because a) there is no need and b) they have the upper hand and they can choose whether or not they want to give you the discount so start on the right foot! Lets talk about the word for word script you can use (next page)

03 WORK SMARTER NOT HARDER

3º Script

For example:

<u>You:</u> Hi, I've been a customer with you for a while now and looking at my plan it is getting out of my budget, is there another plan you can offer that could cut the costs and help me save money?

<u>Provider:</u> The plan you are on is one of the best ones available and it is the best price we can offer. You are still within your contract period though and so if you do decide to change you will have to pay an early cancellation fee.

<u>You:</u> The cost I will be saving from switching contracts will be more than the amount I will be paying for the cancellation fee. Plus I had a look at x's website and they are offering this plan for significantly less (remember don't lie here – it's the internet age, and everyone has access to the same information!)

<u>Provider:</u> There's nothing we can do, sorry.

<u>You:</u> OK, can you put me through to the cancellation departments

(When they hear you say this they will almost certainly put you through to the customer retention department first – the group that has all the free deals and discounts up their sleeve). Note, sometimes they will just skip this and send you through to the cancellation department, in which case you can see if they put you through to customer retention, or you can hang up and try again and directly ask to be put through to customer retention.

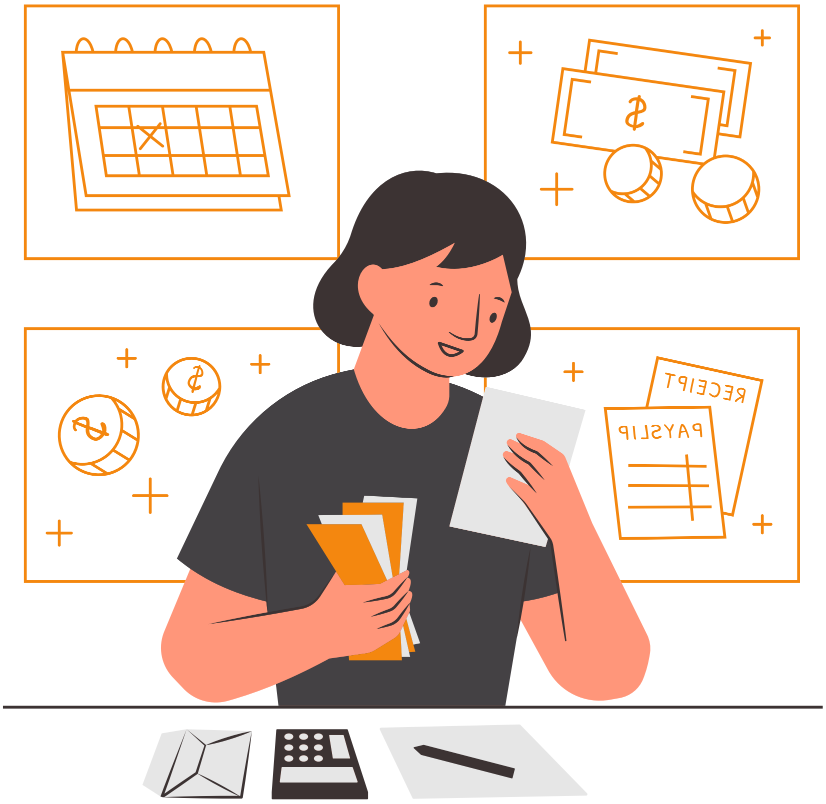
Through to customer retention: Time to pull out the competitive plan again.

<u>You:</u> Hi, I would love to stay with you, but provider B is offering something for X amount less, so unless there are any other plans you have it will make more sense for me to switch over

REMEMBER!

if you've been with them for years make sure you say that as it helps if you're a valued customer who's stuck around.

You can use this script and technique for any subscription you have. Remember, it costs the company a lot more to lose you as a customer than it does to lose the small amount of money you are saving so they are going to be doing what they can to keep you and will be willing to negotiate. ***Most people don't bother doing this,*** and they are leaving so much money on the table.



04

PAY OFF YOUR DEBT & BUILD YOUR CREDIT

04 PAY OFF YOUR DEBT & BUILD YOUR CREDIT

Why does building your credit score have to feel so daunting?

I'll show you why you need a good credit score as well as the optimal way to pay off your debt.

5 STEPS TO PAY OFF YOUR DEBT

1º Figure out how much debt you have

2º Decide what to pay off first

3º Negotiate a lower interest rate

4º Decide how you are going to repay your debt and where this money will come from

5º Begin

To show you how costly not paying down your debt can be, I wanted to give you a quick example of small, relatively inexpensive items that could be costing you thousands more because you haven't tackled your debt strategically.

04 PAY OFF YOUR DEBT & BUILD YOUR CREDIT

One of the biggest problems with credit cards is the hidden cost of using them. It may be incredibly convenient to swipe your card at every retailer, but if you don't pay your bill the same month, you'll end up owing way more than you realize.

Take, for instance, a computer screen. It looks like it costs $250, but if you buy it using a credit card with an average 14% APR and a 4% minimum payment, and then only pay the minimum each month, you'll be out almost 20 per cent more in total.

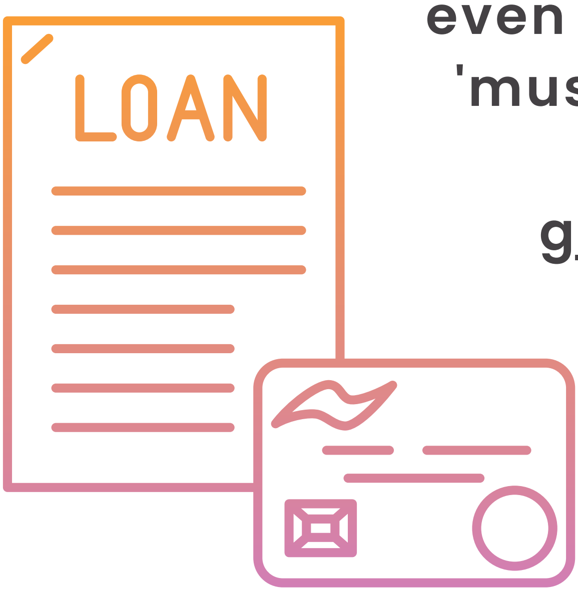
Lets say you buy this...	Paying minimum payments, it will take this long to pay off..	You'll pay this much in Interest...
Computer screen $250	2 years 6 months	**$47**
Laptop $1,500	7 years 9 months	**$562**
Furniture $10,000	13 years 3 months	**$4,062**

If you paid only the minimum monthly balance on your $10,000 purchase, it would take you more than 13 years and cost you more than $4,000 in interest alone. Furthermore, this doesn't even factor in the “opportunity cost” of instead of paying off a $10,000 sofa in 13 years, if you had invested the same amount, assuming an 8% return, it would've turned into about $27,000!

04 PAY OFF YOUR DEBT & BUILD YOUR CREDIT

THOSE WITH LOANS OR CREDIT CARDS *and* SAVINGS ARE SERIOUSLY OVERSPENDING BUT THE SOLUTION MAY BE **Simple.**

Many should just pay the debts off before they save. With credit cards you may even want to forget the old 'must have an emergency savings fund' logic as getting rid of debt may beat that too.



04 PAY OFF YOUR DEBT & BUILD YOUR CREDIT

$1,000 debt ON A CREDIT CARD AT 22% IN **costs $220** INTEREST OVER A YEAR.

$1,000 saved ON A CREDIT CARD AT 3% IN **earns $30** INTEREST OVER A YEAR.

So **pay off the debt with the savings** and you're ***$190 a year better off.*** Debts usually cost more than savings earn. Cancel them out and you're better off with two exceptions to the rule:

01 Penalty

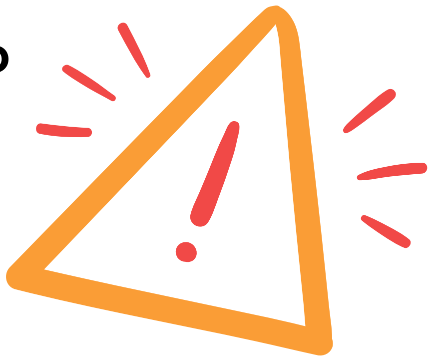
If you're locked into the debt, so that paying it off incurs a penalty, as with some loans or mortgages, then leave the cash sitting in a savings account until the penalty's small enough that it doesn't matter.

02 The interest-free /cheap debt

If the interest rate on your debt is less than the amount your savings earn after tax then, providing you're financially disciplined, you can profit from building up savings and keep the debts. In effect, you're being paid on money lent to you by the banks for nothing.

04 PAY OFF YOUR DEBT & BUILD YOUR CREDIT

Many people, however, *have much more debt than savings.* So even if you use all your cash to pay them off, you'll still have debts left. Therefore, it's important you prioritise using your savings to get rid of the most expensive debts.



Before you do this,

check to see if you can lower any of your debt's interest rates. (check out balance transfer cards: With a 0% balance transfer you get a new card to pay off debt on old credit and store cards, so you owe it instead, but at 0% interest. A card will have a 0% period, during which you pay no interest – for example, 28 months – and sometimes you'll pay a small fee. It means you become debt-free quicker, as more of your repayments reduce the debt, rather than pay interest)

ONCE YOUR DEBTS ARE AS CHEAP AS THEY CAN BE, LIST WHERE THEY ARE AND THE AMOUNT OF DEBT THAT YOU HAVE. THEN USE YOUR SAVINGS (OR SPARE CASH) TO PAY OFF THE MOST COSTLY DEBTS FIRST.

05

INVEST AND MAKE MORE MONEY

05 INVEST AND MAKE MORE MONEY

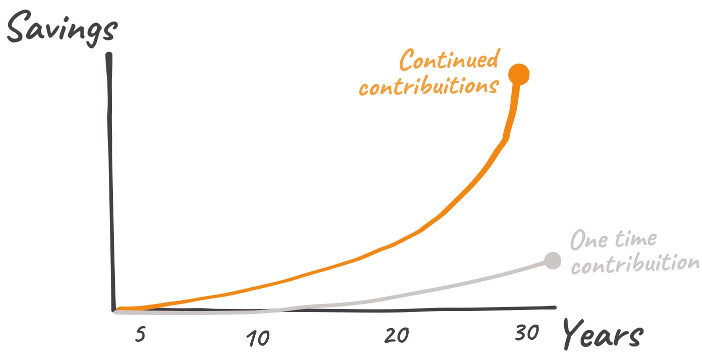
THREE PARTS TO A SUCCESSFUL INVESTOR:

01

Research

Do the initial research based on your risk appetite

Consistency is key.
Here's a quick illustration of the power of continually adding money to your investment account:



02

Be disciplined

When it comes to money, it's very easy to end up like most people – *just doing nothing*. What you want to do is ***open up a tax-advantageous brokerage account*** – you can google "best brokerage account “insert country you are in” and go for that.

I personally use Trading 212 (Europe) and Vanguard.

05 INVEST AND MAKE MORE MONEY

THREE PARTS TO A SUCCESSFUL INVESTOR:

the best time to plant a tree was 10 years ago, the second best time is now

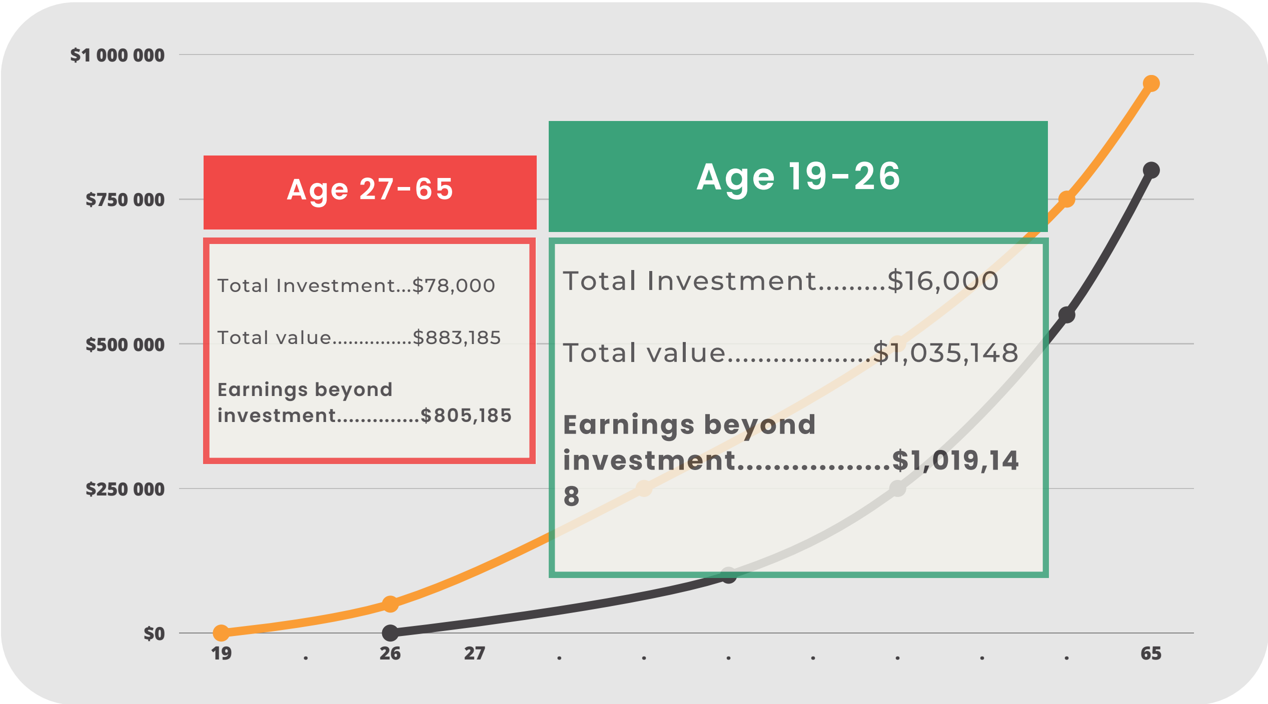
03

Start early

ONE OF THE MOST IMPORTANT THINGS YOU CAN DO.

Here's why

$ 2,000/year at 10% annual return



05 INVEST AND MAKE MORE MONEY

The chart above shows two different scenarios:

YOU START INVESTING AT 19 AND CONTRIBUTE $2,000 TO YOUR ACCOUNT EVERY YEAR UNTIL YOU REACH 27. FROM 27 TO 65, YOU CONTRIBUTE $0.

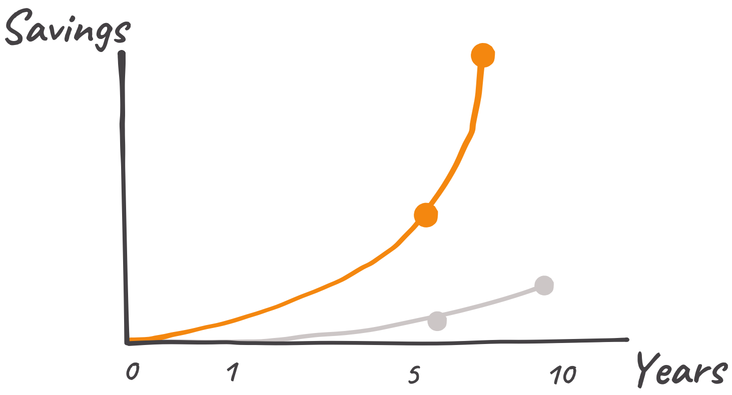
FROM 19 TO 26, YOU DON'T INVEST ANYTHING. YOU START INVESTING AT 27 AND CONTRIBUTE $2,000 TO YOUR ACCOUNT EVERY YEAR UNTIL YOU TURN 65.

In the first scenario, you're only saving and investing for eight years; in the second, you're saving and investing for 39 years. Still, the person who starts at age 19 would end up with more money in their portfolio in the long run.

Assuming a 10% rate of return, the first person would have $1.02 million by 65, while the second person would have $805,185, a difference of more than $200,000.

05 INVEST AND MAKE MORE MONEY

IF THAT DOESN'T ILLUSTRATE THE IMPORTANCE OF COMPOUNDING HAVE A LOOK AT THIS,



Where would you be if you started investing $10 per week 10 years ago, receiving an average market return of 8%.

By now, you'd have returned thousands of dollars – all from investing a little more than $1 per day. Think about that $10 a week – ***where did it go, anyway?***

If you're like most people, you probably don't even know where that money went – lunches, uberEats, anything and everything else? Even though there will be dips and troughs in the stock market, if you zoom out and **look at it from a long-term perspective**, the best thing you can do is start investing early.

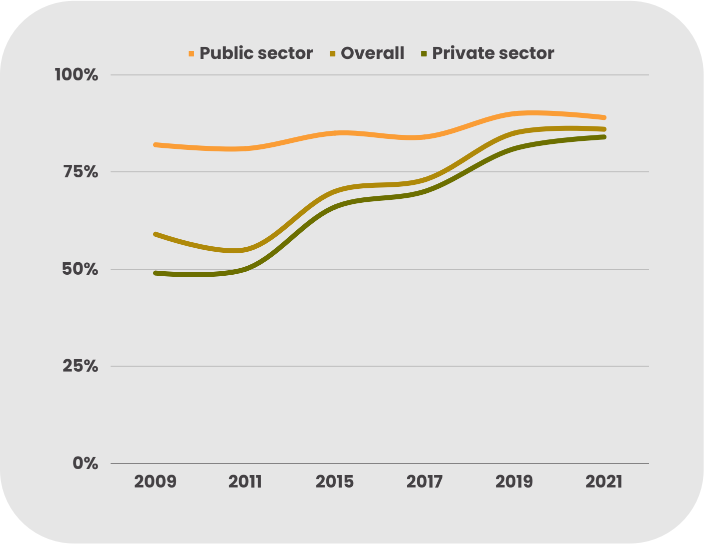
It's not hard to become rich.

It's not hard to become rich. But it takes work and consistent saving, so it's far easier for a lot of people to put it off for someday in the future. Unfortunately, every extra year you wait to start investing makes it dramatically harder to make the same amount of money.

05 INVEST AND MAKE MORE MONEY

AND ANOTHER IS THE CONTRIBUTION TO YOUR WORKPLACE PENSION (401K IF YOU'RE IN THE US).

Whilst most people in the UK are automatically enrolled into the workplace pension, they either don't know that they have or they aren't maxing it out and are contributing the bare minimum. Key takeaway (even if you're not super young), by doing just those two things 1) Starting to invest and setting up your investment account and 2) Contributing to your workplace pension, you're positioning yourself to benefit from the magic of compounding and are ahead of the majority of people



SO WHICH STOCKS DO YOU BUY TO GET THIS 'FREE' MONEY?

You buy ALL of them.

There have been countless studies on this over the last 40 years and what they have all found is that the best way to make money in the stock market is to ***buy an "index fund".*** The same strategy was recommended by Nobel Laureates and billionaire investors, like Warren Buffett

05 INVEST AND MAKE MORE MONEY

What it is an INDEX FUND ?

An index fund is the best way to invest in the stock market. If you invest in one company you are putting all your eggs in one basket.

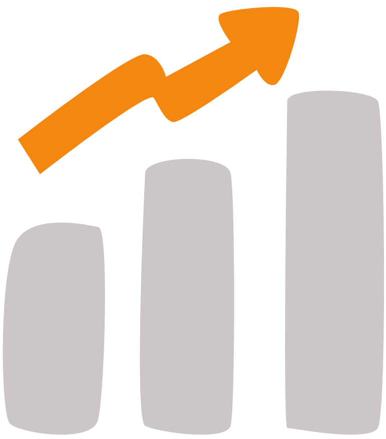
Now think of investing in an index fund as a basket full of baskets. Essentially, when you put, say £/$ 1,000 into an index fund, you're buying shares in lots of different companies.

The S&P500 is one example of an index fund. It covers the 500 biggest companies in the USA (Apple, Facebook, Amazon etc). So if you were to put $1,000 in the S&P500, you'd own a little bit of each of these 500 huge companies.

05 INVEST AND MAKE MORE MONEY

What it means?

It means you never have to worry about what company to buy stocks in, and your money isn't dependent on the performance and outcome of any one company. Instead, your money is spread out between these 500 companies and overall, because the stock market always goes up, you never lose money over the long term.



On top of that, if you are investing through a tax-advantageous account (i.e. through an ISA or a Roth IRA) your gains are tax-free.

One thing to note, you also want to be setting up a reoccurring payment into your account if you can (as we spoke about in the setting systems part of this guide).

WANT TO KNOW HOW TO EARN MORE MONEY AND START PUTTING EVEN MORE MONEY INTO ALL OF YOUR ACCOUNTS?

Sign up to my Money Simplified program reopening soon

Learn more HERE