

# **FINANCIAL INTELLIGENCE**



**A GUIDEBOOK ON GETING YOUR FINANCES  
IN ORDER ONCE AND FOR ALL**

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# Foreword

It's so crucial to set your financial priorities in life as this may help secure your financial future. Too much stress could come from mishandled funds.

A lot of individuals have no idea precisely where or how they spend a good portion of their income. How many times have you taken money from the ATM only to realize a few days later that it's gone? Many times it's hard to remember how precisely you spent the money, and frequently this money is wasted on frivolous buys.

A budget will help avoid this by making an individual accountable for the income that they spend. If an individual only has \$50 left for monthly food expenses then they might decide to give up purchasing that fancy \$3 designer cup of coffee.

# ***Financial Intelligence***

A Guidebook on Getting Your Finances in Order Once and For All

# **Chapter 1:**

## *Understand Priorities and Where You Are*

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### **Synopsis**

Scrutinize of your financial wellness! As well get your priorities straight.

Some individuals might make mistakes in setting their financial priorities like saving more for their children's college education and a lesser for their own retirement.

## **The Start Point**

- What major fiscal challenges do you face?
- State your financial positives in terms of revenue, debt management, and savings.
- How do you think you arrived at this point—and what would you like to see altered?
- How well organized are you for a financial emergency? Write it out now: The amount we have put away an emergency fund is \_\_\_\_\_.
- How is the subject of money addressed in your family: emotionally or rationally?
- Who makes the fiscal decisions? How come? How much collaboration is there?

Why it counts: Clarity and commitment. Authorities agree that before crunching the numbers, families need to scrutinize their financial wellness—and the best chance of success comes from having both mates on board.

Here we will explain to you the basic principle of personal financial ratio and its analyses. This will help you keep a tab on your personal finances.

Now what are personal finance ratios, you'd ask.

As the name hints these ratios deal with your personal riches, assets or cash in hand. All the more they're exceedingly simple to understand. Just plain discipline of sustaining a budget and statement of assets (what you earn or have) and liabilities (what you spend or what you owe to other people) will help you check your financial wellness.

Here is an easy guide which will help you to comprehend these ratios in detail. Let us have a look as to how these ratios may help.

#### Basic solvency ratio

This ratio signals your power to meet monthly expenses in case of any emergency or calamity. It's calculated by dividing the near-term cash you have with your monthly expenses.

Basic solvency ratio =  $\text{Cash} / \text{Monthly expenses}$  (this ratio isn't mentioned in percentage). You are able to also call it as emergency or contingency preparation ratio. This ratio helps you prepare for unexpected troubles.

An illustration, a 30-year-old businessman whose wife had an emergency gall bladder surgery last year. In spite of the fact that they had enough insurance to take care of exactly such an event, due to a



few administrative problems on the day of discharge, he was informed that he would have to pay in cash as the bill couldn't be settled.

He had a hard time arranging the funds on an emergency fundment. He was fortunate to have good acquaintances and relatives who lent him the money. But not everyone have such great admirers or relatives to bail them out at such short notice. I'm sure no one wants to be in the same shoes.

Therefore we have to be organized for such a situation. How? By sustaining an emergency fund!

Let's examine how much money is adequate. Here is where basic solvency ratio comes handy.

The numerator of the basic solvency ratio formula, cash (near cash), would commonly comprise of the following things:

- Savings account
- Bank fixed deposits
- Liquid funds
- Cash on hand

The above elements are liquid assets which come on handy at the first possible hint of financial problems. Liquid funds may be delivered

immediately. Same goes for fixed deposits as they may be broken and liquidated at once in case of an emergency.

Monthly expenses:

Only the mandatory fixed and varying expenses are taken here for ease. Any amusement outlay shouldn't be taken as these expenses can be quashed.

Mandatory fixed expenses include the income you pay for, loans, insurance premium, and rent.

Mandatory varying expenses, on the other hand, comprise of food, transit, clothing/ personal care, medical care, utilities, education expenses and assorted compulsory expenses (the above expenses can vary depending upon individuals).

The total of the above divided by 12 (that is 12 months) helps you attain the monthly average as your variable expenditure might change. Assuming that you've cash of 60,000 and median monthly expenses of 25,000 your basic solvency ratio would work out to:  
 $60,000 / 25,000 = 2.4$ .

But is it great?

Not quite. An Ideal ratio should come to 3.

What does the number 3 mean?

It means that you must have money equal to or at least 3 months of your mandatory expenses in a contingency or emergency fund.

How come just 3 months? This is because research shows that 3 months time is enough to emerge from any type of financial pinch. As individuals near their retirement age, they should make certain that this fund is kept up to six months of their required expenses. The fund should be divided and kept in the form of cash, fixed deposit, or liquid fund.

You should understand how to prioritize your financial goals so that you'll stay pleased and financially stable as you get older in life. This doesn't mean that you don't consider the future of your kids but you're just setting your financial priorities in order.

Set an amount monthly for food, water and shelter as these are your primary needs. You need to think about buying various healthy foods and attempt to avoid unneeded snacks that are unhealthy. You likewise need to do your best in your present job as it's your source of income to pay for your utility bills, home mortgage or rent, and groceries. This is where you start setting your priorities straight.

A few individuals are so frugal on their grocery shopping, they disregard their health needs just to buy expensive gadgets or airplane tickets for a leisure time. Observe that attending to your own daily

needs is your duty and priority to prevent evading the rent or house mortgage, utilities and other crucial matters for well-being particularly if you have a family.

Occasionally this could be the cause of disagreement between man and wife for they've different views when it comes to income management. The other mate wants to spend most of the money and isn't afraid of financial debt while the other one prefers to save something for the rainy days or an emergency. Be a good role model to your youngsters as they think highly of you as a parent.

Pay your charge card debt if you have any. Paying-off the charge card with the highest rate of interest then followed by the ones with lower rates of interest is the best thing that you can do in order to eradicate your entire charge card debt. Purchase things or goods with cash as much as possible and contain your spending habits.

Prevent over using your charge card so that you'll be able to continue to have access to your accounts if you truly need it. Some individuals, who were working and never bothered to save for an emergency fund and over used their credit, now have nothing. You don't want to be in a spot where you've no earnings and can't even access your credit cards because your accounts are closed.

Center on saving enough cash for your emergency fund particularly when all of your credit card debt is paid-off. This is really crucial in case of a job loss or other major unforeseen things that might happen

to you or anybody in your family. Avoid the enticement of purchasing things that you are able to just live without and center on building your emergency savings.

Setting your financial priorities should be your principal ambition. Have a clear list of the crucial things that will cover your monthly expenses and finances and number each item from the highest to the lowest with regards to their importance and need.

Step-up your 401(k) or a 403(b) contribution and retirement savings if you already have enough cash savings for your emergency fund. Try to save 15%-20% of your salary for retirement.

Try to save for your retirement before saving for your youngsters' college education. When your youngsters grow up, they can use student loans, get scholarships or attend a good community college or state university where it's more affordable. As you consider their future, you likewise need to think of your golden years.

Capitalize on free training opportunities. Attending free seminars and trainings to advance your knowledge is a very good investment for your future. Setting career goals in life is really crucial as the job market is highly competitive.

Revise or update your will to make certain that your wishes are secure and accomplished. You need to have estate planning regardless how small your estate is. Some individuals will just assume that their

assets and possessions will automatically pass to their family but without a legal will, the State might step-in and allocate your property or estate.

Valuate your insurance coverage. Check whether your car and homeowner policies are updated and their deductibles are fair. You might seek life insurance particularly if you're the head of the family working full-time. You may likewise think about buying long-term-care insurance, to aid you in paying for nursing care or assisted-living when you get old.

# **Chapter 2:**

## *Keep Track and Set Limits*

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### **Synopsis**

Perhaps you thought you knew how much you spent on mega lattes, till you saw the numbers in front of you. For most individuals there is \$65-\$85 a month in savings or more than \$750 a year. Leave out Starbucks and eating out every day.

Take a look at non-monthly bills, like car insurance, vehicle registration... decide between needs and wants.

## **Important Info**

In today's domain there are very few individuals who take the time to produce a personal budget. Some individuals don't see the value in doing so; others merely have no desire to confine their spending habits.

With this in mind, it should surprise no one that the number of personal bankruptcies has achieved an all time high. Individuals have achieved a point in our society where they purchase on impulse with no thoughts to the outcomes.

In order to reverse this trend individuals need to become more responsible with their forms of spending. Among the best tools to help a person achieve this conduct is the personal budget.

A personal budget is a financial plan which sets bounds on the sum of money that will be spent on each category of expenses in a given month. A beneficial budget will take into consideration such elements as: the amount of income being obtained, owed debt to be retired, retirement savings, and an emergency fund.

A benefit of a budget depicts an accurate idea of how much a person can actually afford to pay for assorted consumer items. Whether it's a home, a car, or a new TV set, an individual will be able to ascertain whether or not a particular purchase will fit within their monetary



constraints. This acts as a precaution against getting in over your head financially.

It's crucial to realize that merely creating a budget isn't enough. This in and of itself will do an individual absolutely no good if he doesn't discipline himself to stick to it.

Occasionally this will be very hard, especially if an individual has founded the habit of freely spending without an afterthought. However, the long-run advantages of financial freedom, debt free living, and a comfortable retirement far outbalance any potential difficulty.

List as many of these bills as you are able to identify over a 12-month period.

Now, employ the "one-twelfth" rule, where you put aside funds for these expenses monthly, so as to limit their impact when payments come due.

Next, center on where you are able to spend less money without depriving yourself.

- What uneconomical or indulgent practices can you cut down on? (Cab rides when you are able to walk, expensive lunches.)
- Do you shop for items you don't require?

- Are you paying too much for services like car insurance, cable or cell phone service?
- Do you have unused memberships (e.g. gym) that you're still paying for (and may sell)?

It's easy to distinguish between the two if you go by a textbook definition. But actually, the distinction is hard and has been getting narrower over the past few years.

Nowadays, a car has become an emotional need in spite of the existence of an efficient public transport system. The need for an auto has transformed from a status symbol to a luxury to a basic essential now. The same system of logic applies to food.

From home food to a fast food joint, nowadays buyers expect a fine dining experience and not just good food. This ambience comes at a premium and individuals just don't mind paying for it.

The truth is, wants are inexhaustible and often the lines between needs and wants get blurred. Therefore, one needs to get into self-examination before giving into the impulse to splurge.

Let's presume a family of 4 spends \$8,000 on food, \$25,000 on shelter, \$20,000 on education and \$10,000 on transportation. Now calculate the difference between your outlay and earnings. All you

have to do is to write the primary price list and the cost of living in your city and compare the areas to give you a truthful picture.

If you require a mobile because you've a field job, it's a need. But if you insist on the latest gadget which you are able to truly afford, it's a want. That was an easy pick. But it gets hard if you have to trade off an automatic washer for a refrigerator or substitute a radio with a home theatre-com-music system. .. Think about it!

# Chapter 3:

## *Fix The Order Of What Gets Paid*

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### **Synopsis**

Odds are fantabulous that once you tweak and streamline your budget, you'll have some breathing space. What's the first thing you should do with any freed-up cash? Authorities agree unanimously: Make saving a top priority, even if you have debts.

The average American with a credit file is responsible for \$16,635 in debt, barring mortgages. Presume that the annual percentage rate for interest on that deficit equals ten percent, and you're paying \$200 a month. Assuming you don't score any more debt, you won't be in the clear for twelve years.

The great news: you are able to dig out sooner if you stand by some easy guidelines.

As you break the excess spending habit, and fall under the savings habit, you're ready to take on the next step: building investments, retirement savings and real property equity. Sound unachievable?

## **Altering Actions**

Among the oldest rules of personal finance is the easy word of advice to pay yourself first. All the money books tell you to do it. All the personal finance blogs say it, too. Even your parents have given you the same advice.

But it's difficult. That money could be used somewhere else. You could pay the telephone bill, could pay down debt, and could buy a new videodisc player. You've tried once or twice in the past, but it's so simple to forget. You don't keep a budget, so when payday comes around; the income just finds its way elsewhere.

To pay yourself first means merely this: Before you pay your bills, before you buy foodstuffs, before you do anything else, allow a portion of your income for savings. Put the income into your 401(k), your Roth IRA, or your savings account. The first bill you pay monthly should be to yourself. This habit, acquired early, may help you build tremendous wealth.

Once you pay yourself first, you're mentally founding saving as a priority. You're telling yourself that you're more important than the light company or the landlord. Building savings is a potent motivator — it's empowering.

Paying yourself first furthers sound financial habits. Most individuals spend their money in the following order: bills, fun, saving.

Unsurprisingly, there's generally little left over to put in the bank. But if you bump saving to the front — saving, bills, fun — you're able to set the income aside before you justify reasons to spend it.

By paying yourself first, you're constructing a cash buffer with real life applications. Steady contributions are an excellent way to build a savings. You can use the money to deal with emergencies. You can utilize it to purchase a home. You can utilize it to save for retirement. Paying yourself first gives you freedom — it opens a domain of opportunity.

The best way to acquire a saving habit is to make the process as painless as conceivable. Make it automatic. Make it invisible. If you arrange to have the money taken from your paycheck before you get it, you'll never know it's gone.

The true barrier to acquiring this habit is discovering the money to save. Many individuals believe it's impossible. But almost everybody can save at least 1% of their income. That's only one penny out of every dollar. A few will argue that saving this little is non-meaningful. But if a skeptic will attempt to save just 1% of his money, he'll commonly discover the process is painless. Perhaps next he'll try to save 3%. Or 5%. As his saving rate increases, so his savings will grow.

If you're scrambling to find money to save, consider setting aside your next raise for the future. As your income grows, set your gains aside for retirement and savings. Once you're imparting the maximums to

your retirement (and you've built emergency savings), you are able to start to utilize your raises for yourself again.

Pay yourself first, my friends. It's a habit that you'll never regret.

If you've run up a lot of charge card debt, begin paying off the one with the highest rate of interest first. Mathematically, this will save you the most interest. But, if you've several smaller charge card balances, then you might feel like you're making more progress by paying them off individually first.

Begin keeping really close track of your spending. A number of little comforts in your budget might have to be eliminated in order to make ends meet. Restaurants, cinemas and other expensive entertainment may be substituted with libraries, galleries and outdoor exercise. Papers, magazine subscriptions and cable TV are likewise good candidates for budget cuts. One expenditure that might be worthwhile, however, is a personal finance program that trails your debts, assets and cash flow on a day by day basis, so that you recognize precisely where you stand at all times.

Whatever you do, do not miss a payment. Late payments may truly hurt your credit score, and thus make it even more grueling for you to secure more positive financing. This may affect your insurance rates likewise. Making the lower limit payment by the deadline on your credit card is much brighter than making a larger payment a couple of days late.

A second source of income may make a huge difference to debtors. If you are able to earn just \$500 a month extra, that's \$6,000 a year that you are able to apply toward debt reduction. Another thought is reducing the amount of tax you've withheld from your check. Having no tax deducted may be advantageous in some cases. Naturally, you'll have to pay the tax with interest and penalty at the end of the year, but these rates are typically much lower than standard charge card rates.

Don't hesitate to get help if you require it. Talk terms with creditors and see if you are able to work out a satisfactory settlement. Credit and financial counseling services may be invaluable resources and might be able to point you to options or tips that you'd never discover otherwise. They may likewise begin you on a debt management or consolidation program to help lower your rates.

Lastly, if all else fails, see if you are able to get a debt consolidation loan from a family member. You are able to offer to pay them a rate that's much lower than your charge card interest, but much higher than what they'd get in a checking or savings account.

Some investment steps to think about:

- Meet with a financial consultant or certified financial planner to view this all important part of your budgeting.



- Acquire a solid plan and stick with it. All too frequently we've become complacent when the market is doing well and cowardly when the market isn't doing so well. What sets the successful individuals apart is containing those emotions.

How come it matters: development—personally as well as financially. You've got to go from a spendthrift to budgeter, a budgeter to a saver, and a saver to an investor.

Ascertain what items or issues you're saving for. These may be retirement, a new house, your youngster's education or anything else you choose.

Ascertain when you want to retire, buy a house or send your youngsters to college, to help you decide what percentage return you need to earn on your initial investment.

Determine how much money to invest. Invest what you are able to comfortably afford now, keeping in mind that you are able to change that amount later.

Ascertain how much risk you're willing to take. Many investments bring forth high returns and are riskier than others.

When you decide the amount you're willing to invest, the returns you want to accomplish, when you need the money and how much risk you're willing to bear, assemble your investment portfolio.

An investment counselor or stockbroker is a great source of advice. Tell these advisers your objectives and ask them to propose how to allocate your income.

Reassess your portfolio at least yearly. Study each investment.

# **Chapter 4:**

## *Ways To Save Money*

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### **Synopsis**

There are lots of ways to save at home. On a day when fun is required, but funds have been wiped out, you need to enjoy your life! Believe it or not, the finest things in life are free! The things here will show you how to have fun free of charge, no matter where you are.

## **Some Tips**

Save income on electrical energy.

Put in the new type of fluorescent bulbs in lights you leave on for long periods. They provide 4 times as much light and last 10 times longer than incandescent bulbs. Likely Savings: \$10-\$50/yr.

Lower the temperature on your water heater to between 110 and 120 degrees. It's not essential to have it any hotter and wastes energy. Likely Savings: \$20-40/yr.

Discover if your utility company offers free energy audits, where they audit your home for energy effectiveness and advocate inexpensive ways to cut energy costs, like insulating the water heater, weather-stripping, and so forth. Just insulating your water heater may save you \$25 a year. Likely Savings: \$50/yr.

Set thermostats no greater than 68 degrees in winter and no lower than 78 degrees in summertime. Turn your heat down even more at night or when you're not home (unless you've a heat pump, which operates more efficiently at one uniform setting). Each extra degree in wintertime may increase heating costs by 3%. In summertime, each degree may raise cooling costs by 6%. Likely Savings: \$325 to \$500/yr.

Cut down on the use of your dryer. Not only is it a huge energy drain, it may also suck heated air out of your home very quickly in wintertime. Hang clothes on a clothes rack to dry out and use the dryer for towels and other heavy items. Likely Savings: \$25-50/yr.

Utilize your microwave rather than your oven if possible and save up to 50% in energy costs for cooking. Likely Savings: \$50/yr.

Save income on water.

Always do full loads of wash. A typical full load utilizes about 21 gals of water. A little load uses 14 gals. Several small loads utilize substantially more water than one or two big loads. Over the course of a year, this adds up. Likely Savings: \$25-\$125/yr.

Run your dish washer only when you've a full load. Let the dishes air-dry rather than utilizing the heat cycle. An average dishwasher costs \$60 to \$100 annually to run. Likely Savings: \$35-55/yr.

Mend running toilets or leaking faucets quickly. An endlessly running toilet may utilize more than 8,000 gallons of water a year. Likely Savings: \$25-125/yr.

Put in flow restricting shower heads. A family of 4 may save 8,000 to 12,000 gals of water a year. You not only save on the cost of the water, but likewise the cost of heating it. Likely Savings: \$100-\$300/yr.

Add fabric softener to your laundry at the suitable point in the cycle rather than adding it at the end and running a different rinse cycle, which may use up to ten extra gals of water. Figure out how much time it takes your washing machine to reach the rinse cycle, and set a timer so you are able to add softener at the right time. Likely Savings: \$25-100/yr.

Utilize warm or cold water for washing apparel, and always rinse in cold water. Likely Savings: \$50/yr.

Save money on other.

Use basic phone service. Extra services like call waiting and call forwarding may nearly double your costs for the phone. Likely Savings: \$168/yr.

If you are able to live without cable, you are able to save between \$300 and \$600 annually. If you can't live without it, acquire basic service only. You are able to rent a lot of movies for the extra \$150 to \$600 annually you pay for movie channels like HBO, Showtime, etc. Likely Savings: \$144-700/yr.

Plant perennial flowers rather than annuals. You receive a one time cost and enjoy the flowers for a long time, with little additional effort or income. Annuals, on the other hand, call for an outlay of cash and effort yearly. Likely Savings: \$100-\$300/yr.

Head out to the beach! Public beaches are free and amusing. You are able to also walk on the boardwalk. Have fun constructing sandcastles or sport fishing on the pier.

Go window browsing. Go to a strip mall and check up on the fresh arrivals. Just remember that you don't have to confine your window browsing to clothing stores. Stop by the window exhibits at electronics and jewelry stores. Fresh technical gadgets are always appearing on the market!

Ask about free company amenities. You might not know this, but a lot of times the company you work for has a list of places (i.e. museums and aquariums) that are free of charge if you give your work identification card at the admissions counter!

View each season as a fresh way to have fun. In the summertime you are able to shoot hoops at the basketball court, play tennis or walk around the neighborhood with your acquaintances. In the autumn you are able to pull out your camera and take pictures of the fall leaves. Fall is likewise a good time to go to a pumpkin patch. Wintertime is amusing because you are able to play in the snow or remain inside and watch the snow with a cup of hot chocolate or a café latte. Springtime is good for bicycling!

Ask in your friends for a night of board games, cards and charades. The cover charge is a little dish or drink of choice. Your donation will be the free entertainment, so be ready to host!

Stuck at home with the youngsters? Whether they're on vacation from school or visiting for the weekend, here's a couple of great suggestions on how to entertain them free of charge.

Think about going to free community festivals, free movie events and free parks.

Think about a day at the beach, a picnic in the park, hiking in the woods, or a different outdoor activity. Swimming, outdoor games and adventures are an affordable and effective way to spend the day with kids.

Have a rainy day list of thoughts ready likewise. Visit your local library and rent some kid-friendly films and play "movie theater": have the kids make up tickets, set up the front room like a movie theater and pop some popcorn. You are able to also make up your own board game with novelties around the house, produce drawing and coloring games, or do easy crafts.

Capitalize on ticket upgrades. It may cost a little more at the beginning, but consider year-round passes for local attractions for a good way to spend the day. Your local zoo or aquarium might offer such a deal, as well as funfairs and more.

Generally kids have capital ideas! Just be ready to give them a free or affordable option. For instance, if they suggest going out for ice



cream, think about buying ice cream and cones at the food market instead and heading to the park. If they want to go out for pizza pie, purchase grocery items to make a pizza and turn it into an activity alternatively. A good imagination, and willingness to try fresh things, will help you go a long way, and help you stretch your dollar while entertaining youngsters at the same time.

# Chapter 5:

## *Bring In Some Extra Money With Technical Skills*

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### Synopsis

Everybody could use some surplus money, especially in hard times. Maybe the bills were a bit more than you'd anticipated this month or perhaps you're attempting to raise some starter cash for your own online startup or business or perhaps you just need to figure out how to ramp up your existing business.

Make an e-book: all right, you're thought is – everyone and his father are doing this these days. However, why? Because it works. If you're well-educated about a certain topic, e.g., how to weather coat a deck, power wash a house, give up smoking, make doll apparel – whatever it is, author a book about it.

## **A Bit Extra**

Freelancers are a forward-looking lot. All the same, almost every day I get questions from those who find it difficult to make a sustainable living. I ascribe most of this to some people's inability to think differently.

There are a lot of ways to make income as a freelance person that I keep a file of thoughts. While I seldom find myself without a project on my desk, when work gets scarce, I go through this file to perk up the brain cells. Today I'll share the ideas with you.

This might call for a bit of up front work, however may bring in dollars for a long time to come. There are so many web sites in painful need of great copy that all you have to do is switch on your computer to turn one up. All the same, the key is to target those who are willing to compensate for your services.

An acquaintance of mine knows an apothecary who made a skin care product. The product is distributed across the country through independent distributors. My acquaintance told me to check over the site to see if it was a product I'd be interested in trying out.

When I got to the site, I instantly forgot about why I was supposed to be viewing the web site. How come? The grammar, artwork and layout were atrocious; particularly the grammar! I rewrote the home page and sent it off to the webmaster with a courteous note stating

that I'd be happy to remake the entire site for \$x. Inside a few days we came to terms and I got the job. You are able to do this also.

Professionals are a good target market for freelancers. Mortgage companies, insurance companies, lawn care suppliers, and so forth. Most have sites – and a lot of them are not very good. So, edit/re-script a page and send it to them with a proposition to do the whole web site.

Commonly, if they use you once, they'll continue to do so for years to come. Offer to add each week, each month, every quarter, and etcetera. Add articles to the site to step-up traffic. A lot of small business owners are so busy that they don't think or understand how to do this type of marketing. Call attention to the advantages and watch your customer list grow.

Consider the content for each page. For instance, you are able to go into company history on the "About Us" page, but you can likewise mention that your company has x years of experience on the home page, also. You are able to bullet your services on the home page and then go into detail about them on the "Services" page. Jot down some points for the content of each page. Decide where you want particular tidbits to be highlighted so each page isn't repetitious.

Add a little SEO. Do some research on the net to determine what keywords are "red-hot" for the industry. If the company, for instance, makes kitchen cabinets, you might want to include terms like "kitchen

remodeling" "kitchen cabinets" and "kitchen cabinetry" to name some. It's likewise a good idea to provide a regional aspect for individuals seeking the business locally. For instance, "kitchen cabinet maker in AZ" and "kitchen cabinets AZ" are good terms to work into the copy.

Utilize an attention-grabbing headline for each page. Rather than "Cabinet Makers" you may try something like "Distinctive Cabinets for Custom Kitchens." When you get into the "core," remember to talk to your specified audience.

Will you refer to the customer directly? No one truly cares about the content unless it offers them something. Rather than bragging about why the company is the best, or presenting a history of kitchen cabinets it's beneficial to keep in mind that you need to explain the advantages of what the company has to offer. What can Joe Blow get out of the site, and why should he pick this company to build his cabinets?

I always end each page with an easy "call to action." For instance, "Are you ready to discover how you are able to have the kitchen of your dreams? Contact us at (phone) or email us at (e-mail)." You get the idea. The goal is to drive the reader to take action.

Authoring e-books is simple – it may be done in as little as twenty-four hours – and you can offer it for sale on a web site like Click Bank

or Commission Junction. Think though, most individuals look to the net for info. And, “how to” info is among the most popular forms.

So, squeeze your brain for what you like to do, author an e-book about it and sell it thru a major distributor like Click Bank. One book likely won't make you rich, but it may bring in extra cash for a long time to come. The most beneficial part about this idea, once you make one e-book, you are able to make others and truly build your income to the point where you are able to quit your awful day job.

Think about your target audience, your book's advantages to them, its core, and center like a laser on that. It might seem to you that just everybody' will want to read your book - but that idea may make your book too 'generalized'. Remember, if you center your efforts on a particular topic instead of generalizing you'll appeal powerfully to a certain audience and reap more possible sales. It's rather like centering on a puddle rather than an ocean.

Get to Understand your target readers; what troubles might your book resolve for them? Where is your book purchasing audience? Try to author a title that includes your audience in it. If not there, then maybe in the sub-title?

You have to be author and promoter, so write and make your sales info about your book as you author your book. Collect data about yourself for your author blurb (whatever qualifies you to author the book, maybe other publishing credits, any experience that's a plus),

write about the advantages your potential purchasers are seeking and are likely to discover in your book. Get a few testimonials.

Check into places like Amazon to see what books are selling well and read their 'blurb' content for thoughts on how to present your own. A visit to your local bookshop is a great idea also. Check into some of the other marketers who are marketing books online. Do an 'E-book' search. How are they marketing?

Author an attention-getting table of contents for your book. Title your chapter and add a sub-title to make it transparent to your reader what is contained inside. Read the table of contents of other authors to get an approximation of what may be 'attention-getting'.

That should get you going. Now, do some net searches, hunt down the needed info to get yourself set in motion, but mind the rip-off artist out to get your money. Subscribe to a few newsletters by individuals who are legit. Think about each step of the process, keep notes and keep acting.

# Chapter 6:

## *Inventive Ways To Make Cash*

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### Synopsis

There are places like CafePress.com or zazzle.com that let you make t-shirts, mugs, stickers, etc. and sell them without carrying any stock yourself. There are no lower limits, nothing for you to stock and no upfront fees. If you don't sell anything, you don't pay anything.

This is a little more challenging, but once applied, may really draw you a whole gob of buyers! Here likewise, I'd target a professional market.

All right, it's not glamorous. However, it may be lucrative and it's a never ending need. The fantastic thing about writing resumes is that it's an easy part of your business to develop and outsource if you don't like to do it, or don't have the time to commit to it.



## **Innovation**

So, how may a freelancer make the best of a creative medium? Rather simply, if you're mighty with the pen, then dollars may follow. Make cool slogans and humorous sayings and put them on tee shirts, stickers, mugs, and so forth. You may be the creator of the next big fad Tee. Think of the motto, "Sh\*t Happens?" I think this was made popular in the flower child seventies. Can you even start to guess how many bumper stickers and tee shirts were sold with this? So, squeeze your brain and produce some fantastic pop culture!

T-shirts come in an assortment of styles and colors. Are you targeting a female audience? You may consider one of the many tee shirts made for women--the baby doll, tank, spaghetti straps, and so forth. Consider the color of the shirt. While colors are attention-getting, they may also clash or overwhelm out one another. Make certain the colors you choose-- for the T-shirt itself, any printed message and the colors in any graphic --will work together to produce your canvas. You want your shirt color to complement or contrast with the design. Remember that pinkish letters might not show up well on a pinkish shirt-- if the two pinks are too alike.

Have something to "state" to the world. An effective message states it in a memorable way. Think about slogans that have survived the ages, easy word combinations that most everybody has heard. As the tee shirt designer, it's your job to produce new slogans, adages or attention-getting phrases. Short is commonly better as it's more easily

remembered. But, even a longer message may be memorable if it flows and has rhythm or rhyme.

Try out different fonts. When picking out a font, remember that legibility counts. But so does visual aspect. Pick a font that adds a layer of depth to your message. If the message is, for instance, "Work drives me mad," then the font may be scribbled or crazy-looking, and yet still legible. Ideally, you'll make your design in a graphics program (like Photoshop) and then use your image at one of the sites.

Consider the art. Draw/design the art to express feelings. Which emotion do you want to conjure up? Distinguish the elements in the image that naturally arouse the desired response and then accent those elements. Are you seeking to make a sense of beauty or fright in those who see your design? The key is to comprehend the pieces of the artwork and build on them.

Place the art and text so that one doesn't distract from the other. Art may be behind the text--if the art itself isn't too busy. Art may be above or below the text. This works particularly well with oblong-shaped art so that the art basically underlines or sits above the line of text. Your art may also run along the side of the tee shirt, even crossing from front to back.

Scan and import your art images onto your file if you're using Photoshop or a like application. Incorporating art may enhance your

message. Or utilize art by itself if the visual is the message you want to convey.

## **Ads**

An illustration: In my city, there's a really prominent land agent. In all my years I had never seen this specific mode of advertising by an agent. He produced a “paper” about his geographic region. It’s only five or six pages (11x17) and published on newspaper stock. It has all of the local activities, what’s being constructed, how it will affect the biotic community, and so forth. Naturally, the paper is angled toward real estate news, but has just enough of the additional factors to draw in a loyal resident readership. In this paper, he deals ads to mortgage brokers, movers, title and loan companies, auto dealerships, and so forth. Now, when individuals go to sell their homes, who do you believe they’re going to call? Him, naturally! Because his name is before them bringing them news pertinent to their day-to-day lives week in and week out.

It’s crucial for you to know everything about your paper. If you're brand new and are making cold calls, you'll be pelted with questions about your publication. If you are able to answer them right, you'll build credibility with your prospects. If you blunder and can't give solid info, you'll struggle miserably.

You must be acquainted with your rates and the size of each ad you have for sale. Ads can be sold either by the column-inch or by the

pages, which are subdivided into particular sizes like Full-page, Half-page, 1/4-page, and so forth. It's crucial that you become fully-able to spot an ad and distinguish its size. Charge this information to memory.

Make a list of the business people you know. Begin making calls to set up sales. If you're new to the ad sales game, it's safe to assume that you won't have an existing book of business. That surely doesn't mean that you won't be able to begin selling. Almost everybody knows somebody who's either in management or owns a business. This is your quick market.

It's important for you to produce a sense of urgency for your prospects. Don't be pushy, though. Nobody likes to be pressured into anything. But, keep in mind that you're not selling a physical product like a car or copy machine. Your job is to sell the "concept" of advertising.

Sell from the top down. This step is exceedingly important. Regardless of your prospect's budget, show them your biggest and most expensive ad first. They might only be thinking of a small ad, however, they might not comprehend that by spending a little more money, they'll be using their ad dollars more wisely.

Become a master at follow through. You'll find, after your first couple of months, that the bulk of your sales will happen as a result of follow up. Even seasoned pros don't make sales during first attempts. You

should do a follow-up no later than 3 to 5 days after your first contact. After eight or ten unsuccessful tries to close a prospect, move on to another buyer. Your time is too valuable to waste on those who are not ready to purchase.

## **Resumes**

At an ultra- low price of fifty dollars (I've been cited rates of \$250 just for a resume); doing only a couple a day may add up to a very nice full-time income. Up-selling a package (e.g., cover letter and reference sheet) was commonly super easy, and customers were so thankful that this feeling alone was enough to make it worthwhile.

The hardest thing about writing a resume is knowing what to accent. You must attract the attention of HR managers, who receive 100s of resumes daily even when they haven't advertised any positions.

Write a cover letter. This isn't a synopsis of your resume. Merely introduce yourself and state why you're the best candidate for the job.

Know what type of job is being applied for and what the qualifications are for employment.

Pick a design for the resume. You are able to search for samples that are particular to the job being applied for, although it's more crucial to have an outline that best suits the job and fill in the blanks with the

personal information. The outline may include objective, work experience, qualifications and references.

Put in the resume the objective, fitting the job description. This may determine whether the person gets the 10 to 30 second review and if the reviewer will send your resume to the next round.

Utilize bullet points to convey info and strive to be clear and concise when writing the rest of the resume. Analyze the job qualifications and spotlight any skills that meet those requirements. It's also best to utilize action words like prepared, directed, managed, developed, supervised, implemented, coordinated and awarded. If there is a lack of experience, center on how education has prepared the person for the position for which they are applying.

Include symbols like %, \$, and #. These symbols will save space, letting you include more information on the resume. A symbol like a dollar sign may also draw the HR manager's attention to a significant financial accomplishment. For instance, "directed and closed first year with two million in revenue" should be altered to "directed and closed first year with \$2M in revenue."

Spotlight strong points by putting the most relevant points first where they may be viewed quickly. Remain positive and prevent negatives like reasons for leaving an employer and history gaps in employment. These may be discussed in person if necessary.

## **Help Students**

Ahhh, endearing, broke, despairing educatees. A lot of them don't have the time or, quite honestly, the skill level, to edit their own work. And, they'll gladly pay somebody to do it.

This is among the easiest markets to target as all you have to do is get hold of the Student Affairs office and ask to post a notice on the student message board. Or, you may take out an ad in the college newspaper. As well, flyers posted around the campus works well.

Commonly, if a student utilizes you once, they will always return if they're satisfied with your services. The finest part about this group? They have loudmouths and they utilize them -- to tell other pupils about your services.

Students likewise need resumes, bibliographies and graduate school essays. There are a plethora of services you are able to provide them successfully. I can tell you from personal experience that they are a good paying lot and are exceedingly nice to work with -- because they're commonly desperate and are just happy to find somebody who may work within their deadlines (think, "I required this yesterday!").

I don't suggest outright writing papers for pupils. I think it is immoral. However, proofing, editing, suggestive revisions -- these are all services that I have supplied quite successfully in the past.

# **Chapter 7:**

## *Charge Cards and Borrowing*

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### **Synopsis**

One of the biggest challenges for people to overcome when they first determine to start building wealth and putting income away for their future is a hulking mountain of charge card debt developed over several years. The debt has to be first.

As well, a lot of financial planners will tell you to use a HELOC, or home equity line of credit, to pay down high interest charge card debt. Don't do it.



## **See The Debt**

Do you prefer to know the fastest way that somebody still isn't ready to accept responsibility for their own financial life and take charge over their charge card debt? It's that they still blame other people, the economy, the economic system, form of government, their boss, or anybody or anything other than themselves.

The only justifiable and logical excuse is those unfortunate persons who find themselves in the middle of a horrifying health scare and rack up monumental debts to make it. Unless that's you, there is something you need to find out: Cut It Out.

You're not a foul person. You are not a stupid individual. You just made a few dopey choices. It had nothing to do with your revenue. It had nothing to do with your loved ones. Every time you used your charge card, you made a conscious decision to borrow what you did not have. The very beginning month the statement showed up and you could not pay off the total balance in full, you had surpassed your resources. That's the minute you got in trouble.

This subject matter should not be discouraging! Rather, it should empower you. If you got yourself into immense charge card debt then you have the might to get yourself out of it. It's that easy. The moment you are able to look into the mirror and state, "it's my fault" and sincerely own the situation, you are able to start to turn it around just like 1000000s of individuals before you have done.

Take back your power. Discover a symbol of what you feel on the inside or the self-confidence that you want to show to other people on the outside. Having a symbol of what you're thinking or striving for is key to gain assurance. To get to the finish line or get any goal, you need to know where you're going. Your symbol may be anything from a color that makes you feel mighty or an event in your life that really made you feel powerful.

Make a treaty with yourself to always put yourself first. The fight to gain self-assurance is often derailed because individuals tend to put the needs of others before their own. You need to put yourself first in your life if you really want to gain any ground in your life.

Place your best foot forward day-after-day if you want to know the true secret of how to gain authority. It's a shown fact that individuals who put out what they believe to be their best outfits and do their hair and makeup in a way like they were going out on a special night on the town, feel more potent in themselves. Bet you didn't know that the easy task of putting on a shirt that you save for "special occasions" on a regular day will help you to gain assurance more than any self help guru could ever.

Take back your self power and take responsibility.

Several individuals that I know are in significant charge card debt and sometimes ask my thoughts on how to get out of the state of affairs.

While I'm happy to spend time assisting them, it almost always turns out to be a senseless exercise as in 90% of the cases, the individual isn't truly serious about getting out of charge card debt. Sure, they're miserable about the payments and the thing they wish for more than anything else is that their charge card statements showed a \$0 balance. Wishing for something and doing something to proactively have it are two totally different matters.

Someone I know (I'll call Tom) makes approximately \$85,000 annually and has \$20,000 in charge card debt. This debt is sweeping over like the plague and he spends at any rate a couple of hours daily nervous over the \$500+ per month in interest payments it takes just to sustain his current balance. Yet, at any rate once a month, he discovers \$100 to go on a weekend trip. When I ask him about it, he states that there are particular things that he won't abandon regardless how bad the debt is.

Tom may never get out of charge card debt with a mental attitude like that. The extra \$1,200 annually that he's spending on the weekend getaways would pay down \$6,000 of principal over 5 years, or nearly 40% of the balance. If he could make an extra \$50 per week either by working a lot of hours or cutting costs (yes, this virtually means you get on a bicycle rather than driving), he may pay off an extra \$11,000 in principal over those same 5 years. That's all it would take to wipe out the balance.

Rather, he thinks in terms of “my vacation money” or “my food market money”. No, you have one, jumbo pile of money that's available to you. If you're in charge card debt, paying monumental interest on your balances, take every extra penny you are able to and pay down the debt.

Set a sum monthly for food, water and shelter as these are your primary needs. You need to think about buying assorted healthy foods and attempt to avoid unnecessary snacks. You likewise need to do your best at work as it's your source of income to pay for your bills. This is where you start setting your priorities true and right.

Some individuals have their priorities so messed up they even ignore their health just to buy expensive gadgets or travel. Observe that taking care of your own every day needs is your responsibility and priority so avert putting off the important things particularly if you have a family.

Pay your charge card debt. Paying-off the charge card with the highest rate of interest then followed by the ones with lower rates of interest is the most beneficial thing that you can do in order to wipe out your entire charge card debt. Buy things with cash as much as conceivable and control your spending.

Center on saving enough cash for your emergency fund too. This is really significant in case of a job loss or other major unforeseen matters that might happen to you. Ward off the enticement of

purchasing things that you are able to just live without and center on building your emergency savings.

Adjusting your financial priorities should be your chief concern. Have a clear list of the crucial things that will cover your monthly disbursements and finances and number each item from the highest to the lowest with relation to their importance and need.

I'm not a huge fan of home equity lines for one easy reason – if you do decide to utilize the nuclear option and declare bankruptcy, your charge card balances are un-guaranteed, while a home equity line of credit is guaranteed by your house.

Practically, this means that you've taken a debt supported only by your credit, where the worst a charge card company can do is go to court and get a judgment against you, into a debt supported by your house, where the worst is far more awful – the bank may foreclose on your house and kick you out.

No matter, this is entirely your call as it's going to come down to what will let you rest at night. If your charge card debt is manageable, and you just prefer to save a couple of thousand dollars in interest expense, a home equity line of credit may add up. If you think there's even the remote possibility that you might be forced to declare bankruptcy, it may be a tragic mistake that costs you your home.

There are a lot of credit lenders out there today wanting you to put up the equity in your home to get their money for almost any reason you might determine. Among the ways you are able to claim the equity in your house from lenders are by refinancing, securing a second mortgage, a home equity loan, and a home equity line of credit. Are utilizing these ways to borrow money to ease debt a good idea? Here are some good reasons why you shouldn't use equity in your home to pay off debts:

If you get in a financial tie up, and you feel like you have to default on your new secured debts, the fresh debtors may start foreclosure proceedings to get paid as the house is a secured interest. Creditors who make un-guaranteed loans like charge cards can't foreclose on your home as their loans are not guaranteed by home equity.

Even in a few areas of a down market, your home might be appreciating in value. That means your equity is increasing with time. When you borrow against your equity to pay for debts, you'll lose the appreciation the house has amassed if your home is foreclosed on. You will not only owe the guaranteed loan amount, but many times the sale of foreclosed property sells for cents on the dollar. Consequently, the equity you were forecasting to pay off the fresh secured loans won't be there to pay them off.

Getting into debt appears to be a symptom of a much deeper issue. Using your equity to pay off debts is no guarantee that new debts won't happen. If new debts occur and you've liquidated the only asset

you have to the point it already belongs to somebody else, you've increased your debt load to the place you might not be able to afford.

So, what should you do to avoid the temptation of borrowing against the equity in your house? You are able to learn to live within your means, stay out of debt as much as conceivable, pay as you go, look for employment that's resistant to economic shifts, stand back from high interest loans like charge cards if you have to borrow money, and ultimately, keep yourself educated as to the legalities and financial responsibilities that go along with home ownership.

# Chapter 8:

## *Techniques To get Finances Under Control*

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### Synopsis

You can sell assets. It's almost always a better choice to lower your debt levels if the rate of interest you're paying exceeds 10% to 12% and is not tax-deductible.

Another strategy is the snowball strategy which can help you attack your charge card debt and repay your high interest balances far faster than you could by just utilizing a random payment arrangement.

The snowflake strategy is designed to help you pay off charge card debt by sending off in so-called micro-payments. These payments may literally be a couple of dollars and, over time, add up to big balance decreases, saving you thousands in interest expense.



## **Smart Techniques**

If you have any sort of investments, you might want to sell them and repay your charge card balances. You really want to be careful which ones you sell, however, as there can be some pretty awful tax consequences if you make a risky choice.

Think about a 401(k) loan to repay charge card debt:

You will be able to likewise consider a 401(k) loan as the interest you pay on it will go into your account (you are effectively paying interest to yourself). The bottom line is that you are able to avoid the income taxes and 10% early withdrawal penalization that are piled on top as long as you repay the loan inside the time frame allowed for by the Internal Revenue Service. In most cases, you would not want to merely sell 401(k) assets, cash out, and pay down your charge card debt.

You are able to withdraw Roth individual retirement account contributions:

Internal Revenue Service rules allow you to withdrawal Roth individual retirement account contributions you've made into your account, but not the gain brought in on the money. In other words, if you've deposited \$20,000 into a Roth individual retirement account over the past ten years and have made \$10,000 in earnings, you are able to withdrawal equal to \$20,000 with no adverse tax penalties or

consequences (naturally, you lose decades of developing your money outside of the reach of Uncle Sam, but that's far better than drowning in elevated interest charge card debt).

Brokerage firm and additional investment accounts:

Investments you hold in regular brokerage firm accounts such as stocks and bonds will be subject to steady capital gains tax but the emotional release that will come as you observe a big chunk of your charge card debt fall off should be far more pain-free than the cut taken by the Internal Revenue Service.

The goal of taking charge of your financial life is to step-up your cash flow every month. The more excess hard cash you have, the more you have to cut debts or spend on bettering your lifestyle.

Each debt has a lower limit monthly payment. By paying off the bottom balance charge card account first, you bump off an entire fixed payment, immediately making your existing money reach further.

You then take the income you were paying on the lowest charge card debt balance and send it in to the following most modest. You duplicate this process until you are left with your single, heaviest debt.

This practice is called “snowballing” in the financial planning industry as the sum of money you send in to each payment bit by bit snowballs as each debt is cut back till you are sending in big amounts of cash to approach your biggest, and last, debt.

Somebody who had a \$10,000 balance on a Bank of America charge card, a \$3,000 department store charge card, and a \$1,000 gas station charge card would send in all their additional money to the \$1,000 filling station card.

Once this debt was bumped off, they would take all of the income that had been going to it and blast the \$3,000 department store card. This cycle duplicates till all of the debts are repaid. It truly is an effective way to cut down and pay off charge card debt and it’s easy to comprehend.

Charge cards: we love 'em and we hate 'em, don't we? Charge cards may make your life easier—or truly complicate it! You can find out how to make the best utilization of your charge cards and how to avoid charge card traps.

You just discovered about the snowball strategy for reducing your charge card debt so now it's time to talk about the so-called snowflake strategy. The premise is easy: Every time you get more than a couple of dollars in your hand, send it in to your charge card company to reduce your owed balance.

To make it clear-cut: We're virtually talking about \$7.15 payments. Or \$14.50 payments. Or \$3.20 payments. If you just park it in the bank, you're going to spend it. That's human nature. If all you are able to get hold of an extra \$2.74 per day, that's \$1,000 each year taken off your charge card debt balances!

Individuals often ignore the power of little amounts. As with everything in life, there's a compounding effect that goes to work. It's the same principal behind the Indian story of the ant that was able to move a total mountain, one grain of sand and bit of dirt at a time.

Your little efforts might not look like they're even denting your charge card debt. In the total, over several years, the results will be nothing short of outstanding. It's the nature of the universe.

Multiple payments can:

- More closely align payroll checks and payments. Do you get paid every week? Make a small payment weekly rather than one big one every month. You'll even out your monthly cash flow.
- Pay down charge card debt more quickly, in the same way a biweekly mortgage works. With biweekly mortgages, homeowners pay one-half their monthly mortgage amount, but they pay it every 2 weeks. With fifty-two weeks in a year, that means twenty-six half payments -- or thirteen monthly

payments rather than 12. On a mortgage, biweekly payments may shave about 7 years off a 30-year mortgage. The same precept would work if you divided your monthly payment in 2 and then paid that amount every two weeks.

- Capitalize on windfalls. Once you get in the habit of paying multiple times, charge card payments will come to mind if any windfalls come to your wallet.
  
- Build up good payment habits and step-up satisfaction. Seeing your balance fall day by day keeps you centered on the task of climbing out of debt and builds a sense of achievement.

# Chapter 9:

## *Additional Ways To Get Out Of Debt*

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### Synopsis

One strategy for reducing charge card debt suggested by financial planners is to freeze your cards in blocks of ice, helping you avoid the enticement of inessential purchases.

Find a way to bring in some extra money.

In the domain of personal finance, the “big red button”, the atomic option, is taking bankruptcy.

## **Dig Out**

A long time ago, a financial planner told customers to freeze their charge cards in blocks of ice. When they were enticed to spend, they would be forced to dissolve the ice, giving them time to take a second thought about an impulse purchase.

An even more beneficial answer is to cut up your cards totally so that you can not charge anything else to them. What good does it do to stop up holes in your boat in you are perpetually drilling fresh ones in the side?

Some people may be thinking...But I can not pay my bills without a charge card! That means that I do not get to eat.

This might sound cruel, but I have news for you: you are not paying your bills really. The charge card is simply allowing you to put off the crack of doom and helping to guarantee that when it does come, it will be much worse than you ever thought.

If you are correct, you will almost sure as shooting qualify for free food assistance in your state (if you do not, move to a state where you do – I'm being serious). In a few states, you are able to get up to three hundred or four hundred dollars per month in tax-exempt food money on a debit card. If you do not qualify, then you have a spending issue and you are still making justifications (go back to chapter 1).

If you still state you can not make due: you really are full of it. Once again, my apologies, but it's straight up.

When I was in my younger years, I moved to another state so I could pay one hundred eighty dollars for my half of the monthly rent for an apartment I split with my best friend. At the time, I was bringing in a six-figure investment portfolio income and nearly no debt. My goal was to build up my wealth at that point in my life. Was it pleasurable? Not totally. However I wanted something very few individuals accomplish – complete and total financial independence.

I had a family member who slept on an air mattress for a year and a half so that he could save more than \$40,000 by the time he left the Marine Corps at 25 years old. If I can do it, and he can do it, then there is utterly no reason you should not be able do it. Get determined and reach for what you want and keep the credit cards out of reach.

I knew someone else who decided she would like to get herself out of debt. She decided that inside one year, she was going to have paid back totally everything in her life, down to the spick-and-span new car she had bought recently.

She went and got a job as a bartender on top of her day job, pitting away every cent after taxes and utilizing it to pay down the outstanding balances on her accounts. She temporarily put all investing on hold, including retirement shares, to accomplish the goal she had determined she would accomplish.



What she has accomplished in short order has been absolutely astonishing. With six months to go, it appears that she is going to easily get to her goal. By bringing in more money into the equation, she was able to blend cost savings from her regular job (she as well did away with her cellular phone, cable, and a lot of other unneeded items) to have double the effect.

Once this self-imposed financial diet is all over, her monthly revenue will go up by as much as several thousand dollars without a single supplementary hour of work. In effect, she gave herself a pay raise. In spite of raising her youngsters and working two jobs, she likewise recently enrolled in college to go back and acquire her degree.

The point of this story is a mighty one. There is absolutely nothing you cannot achieve if you center yourself and are willing to take on the sacrifice necessary to accomplish it. In her case, that's going to mean a year of around-the-clock work to give herself a fresh balance sheet and more beneficial job opportunities. A long time from now, I am willing to bet that she will look back and recognize that this twelve month period was what allowed her to go after her bigger goals and dreams, which include establishing her very own business.

As the old saying goes, till the pain of staying the same surpasses the pain of change, you're unlikely to move. I hope it doesn't take that for you to get empowered and free yourself from financial slavery.

Charge card companies, many of which are possessed by banks, have a lot of priorities. The first, naturally, is to yield profit for the parent company and its shareowners (you might actually be a shareholder through the mutual funds you hold in a 401(k) account without even recognizing it).

When it becomes evident that somebody might be unable to pay his or her balance, there's a priority shift that happens that may work to your advantage. The bank or charge card company becomes concerned with one matter and one matter only: Getting as much of the balance back from you as conceivable and closing or restricting your account. How come? This lets them avoid charging off the amount on their earnings report, which would cause their stock to fall, management to get lower bonuses, and maybe even dividend payments to stockholders to be reduced.

If you declare bankruptcy, it's possible that the entire credit balance will be annihilated because charge card debt is called unsecured in most all cases. That means that it isn't backed up by any specific collateral, just your promise to repay. This would be the worst-case scenario for the charge card company.

If you've missed a lot of payments already and your credit score has been hit, all it takes is a series of calls to the company explaining that you are earnestly considering bankruptcy but you want to avoid that. You would like to make good on as much debt as you are able to but, frankly, you don't know if it's conceivable. Then, offer to pay off 25%

of your charge card debt balance over the next few months in exchange for the company freezing interest costs and closing the account.

You might have to spend several hours, or even days, on the phone working your way up the system. The point is, you need to drive home one concept: you're on the brink of declaring bankruptcy but you prefer to avoid it at all costs. Tell them you're taking a loan from your in-laws, or cashing in your 401(k), or whatever other tale you need to think up to get them to believe that you're coming up with everything you potentially can and this is the best they can hope for as the alternative is likely nothing following a discharge of the debt in bankruptcy court. If you are able to convince them of that, you've a very good chance at reaching a charge card debt settlement agreement.

There are hearty costs to a charge card debt settlement agreement and it comes in the form of exceedingly bad marks on your credit score. If you're already missing payments, however, this is unlikely to do any extra damage in a practical sense as you aren't going to find individuals that are willing to loan you money with past due accounts – at least not at a fair interest rate, anyhow.

The bottom line is that a charge card debt settlement agreement may be an effective way for you to avoid bankruptcy court, the charge card company to regain some of their money, and both parties to start rebuilding the damage done to their balance sheet and earnings

report from the fiasco. Likely, the biggest thing stopping you from considering it, if you're truly desperate to get in control of your finances, is pride. It's not worth it. Suck it up, take the temporary pain, and start getting your fiscal life back on track. There's a large minority of Americans that lives free from charge card debt – there's no reason you can't be among them.

As a last resort... there is bankruptcy:

In a lot of cases, it is possible to totally blot out charge card debt with a bankruptcy filing, or at the very least have a court-ordered restructuring of debt that gives you breathing space to repay your balances and get your life back in order. The opportunity price of such a move is that your credit will be totally destroyed for up to 10 years with most of the legal injury taken away after 7 years.

For a few, bankruptcy truly is the best and most efficient alternative for getting rid of charge card debt. It allows you to begin over, almost like hitting “reset” on a computer game. One of the drawbacks to think about is that the bankruptcy rules that were put in place by the charge card lobby during the Bush administration may force a lot of middle or working class workers to file Chapter 13 (reorganization where you pay off the debt from future net income) rather than Chapter 7 (liquidation where the debts are wiped out totally). United States Congress is currently working on laws to alter this and there have been some changes already.

Intelligent charge card companies understand this. That's why it is sometimes possible to get them to drastically lower your rate of interest merely by explaining to them that you would like to repay your debt but unless the current terms are altered, you see no choice but to declare bankruptcy. You might have to stay on the telephone for 3 or 4 hours, and keep escalating from supervisor to supervisor, but at the close of the day, you have a really, very good chance of breaking down from thirty percent interest to thirteen percent interest.

If you are emotionally depleted, want to begin over, and are willing to go through the process of bankruptcy, look for a highly regarded, specified bankruptcy attorney in your area. They are able to explain all the drawbacks, expenditures, advantages, and procedures to you. In a lot of cases, it's better to just begin over and start reconstructing your life.

# **Chapter 10:**

## *Real Estate*

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### **Synopsis**

Making money in real estate is forever a topic for those who would like to invest. This includes many of the different types of real estate investments. Land, apartment buildings, houses, commercial buildings are all part of a real estate investment.

## **Real Property**

Assignment of contract: Assignment of contract is more generally called “wholesaling” in realty circles. Consider how other huge companies wholesale products to bring in earnings. For example, Walmart wholesales products by buying them in big amounts. They're able to buy products well beneath current market value due to their over-the-top purchasing influence. Walmart then swings around and sells those products to their end purchaser at retail prices. Walmart is capable of generating a net profit by collecting on the difference between what the merchandise sells for and what they buy it for.

There are actually only three chief steps in this procedure.

1. Talk terms for a discount on the product.
2. Sell that product for retail costs.
3. Accomplish this in an effective time frame to minimize stock.

Wholesaling real property has a few laws of similarity and a few differences. In wholesaling real property, you're likewise negotiating a price reduction on the product and you're also selling that product (the property) for retail costs. The chief deviations are that you're not carrying any stock and you're not negotiating your price reduction by buying big amounts.

Equity: You might or might not already be acquainted with the term. Equity is the deviation in the value of a property less what is owing on the property. A seller owes seventy five thousand on a first mortgage

and twenty five thousand on a second mortgage for a home that's appraised at about one hundred thirty thousand. How much equity is in the house?  $\text{Equity} = \text{Value} - \text{owing Debts} = \$130,000 - \$75,000 - \$25,000 = \text{Example } \$30,000$  of equity in the house.

How is equity amassed? For anybody who owns a house, they might commonly amass equity in any of the accompanying ways.

- 1) Down payment.
- 2) Paying down their mortgage over time.
- 3) Property value goes up.
- 4) Home betterments or repairs.

Why Does Equity count? It's exceedingly uncommon for property to sell for significantly more than the market price. Real property has a largely standardized worth within its local market anyplace around the world. If the house next door to you sells for \$100,000 it's exceedingly improbable for that house to sell for \$200,000 without any alterations in the market or the property itself. There is a measure of originative ways to get paid big amounts of money in real property. All the same, they all center on this easy and most importantly fundamental precept. You negotiate for equity and then you sell your equity.

Alternately, in some other originative investment strategies you negotiate a low monthly payment and then sell your monthly payment for market price.



So what precisely is wholesaling real property? Wholesaling real property is talking terms about a discount on a piece of property with an escapable contract and then at the same time selling that piece of property for closer to market price to another investor. As you're at the same time selling the property, it's ultimately the end purchaser who will furnish the needed capital and credit required to close the deal. Moreover, as the contract is escapable, you are able to withdraw from your purchase contract if you can't locate a qualified end purchaser who will buy your equity. You'll only be buying a property that you've already sold for a net profit.

It shouldn't surprise you that real property has produced more millionaires than any other type of business. There are dozens of infomercials that teach about “no money down” real property investing. Is there truly such a thing as “no money down” real property investing? Can individuals truly make a fortune without any skill or experience in real estate?

In brief, yes but it counts a lot on you. I mean, how may I really frankly make a promise about you without knowing your skill set, drive and aspiration? What I'll show you is the strategies shown to work to produce a high income living. What you do with those strategies is your option.

Believe it or not, this material is what most individuals learn in other guru's \$5000 beginner's real property investing seminars.

So can a bucket-load of money be made in real property? The fact is if you're willing to work it then yeah it may be done. Where the haywire thinking comes in is when individuals think it's a "get rich quick" strategy. Truly, a lot of revenue can be made fast but it takes intelligently directed moves utilizing tested strategies. I'd be lying if I stated it didn't take work. No money down real property investing is more of a "get rich [fairly] slowly" type of theme. It may work fast if you apply the correct strategies and techniques. You're likewise going to need to maximize your efficiency to accomplish it in a short time period but it isn't inconceivable. If you believe you're going to do very little and make a fortune with no work, this isn't for you. I just don't prefer to leave you with hollow expectations of what may actually be done in real life. If you project to do nothing to get loaded, I'd advocate the lottery. Otherwise, acquire repeatable systems that may be automated over time to yield consistent earnings that make you a good living.

All the same, having said all that, there's a way it may be done and the great news is that I'm going to show you how. After all, it is no chance event that studies repeatedly resolve that over 9 in 10 millionaires may directly attribute their riches to real property.

Assignment of contract is the most uncomplicated way for a newbie to get moving in investing. Because it doesn't take any capital to invest with, even crafty real property vets often still utilize this technique. I know a couple of vet investors who are doing all right for themselves

and they entirely utilize this strategy to yield their wealth. If you are able to purchase without cash, hey why would you quit right?

How come everybody doesn't do this? Because so many gurus have allowed for false promises and testimonials.

You need real expectations of what is called for on your part in the real world. The strategies truly work if you're diligent in your efforts. Let's consider question number 1 that I always hear. After individuals see the logic behind the strategies they inescapably enquire "why doesn't everybody do this then?" If you're like most individuals you're going to believe the same thing at some point if you haven't already. Most individuals doubt themselves and are too afraid to try. They'll even tell you that it won't work for you. Many individuals even mentally block themselves from bringing in big amounts of money as they see themselves as poor in their minds and consequently they've a hard time acting out actions that lead to big sums of wealth. They may even psych themselves out to the point where they're totally fearful of acting. If that's not the case, they anticipate it to be truly simple just because they know a couple of strategies.

Frequently, they don't have any clear goals or direction from the strategies to guarantee they'll be a winner. But the greatest reason though, is forever and has always been the concern of rejection. They can't shake the thought that the other individual may say no so they'll carry on to lead a life based on what other people tell them to do.

The fact is that if you thought of it, you already recognized that. It's a pitiful truth that most individuals spend more time planning their holiday than they spend working at taking charge of their own financial position. There's no rejection in real property. In real estate, you'll forever be contacting individuals who have a prior interest in selling their house to you so are never "turned away" like that. "Rejection" in realty sounds something like, "Oh well we're not looking to do anything like that now" from the seller. You'd respond something like, "alright thanks and good luck and feel free to call me should your conditions change." Still though, Know the fear of rejection will still command many individuals.

This is among the most crucial life lessons I may give you. Acquiring sound investment advice is to always be heedful who you take advice from. The individuals in the past who have talked you out of great ideas most often are the ones who recognized the least about them. It's regrettable because they're frequently your friends or parents. They've great advice on many matters but not always on thoughts that pertain to yielding wealth. If you need investment advice, discover a good investor. Investment advice should only come from a successful investor. If a successful investor tells you not to do something then you ought to listen. Otherwise learn to tune out the batches who understand nothing about what you do. In brief, never take advice on something complicated from somebody who isn't knowledgeable in that arena.

The simple nature of doing something different will make you not understood by most individuals, even several whom you deeply care about. As long as you're "different" or at any rate doing something different, humans will have to ridicule you. It's easier for them to draw you down to being "normal" than accepting to themselves why they've never gone for what they truly desired and more significantly, why they themselves have never done anything to be affluent. Don't fret though, if that's been your mindset to this point in your life, remember that you're always free to change it and pick a fresh path.

While you probably don't see how this all goes together just yet, in order to allot a contract, you'll require an investor already queued up. Stay with this and you'll discover how it all pieces together just fine. Bearing investors at your finger tips means some up front work is called for. If you get the deal first then seek the investor later, risks are that it will be too late. Begin looking at once. Pick your own brain to discover what else you are able to come up with. There's always more means than just what's shown here. If you muster up your own originative way before anybody else does, than you'll have no rivalry and get a huge leg up on everybody else so don't block off your brain just yet.

There's always a good deal out there so it's crucial to keep looking. If less than 1% of properties will meet our standards (again the current economy will be much better for you), be fixed to handle a lot of reversals. It's just part of the game. You'll be grateful it's this tough or everybody would do it. If it were just that simple, you'd have too

much rivalry to even get involved with it. Discovering a motivated seller is a lot like discovering a cash buyer. You do things to draw them with strong marketing precepts. You don't expend hours chasing your tail going after them. I'll say it again, these are only some of the ideas we use to discover sellers. Pick your own brain to discover some fresh ways and you'll tap into a promotion stream that no one else is utilizing.

You're only going thru with your deal if the investor goes through with theirs. At this point, you may realize that any and all risks perceived in this type of real property are imagined. You're only buying something that's already sold someone else. The only thing you are able to lose is any money you've put into advertising and if you used free classified sites, you didn't even lose that. You can't possibly get stuck with the full purchase price of a home you can't afford because you're going to void your contract before that happens.

You're creating a win win. Your seller will profit by not having their credit ruined. Your investor will profit by generating a profit. They will benefit by in most cases, avoiding a foreclosure. And you? Well you'll get paid also.

# Wrapping Up

Success falls short when there are no good habits formed. Affirmation helps the individual to support itself towards achieving the goal because of the good habits it promotes along the way in order to keep the goal “alive”. Creating and keeping good habits through daily affirmation empowers the success of the individual and the goal.

Falling short several times is not unusual when pursuing a goal. However without proper positive affirmation it is unlikely the individual would be able to rise to the occasion by tapping into the unknown reserve powers every individual has.