

Take aways

- The S and P has averaged 11.6% over the last 100 years.
- This is a great thing (COMPOUNDING) but you need to have investments and be able to save to make it work.
- Ramsey says he has a PhD in DUMB and made some dumb mistakes like we all have but he pulled himself out using the methods in the book, which is now the most successful method in the country.
- Personal finance is 80% behavior and 20% math
- The USA has powered through at least a dozen recessions, rising and falling interest rates, inflation – stock market swings and wars and conflicts since ww@.
- HUBRIS is the enemy – I will be able to keep my job forever so I don't have to save I can retire when I want.
- When you control money rather than money controlling you and are debt free – even getting fired is good news! You get severance! Can start a business etc
- Daves faith in the government to screw things up is strong – and proven to be right!

1: The total Money Makeover Challenge:

- Without a PLAN – you will always be a SLAVE to the banker, to the government, to your BOSS, and the the “NEEDS” of your family!
- The quest for financial intelligence will lead you to an uncomfortable place – the mirror!
 - Take on the person in the mirror.
 - Ordinary people have done this!
 - Motto: IF YOU WILL LIVE LIKE NO ONE ELSE, YOU WILL LIVE LIKE NO ONE ELSE.
 - Your situation is NOT (Sometimes) your spouses fault, your parents fault or your children or friends fault. ITS YOUR FAULT!
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2: Denial: Im not THAT out of shape!:

- Wealth is how long you can live without money.
- Financial health and wealth are together – can you handle a crisis of 6 months etc?
- Change is painful –
- Financial Heart Attack – Financial health and eating habits –
- Einstein says “Great spirits have often encountered violent opposition from weak minds” – You cant be the joneses
- Credit card companies want you to feel OK when you are not. All the talk about using credit and getting all the credit you want wont help you when you lose your job or get sick/

3: Debt Myths: Debt is not a tool.

- Babies – I want it I want it and I want it now.
- Adults- can delay pleasure today for a greater result tomorrow.
- Debt is a means to obtain the I want before we can actually afford them.
- The credit card industry it lying to you – but – if you hear a lie long enough and loud enough, you will believe it.
 - There are people who want us to think a certain way and will go great lengths to accomplish that.
 - Ugly people aren't used to selling cars.
 - We must destroy the myths of debt that have been shoved down our throats
 - (REMEMBER – PUBLIC SCHOOL DOESN'T TEACH US ANY OF THIS)
 - MYTH
 - The MYTH is that debt is a tool and should be used to create prosperity.
 - The TRUTH is debt adds considerable risk, most often does not create prosperity, and is not used by wealthy people nearly enough as we are led to believe
 - Bars during COVID is a great example – no one EXPECTED it to happen so many DIED.
 - Academics – Debt is like a fulcrum and a lever. We should use debt to prosper – (OPM Other peoples money) –
 - Ramsey – Debt brings on enough risk to offset any advantages that can be gained through leverage.
 - Proverbs 22:7 The rich rule over the poor, and the borrower is a slave to the lender.
 - MYTH #2
 - The MYTH is that if I loan money to my friends or relatives, I am helping them.
 - The TRUTH is that if I loan money, the relationship will be strained or destroyed. One party will be the master and the other the servant.
 - The borrower is a slave to the lender – always – don't lend money to family members – OK to GIVE them the money.
 - You'll DESTROY relationships!
 - MYTH#3
 - MYTH: By cosigning a loan, I am helping a friend or relative
 - TRUTH: Be ready to repay the loan, the bank wants a cosigner for a REASON which is why they don't expect the friend or relative to pay.
 - WHY would an industry that's FOAMING AT THE MOUTH to lend money NOT lend it to the friend/relative??
 - YOU KNOW MORE??
 - We enter this situation only on emotion.
 - Proverbs 17:18 "It is stupid to guarantee someone else's loan"
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- MYTH#4
 - MYTH: Cash advance loans, payday loans, rent-to-own, title pawning and tote-the-note car lots.
 - TRUTH: This rip-off examples of predatory lending are designed to take advantage of lower income people and benefit only the owners of the companies making the loans.
 - The SCUM of the SCUM
- Any time you want something in a hurry and need to borrow for it watch out.
- MYTH#5:
 - MYTH: 90 days same as cash equals using other peoples money for free.
 - TRUTH: Ninety days is not the same as cash.
 - If you DON'T pay it on time you will be BACKCHARGED 24 to 36% interest.
 - If you play with snakes you will get bitten! They may have charged you a little more – then you are screwed! Like the sales people add a charge to you for extended warranty.
- MYTH#6:
 - MYTH: Car payments are a way of life and you will always have one.
 - TRUTH: Staying away from car payments by driving reliable used cars is what millionaires do, and that's HOW they became millionaires.
 - At least until you are in phase 7 (wait as long as possible)
- MYTH#7:
 - MYTH: Leasing a car is what sophisticated people do, you should lease things that go down in value and take the tax advantage.
 - TRUTH: Consumer advocates, noted experts and a good calculator will confirm that a car lease is the MOST expensive way to operate a vehicle
 - Lease is a fleece.
 - Exception (some times) discounts
 - Average lease is \$735 a month – foe what?
 - Leases – mark ups are hidden in the paperwork!
 - Mileage limitations
 - IF you own a business you can take mileage or straight line depreciations on owned cars.
- MYTH #8:
 - MYTH: You can get a good deal on a car at 0%
 - TRUTH: A new car loses 60% of its value in the first 5 years, that's NOT 0%.
 - Buy one that has ALREADY depreciated.
 - FIND A GOOD MECHANIC
 - Save the money for a car rather than leasing and buying extended warranties – it's a pain but it saves money!
 - Or drive it to the ground. (10 plus years)
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- MYTH #9:
 - MYTH: You should get a credit card to build your credit
 - TRUTH: You won't use credit with your Total Money Makeover, except for a mortgage, and you don't need a credit card for that.
 - Mortgage companies will do a no credit score mortgage.
 - Criteria:
 - Pay landlord early or on time for 2 years.
 - Uninterrupted payments on everything
 - Same career field for 2 years.
 - Good down payment.
 - No other credit.
 - <25% of take home pay for payment.
- MYTH #10:
 - MYTH: You need a credit card to check into hotel, buy online, rent a car.
 - TRUTH: A debit card will do the same.
 - (BUT the debit card won't let you go into debt!)
- MYTH #11:
 - MYTH: The debit card has more risk than a credit card.
 - TRUTH: Nope.
 - To get the full protection, run your card as a credit card transaction. NOT using a pin#.
- MYTH #12:
 - MYTH: When you pay your debt off every month, you get the free use of someone else's money.
 - TRUTH: Ramsey Solutions Research indicates that:
 - 61% of people don't pay off their credit cards every month.
 - 92% of miles never get redeemed (I still have Hawaii miles!)
 - People spend 50 to 100% more when using credit cards instead of cash:
 - Using credit cards activates reward centers.
 - Paying cash activates pain centers!
- MYTH #13:
 - MYTH: Make sure your teenager gets a credit card so they will learn to be responsible with money.
 - TRUTH: Getting a credit card for your teen is an excellent way to teach them how to be financially irresponsible. That's why teens are now the #1 target of credit card companies.
 - College seniors have credit card and of course student loan debt before they have a job!
 - "Accomplishments" not in any way associated with adulthood:
 - Credit Card
 - Cell Phone
 - Driver's license.
 - For the kiddies – Financial Peace Junior!

- MYTH #14:
 - MYTH: Debt consolidation saves interest and you have one smaller payment.
 - TRUTH: Debt consolidation is dangerous because you are only treating the symptom.
 - Debt CONSolidation 😊; 78% of peoples debt GROW after consolidation.
- MYTH #15:
 - MYTH: Borrowing more on my homes value is wise, because ill restructure my debt.
 - TRUTH: You are stuck in the house, which is DUMB.
 - Second mortgages are DUMB because you have double the risk if you lose your job (HUBRIS is you think you won't)
 - Makes it very complicated to sell as you don't own your house anymore sometimes, be very careful.
- MYTH #16:
 - MYTH: If no one used debt, the economy would suffer
 - TRUTH: Nope.
 - People would not be as impacted by crisis, and the savings would be invested to help grow the country.
 - Stability Savings would drive spending.
 - See asset pictures in the RICH DAD POOR DAD book.

4: Money myths- the (NON) Secrets of the rich.

- Risk – (Management (rich) or Denial (not so rich)):
 - Risk denial is a kind of laziness PERHAPS when we don't have the energy to realize that energy is needed to win.
 - False security in a job that REALLY does not have security (work 25 years as a top performer and get let go when new CEO pops in)
- QUICK/EASY money:
 - Living right financially is not complicated. It may be DIFFICULT but its not complicated.
- MYTHS:
 - MYTH #17:
 - MYTH: Everything will be fine when I retire, I know I am not saving yet, but it will be OK>
 - TRUTH: The cavalry isn't coming.
 - The government won't take care of you in your golden years. That's your JOB! Your house is on fire! You must invest in your future! You wont be fine! You will be eating ALPO!
 - I don't want to work in McDonalds when I retire – unless it's the one I own on St Thomas
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- MYTH #18:
 - MYTH: Gold is a good investment and will cover me when the economy collapses.
 - TRUTH: Gold has a poor track record and is not used when an economy collapse....
 - Used as a tool for risk deniers (BUT I THINK ITS USEFUL)
 - GOLD up 7.8% per year, STOCKS 12% (Over time GOLD up 2% a year)
 - When governments economy collapses its usually what is REALLY needed that is bartered:
 - Skill, Blue Jeans, Tank of Gas
 - Gold only minor.
- MYTH #19:
 - MYTH: I can get rich quickly and easily if I join these groups, go to a seminar and work 3 hours a week.
 - TRUTH: No one develops a six figure income on 3 hours a week!
 - Stuffing envelopes? (Machines do it!)
 - Medical billing? Usually someone from the medical industry not one who takes the course.
 - Real Estate: It works but then you own so much there is no CASH FLOW to make it win:
 - Be highly skilled.
 - Work 60 hours a week.
 - OWN the buildings!
 - Players with cash are the ones who win! (Monopoly)
 - Stocks: MEGA NERDS who study, track, chart eat and breathe the stock market!
 - The “bardstown ladies quilting group” was a fraud!
 - Dogs of the dow didn’t work
 - The moment you find out secret information doesn’t work – the better:
 - Me OSCAR deal GM deal Internet deal
- MYTH #20:
 - MYTH: CASH VALUE life insurance (Whole life) will help me retire wealthy.
 - FACT: Cash value life insurance is one of the WORST financial product available.
 - >60% of life insurance are WHOLE LIFE
 - WHOLE LIFE INVESTMENT USUALLY 90% of the PREMIUM.
 - Earns 2 to 4.5% IF YOU FOLLOW THE RULES
 - Surrender fees.

- A great product for and Agent to SELL (They get 1 year premium for selling)
 - Better to do TERM LIFE:
 - 10% Premium
 - INVEST the 90% in other things.
 - BUT (I know a woman who got WHOLE LIFE to HIDE the investment from her HUB (Ghetto))
- MYTH #21:
 - MYTH: Mobile homes, or trailers, will allow me to OWN something instead of RENTING, and that will help me become wealthy.
 - TRUTH: Trailers go down in value RAPIDLY – making your chances for wealth building LESS than if you rented.
 - Its like a financial used car: If you buy for 150K, in 5 years you will owe \$132K for a trailer worth \$100K
 - IF a mobile home is a TITLED PROPERTY attached to the land MAYBE!
 - But THIS IS NOT A SHORTCUT to a house.
 - MAYBE – Buy a cheap depreciated trailer on your own land (CHEAP) and build the house later.
- MYTH #22:
 - MYTH: Prepaying for the mineral or kids' college expenses is a good way to invest and protect myself against inflation.
 - TRUTH: Mutual funds and tax free savings for college expenses works better (>inflation rate, more flexibility)
- MYTH #23:
 - MYTH: I don't have time to work on a budget, retirement plan, or estate plan.
 - TRUTH: You don't have time NOT to.
 - We put the urgent before the important:
 - Health and Wealth.
 - Then we are screwed when they are gone.
 - A budget is telling people where to go rather than people wondering where it went.
 - Your LIFE may not depend on it but your QUALITY of life will.
- MYTH #24:
 - MYTH: Debt MANAGEMENT (*not consolidation*) companies, like consumer credit counseling, will save me.
 - TRUTH: You may get out of debt, but only with your credit trashed.
 - You may save money, but if you ever need a loan, the fact you are using them will trash your credit and you will not be able to get a loan or will have to get one at a high price.
 - AmeriDebt defrauded customers out of billions. Hidden fees and Deceprive practices.
 - Truly loan sharks.
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- MYTH #25:
 - MYTH: I can buy a kit to clean up my credit, and all the past misdeeds will be washed away.
 - TRUTH: Only inaccuracies can be cleaned up, so this is a scam.
 - Bad credit will remain for 7 years.
 - Bankruptcy will remain 10 years.
 - Using the total money makeover, your credit will clean itself.
- MYTH #26:
 - MYTH: My divorce decree says my spouse will pay the debt, so I don't have to.
 - TRUTH: Divorce decrees do not have the POWER to take your name off credit cards and mortgages, so if your spouse does not pay, be ready to. YOU STILL OWE THE DEBT.
 - If you are going to leave a marriage – make sure all the debts are refinanced out of your name or force the sale of the item. MYTH
- ITS OK TO ENJOY MONEY
- ITS NOT OK TO SPEND MONEY YOU DO NOT HAVE
- MYTH #27:
 - MYTH: That collector was so helpful, he really likes me.
 - TRUTH: Collectors are not your friends.
 - You can tell a credit card collector is lying. If his lips are moving, he is lying.
 - Get the settlement IN WRITING before you agree or pay.
 - NEVER give them access to checks etc.
- MYTH #28:
 - MYTH: I will just file bankruptcy and start over; it seems so easy
 - TRUTH: Bankruptcy is gut wrenching – life changing even that causes life long damage.
 - The top 5 life altering negative events you can go through are: Divorce, Serious Illness, Disability, Loss of a loved one, BANKRUPTCY
 - Chapter 7 – TOTAL Bankruptcy – 10 years on credit report.
 - Chapter 13 Bankruptcy – is more like a payment plan. It stays on your credit report for 7 years.
- MYTH #29:
 - MYTH: I don't carry cash because it is dangerous; I could get robbed.
 - TRUTH: You are being robbed every day by not using the power of cash.
 - Our culture – some one with cash is a drug dealer –
 - But cash is powerful – If you carry cash you spend less and get bargains by flashing cash.
 - USE THE ENVELOPE SYSTEM – When you are done YOU ARE DONE
 - Harder to spend cash – easier to invest it than credit cards.
 - CASH IS KING.
 - \$600 is a swipe or SIX BENJAMINS
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- MYTH #30:
 - MYTH: I cant afford insurance.
 - TRUTH: Some insurance you cant afford to be without.
 - But you may get screwed on premiums!
 - Auto and Home owners – choose higher deductibles
 - Life insurance – 20 year term = to 10 to 12 times you income.
 - Long term disability - through work when working – 50 to 70 pct.
 - Health insurance - a topic of its own
 - Long-term care -in some cases.
- MYTH #31:
 - MYTH: If I do a will, I might die.
 - TRUTH: You are going to die- get a will.
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- Adults- can delay pleasure today for a greater result tomorrow.
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- Wealth is how long you can live without money.
- Financial health and wealth are together – can you handle a crisis of 6 months etc?
- Change is painful –
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- Credit card companies want you to feel OK when you are not. All the talk about using credit and getting all the credit you want wont help you when you lose your job or get sick/
- The quest for financial intelligence will lead you to an uncomfortable place – the mirror!
 - Take on the person in the mirror.
 - Ordinary people have done this!
 - Motto: IF YOU WILL LIVE LIKE NO ONE ELSE, YOU WILL LIVE LIKE NO ONE ELSE.
 - Your situation is NOT (Sometimes) your spouses fault, your parents fault or your children or friends fault. ITS YOUR FAULT!

5: Two more hurdles.. ignorance and keeping up with the joneses.

- Three major obstacles (again):
 - Denial (I don't have a problem)
 - Debt myths (debt is how you become wealthy) and
 - Money myths (stories told by the culture)
- Two more enemies
 - Ignorance
 - The Joneses
- Hurdle 1 ignorance – no one is born financially smart
 - Not a lack of intelligence, a lack of know how.
 - We aren't dumb we are just not taught it.
 - We need to go on a lifelong quest to learn more about money.
 - We need to develop the skill
- Hurdle 2: keeping up with the Joneses
 - The joneses cant do math.
 - One of the dumb things we do is to destroy our finances by buying garbage we cant afford to make ourselves APPREAD wealthy to others.
 - You should care more about financial security than what other people think about you.
 - Peer pressure is strong but you do not want to be a financial fake --- We are scaling down lowers your admiration.
 - Timothy 6 "Godliness with contentment is great gain"
 - \$\$\$ God doesn't like us to have other Gods in our life.

6: Save \$1,000 – walk before you run.

- Why do the baby steps work?
 - The way you eat an Elephant (learn financial intelligence) is one bite at a time.
 - Just focus on the step at hand
 - The POWER OF FOCUS IS THAT IT WORKS.
 - You need to understand the process – the budget, the debt and the savings/cash flow BEFORE you save.
 - (Steve 😊) though I like free money! (401k match) as the ONLY exception – a good topic for individual chat
- Step 1 is important because we need to set up the DREADED B WORD (Budget)
 - You must set up a budget every month and update it
 - None of the thousands of winners Ramsey saw did it without a written budget.
 - You must cut back on WANTS.
 - PT Barnum – Money is an excellent slave and a horrible master.
 - Set up clear written goals
 - Set up a zero based budget
 - Zero based: (Income – expenses = 0). This makes sure you put EVERY DOLLAR to work FOR YOU! You don't work for them!!!
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- Agree on a budget with your spouse:
 - **This one sentence requires a stand alone book to describe how!**
 - If you are NOT working together, its almost impossible to win.
 - The paper is the boss of the money, and YOU are the boss of the paper, but you HAVE to stick to the budget, or its not a budget.
 - (Steve 😊) the budget may evolve over the first few months as you figure out WHERE the moneys going! (Undocumented is usually bad financial habits)
- You HAVE to be current with ALL your creditors first.
- If you are in a crisis – I can TRY to help – Im a ramsey certified financial coach.
- More spouse stuff:\
 - In every marriage – there is a nerd and a free spirit – the nerd has fun with numbers and feels like they are taking care of loved ones --- but the free spirit does not want to be controlled – the tend to “forget” about the budget. Review the plan and allow the free spirit to change the budget.
 - Remember – you are sick and tired of being sick and tired.
- Save \$1,000 CASH for your starter emergency fund:
 - 78% of us will have a major negative event in the next 10 years.
 - Downsizing, Pregnant, Sick –
 - It wont catch everything but it will help until the TRUE emergency fund in step 3 is funded.
 - Use CASH – not credit cards – for emergencies
 - Not emergency – XMAS!! It happens every year – PLAN FOR IT!
 - A well planned budget will eliminate the need for credit cards.
 - You need to break the cycle HERE:
 - Small car problems should be here! Not on a credit card.
 - You can more easily keep the momentum going by having the cash on hand.
 - Keep it hidden and safe don’t use for non emergencies.
 - This keeps little Murphy law issues from increasing your debt.
 - If all else fails – do something RADICAL:
 - Work OT or side gigs
 - You do NOT want to fall off a money cliff here,
 - Screw the joneses they are broke!!!
 - Sell crap you REALLY don’t need (this is a great one!)
 - If you have an issue that comes up in steps 1/2/3 revert – rebuild this emergency fund first.
 - Keep it in CASH.

7:

The debt snowball – lose weight fast, really!

- The bottom line is, its easy to get rich if you don't have any payments:
 - TYPICAL FAMILY
 - \$75,000 annual income
 - \$ 6,250 monthly income
 - \$ 1,970 house payment
 - \$ 560 car payment
 - \$ 250 student loan payment
 - \$ 275 for maintenance on \$11,000 credit card debt
 - \$ 120 for personal loans etc
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 - \$ 3,175 you are paying to creditors
 - In 13 years – if you invested that money, you would have \$1,000,000
 - A pinnacle experience.
 - There is a foolproof but very difficult method to get out of debt:
 - This step requires the most sacrifice, and is where all your broke friends will make fun of you. (or join you!)
 - It isn't complicated but its difficult
- Baby step 2: Pay off all the debt (Except the house) using the debt snowball:
 - Pay off debts from smallest to largest:
 - May have to sell things that you think are assets that are liabilities (Like rental properties)
 - <Separate checking accounts....>??
 - You are making the minimum payments – but you have to start SOMEWHERE
 - Sell something, side job – SOMETHING to pay off that smallest debt
 - Then--- use those moneys to help pay the next smallest
 - Continue
 - If you have an emergency dip into the \$1,000 and stop the snowball till the emergency abates, then rebuild the \$1,000 and carry on.
 - Each debt payoff helps move the snowball.
 - Second mortgages go into this snowball too, the primary does not.
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 - Pay off smallest debt first – then snowball, next smallest -
 - The way you eat an Elephant (learn financial intelligence

8: Finish the Emergency fund --- kick Murphy out!

- **Save three to six months of expenses in a fully funded emergency fund.**
- The BS 1 emergency fund is at \$1,000; the fully funded emergency fund will usually range from \$10,000 to \$25,000
- What would it feel like to have no payments but the house, and \$10,000 in savings for when it rains?
- 78% of us will suffer a major unexpected event in the next 10 years.
- Half of our culture has no buffer between them and life but you will.
- Emergencies:
 - Paying the deductible on medical, homeowners or car insurance after an accident.
 - Medical bills
 - Repairs on a needed vehicle
- NOT emergencies:
 - Fixing the boat (unless you live on it)
 - I want to start a business
 - You can use sinking funds in the budget for this.
- The emergency fund must be in liquid assets, so it is easy to get to.
- This is not wealth building – it's a defense against Murphy's Law. But it enables wealth building.
- Six months – straight commission, self employed, one income married, medical issues – if one job is a 100% loss in family income.
- Three months – 2 incomes and stable jobs.
- BS 2 use all non retirement saving to pay down the debt.
- Replace the money use used to pay the debt here.
- **To do any of this, the WHOLE family should be doing the total money make over.**
- If one partner isn't in agreement, it will not work. If someone wants to keep their stupid truck 😊 and its payments instead of buying a cheaper vehicle it will take much longer.
- People have a security gland – this will make it feel better.
- An emergency fund turns crisis into inconveniences:
 - \$550 car damage after insurance with no money and credit card debt vs \$550 with this fund?
- Research shows that BS2 takes 12 to 18 months but this step should take much less time as you have your cash flow going (usually several months)
- IF you get a severance check – put this in the emergency fund until you are re employed (good news bad news)
- Large, out of budget emergencies come up and they should be part of this plan.
- Saving for a home is step 3 and a half. Save the emergency fund first.
 - Creative financing = too broke to buy a house.
- Now we are ready for SERIOUS Wealth building:
 - We have a budget, know our cash flow, have paid off all non house debts and have the emergency fund. YAY.

9: Maximizing Retirement Investing

- What do you do with the extra money now that you have the first 3 baby steps done?
 - Celebrate (a little 😊)
 - But this is not the time for a raise.
 - You have a game plan and you are winning!
 - You are 2 quarters into a 4 quarter game!
 - Time to invest!
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- Retirement means security
- Security means having choices
- The total money made over means investing with the goal of security.
- The average retiree at 65 only has \$280,000 saved (or if lucky 2000 a month)
- Baby step 4: invest 15% of your income into retirement:
 - Any excess will go into house and college.
 - But if less than 15% you won't make it,
 - Don't include company matches in the CALCULATION of this investment.
 - More people under 30 believe in flying saucers than that they will receive a dime from social security (thanks kids)
 - If you underinvest you will be reading the classic "72 ways to prepare alpo and love it"
- Invest in mutual funds (DR) index funds (Me they are better)
 - DR likes 25% growth, 25 growth and income, 25 international and 25 aggressive.
- What types of funds to invest in?
 - Take 15% of joint gross income.
 - Matching first
 - Roth second to the max
 - Company 401k third
 - Talk to me about company matching programs 😊
- What will it take to retire?
 - Ramsey thinks you can get 12% off of your holdings annually – 8% income and 4% growth
 - I disagree! I think 4 to 7 percent based on age and so does the industry. The market fluctuates.
- Remember that your savings will accelerate even more when the college and mortgage are paid off.
- No matter what the age – when you are done with your pity party – start the plan for any step so you can get going.
- Start where you are because you have to
- 27% of people over 60 work because they have to.
- Systematic and consistent investing is the tortoise that beats the hare (We were 2008 survivors (the first great lay off))
- You may not be defined by wealth – but your wealth affects your life to the positive.

10: College funding: Make sure the kids are fit too:

- Understand the purpose of the college fund before you fund it.
 - Success: 15% training and education; 85% diligence, attitude, perseverance and vision.
 - Many parents thing that a child should go into college with a fully funded college fund and/or they need to borrow student loans.
 - The myth of the college degree is bull crap.
 - It shows employers that you have self discipline to suffer 4 years 😊 to defer for a greater goal.
 - Does the degree equal a post college job?
 - Does the college matter? Junior college is the best, ask me 😊
 - There is no pedidegree in degree. Do you ask the CPA Lawyer or Doctor where they went to school???
 - NEVER NEVER get a student loan – NO NEED TO!
 - In a very few fields degree matters.
- Rules:
 - Pay cash
 - If you have the cash or scholarship, go.
 - Living off campus is very expensive – (? Why ?)
 - The student loans kids ‘have to have’ were not for college.
 - Student loans are a cancer:
 - Once you have them, you cant get rid of them!
 - The are like unwelcome relatives who come to stay for a few days and are in the guest room 10 years later.
 - Student loans have become normal with 66% of students getting them.
 - This Generation is “Generation Debt”
 - Back in the day:
 - Students lived with relatives and ate cafeteria food and worked and endured hardships to get their degree
 - 44% of students don’t save a dime for college.
 - Only 33% of families have ESA/529
 - Student loans are usually used for an off campus standard of living, and not the education (Im thinking of my grandma as I write this 😊)

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- Baby step 5 Saving for your children's college fund
 - Most states offer prepaid college tuition.
 - Or and ESA (Educational Savings Account) / Education IRA
 - If household income is <190k per year.
 - 529 plan:
 - Can be transferred to any state that supports it.
 - Can be "flexible" plans.
 - Be creative!:
 - Start work at a company that pays for tuition.
 - "The college experience === partying!"
 - If you want to go into debt to teach your kids to drink or for them to get a pedigree--- Total Money Makeover wont work.
 - Military
 - National Guard
 - A high paying summer sales job – selling
 - Working in underserved areas.
 - Do not get tangled up in the Public Service Loan forgiveness program though.
 - Scholarships – many scholarships go unclaimed every year.
 - So many rotary club, jaycees moose else yada –
 - Me- one for radio and tv, and in my 40s the Ameritech scholarship fund – in addition to full tuition reimbursement.
- 11. Pay off the mortgage and be ultra fit
 - So far – you have run the good race but you have not won.
 - 18 mile mark of the marathon.
 - You have a wealth plan now and are saving and are under control (top 10%) – but its tempting to say that's good enough. Its not!
 - Every dollar you can find extra after college and 401k should be placed here! In spite of interest rates yada yada.
 - Pay off the mortgage!
 - The tax advantage is not worth it mathematically (You have to file the long form)
 - \$10,000 in interest – even if you can write it off – is only \$2200 write off.
 - So you lose \$10,000 to get \$2,200.
 - Home equity lines re mortgaging etc.
 - If the interest rate is lower than the returns I can get – It is wise to invest.
 - You really don't make anything when the smoke clears.
 - 2008-2009 recession:
 - Many many people lost their jobs and the value of the homes went down and people had to short sell or repudiate their mortgages.
 - My credit rating is 825+ and my line of credit magically was cancelled (Homeowner line of credit)
 - But – 100% of the homes that were closed had a mortgage 😊

- TRY to make it a 15 year mortgage (You'll get done earlier but it will cost more per month)
 - I did not do this but paid my 30 year off in 21 years.
 - My parent paid theirs off in 11!11
 - We think if we go lower on the mortgage we will pay it off quicker but the 15 year plan works better because it forces payment
 - We want the systems to take over, not our own discipline (discipline is harder)
 - A 30 year mortgage at 7% for a \$500,000 house may save you \$1040 a month but results in \$346,000 more in payments AND ANOTHER 15 YEARS IN BONDAGE
 - If you have a 30 year mortgage, pay it off as if it was a 15 year.
 - Don't use an ARM or balloon mortgage – you may think its wise as you will be “moving in a few years anyway” but you'll be moving when they foreclose.
 - The myth is that a HELOC (Home Equity Line of Credit) is good to have INSTEAD of an emergency fund but again – emergencies are PRECISELY when you don't need debt.
 - It happened to me – I lost my line of credit when I needed it (I used it for an investment) they didn't tell me and I would have lost my job for passing a bad check!!
 - There is also the idea of saving for the house and paying cash for it. Some people do this.
 - Its not easy!
 - People will think you need to be committed – but those people are broke!
 - Buy a starter home – cash? And then move up... cash?
 - Or... ROCK the savings
 - The grass feels different when you own the house.
 - NOW – you are destined for EXTREME levels of wealth.
- 12. Become the Mr. Universe of Money!
 - Finally you are in BS7
 - You have reached the top 23% of Americans
 - You have NO debt
 - You have a budget
 - You life like no one else now because you have lived like no one else.
 - You now have the most powerful wealth building tool – your income.
 - Step 7: Build wealth and give!
 - Get to the threshold (Not a lot here but if you do steps 4/5/6 you are close)
 - He says when you can live off of 8% of your nest egg. I don't agree.
 - Now:
 - You have income from your ASSETS too.
 - You can afford nice crap!
 - Investing is how we keep winning.
 - ALWAYS MANAGE YOUR OWN MONEY!!!
 - You can surround yourself with experts, but YOU make the decisions.

- YOU ARE NOT HIRING A DADDY, YOU ARE GATHERING COUNSEL – DON'T BE THE CELEBRITY THAT LOST THEIR FORTUNE BECAUSE THEY GAVE UP THE RESPONSIBILITY OF MANAGING THEIR OWN MONEY
 - When your money makes more than you do, YOU ARE WEALTHY yay
- Give!
- PURE RELIGION IS HELPING THE POOR/ Not theorizing why they are poor!
- Margaret Thatcher – the good Samaritan had money / that's how he helped
- GREED/ BE CAREFUL DON'T BE THE MONKEY WITH HIS HAND IN A JAR!
- Have fun, invest and give.
- THE END
- Reference WORKSHEETS:
 - Monthly cash flow plan.
 - Allocated spending plan.
 - Irregular Income Planning
 - Debt snowball
 - Breakdown of savings
 - Consumer equity sheet
 - Lump sum payment form (Sinking funds)
 - Major components of a financial plan.
 - Recommended percentages
 - Income sources
 - Pro-rata debt list.
 - You need:
 - Tax expert
 - Insurance expert
 - Real estate planner
 - Financial planner
 - Attorney
 - In your team
- Bible – “In the multitude of counselors, there is safety” (Prov 11:14)
- Select advisors with the heart of a teacher. Make sure they won't profit from the advice