

And Your Income Too



SMOOTH SAILING STEADY INCOME

TAX REFUND

BIRTHDAY MONEY

It's surprising how many people can't tell you how much they earn each month. That is the singularly most important number to know when you are on a mission to improve your financial life.

For many, this amount is one consistent number. But for others, the amount earned in any given month shifts a lot, or a little, based on hours worked, commissions earned, etc. For those that are self-employed, the shifting numbers can be dramatic and crazy-making.

For young people in college or just setting out in life, earning and income is rarely stable. Just at the point when you're trying to learn to be financially responsible for yourself, you have to learn while having a moving target of income with summer jobs and infusions of cash from student loans and grants.

One month your bank account can have a deposit of thousands, the next month no deposit at all, and your short term decisions have a huge impact on your long term cash flow. It's no wonder people in their early twenties so often end up feeling like they don't know how to manage their money and end up in debt to their family or credit card companies.

If you do have fluctuating monthly income from being self-employed, on commission or for any other reason, see Appendix XXX: **Taking Charge and Averaging Your Income**. Implementing this system is critical to your financial health. Getting off of the rollercoaster of income will make your path to a more peaceful financial life much easier to walk.

Being clear about the details of your financial situation will then help you strategize what the set of right decisions are to improve your financial life.

