

WIN MAKE GIVE



**WEALTH
SERIES**



PART FOUR

SAVE LIKE CRAZY



SAVE LIKE CRAZY



“If saving money is wrong,
I don't want to be right.”

- William Shatner -

Part Four - Save Like Crazy

What a timely topic this week's lesson is, as we are all thinking about how to get our expenses down, better manage our finances, and prepare for economic recessions amidst unexpected chaos. **More than ever, we need to find a way to save like crazy.**

I know it sounds simple, but I keep coming back to this: in order to hit our financial goals, we need to earn more than we spend, because we need that excess to invest and get ourselves on track for retirement or the life we want.

Since you've done the "reality check" exercise, you know how much you need per month for your expenses, and you should also know how much you have left over. Refer back to your spreadsheet and add up your required monthly expenses. One way to figure out how much income you need to be making to get ahead is to simply double that number - so if your required monthly expenses are \$3,000, your goal should be \$6,000 in take home income (after taxes, etc. come out).

The main goal when saving is to minimize your monthly required expenses as much as possible, so you have the ability to use a portion of your income for savings and debt reduction to set yourself up for financial success in the future.

We'll walk you through how to find the right savings model that works for your situation, whether it's the 50/25/25 rule, 80/10/10, or something else.



Ben Kinney

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Part Four Instructions

The Win Make Give Wealth Series was designed to be sequential, meaning it builds over each lesson. This particular lesson will take you back to the reality check, where we visited our expenses and designated them as required and optional. Now we'll look to figure out what we can eliminate from our expenses so that we can save more!

Highlighter Experiment: This is step two of the highlighter experiment. In this exercise we add color: green, yellow, and red. Make sure you commit to doing this exercise monthly.

Saving Models: Saving money is a lot like losing weight by following a diet. There are many diets, and if you pick one and stick to it, most of the time it will work. It's the same with saving money. We propose two different diets for your financial health: the 50/25/25 and the 80/10/10 models. They both work great, and if the math doesn't add up for you then come up with your own, even if its a 95/5 or a 99/1. Just do the math and find one that works.

Lastly, we need to implement some saving strategies and make some sacrifices. Try and make this a challenge, a competition, and a little bit fun. We are hoping to create some new habits but not eliminate living a good life. Reward yourself from time to time. You will need to complete the exercises in Part Two in order to get the most out of this session. Please gather all your bank statements, credit card statements, and cash receipts. Grab a few highlighters and enjoy Part Four of the Wealth Series.

Write down your total required monthly expenses from Part Two:

\$

Write down your total monthly income from Part Two:

\$

Saving Like a Pro

THE HIGHLIGHTER EXPERIMENT (DO THIS MONTHLY):

Print out all of your credit card and bank statements with line item details. Highlight required expenses in green, optional expenses in yellow, and expenses that you can get rid of immediately in red - then take action! See if you can renegotiate yellow expenses (like your cable bill) or cancel them.

Date	Description	Money Out	Money In	Balance
06 May	BROUGHT FORWARD			1,095.85
06 May	SUBWAY	12.99		
06 May	AMAZON MKTPLACE PM	21.75		
07 May	UBER	39.77		1,021.34
11 May	TRANSFERWISE LTD C		16.69	1,038.03
11 May	NSTF GBP4.27	0.11		
11 May	DUTY FREE STORE	4.27		
11 May	WDFE	16.65		
11 May	FISH HOUSE	24.50		
11 May	WDFE	55.05		937.45
14 May	HUNDRED NORTH	0.46		
14 May	ITUNES	1.11		
14 May	ITUNES	1.46		
14 May	GEAR	1.57		
14 May	AMAZON MKTPLACE PM	16.86		
14 May	11 May	40.43		
14 May	STARBUCKS COFFEE	53.13		
15 May	SHOPPING	57.31		
18 May	CASCADE NATURAL GAS	60.99		
19 May	KUIU GEAR		0.36	
19 May	AMAZON MKTPLACE PM		13.32	717.81
19 May	WDFE	16.60		701.21
19 May	AMAZON MKTPLACE PM	13.30		687.91
20 May	SOUTHPORT	13.40		
20 May	CAFE	22.58		
20 May	TRAFTON	35.00		616.93
Statement closing balance				616.93

Save Like Crazy - 50/25/25 Rule

Write down your total required monthly expenses from Part Two:

\$

Write down your total monthly income calculated in Part Two:

\$

MONTHLY EXPENSES

50% of your monthly income -housing, utilities, groceries, transportation- should cover 100% of your required expenses below (write down 50% of your income on the line to the right)

50% Expenses: \$ _____

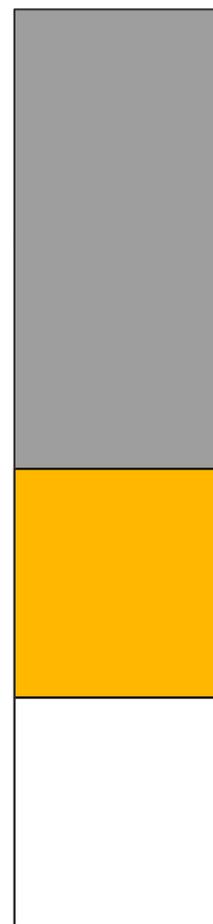
25% of your monthly income (25% of income) / 4.33 = This becomes your weekly spending for optional expenses

25% Expenses: \$ _____

25% is left for debt reduction, savings, and giving

25% Savings: \$ _____

MONTHLY INCOME



50% Income:

\$ _____

25% Income:

\$ _____

25% Income:

\$ _____

QUESTION - Can you pay your total required expenses with 50% of your current income? If so can you commit to limiting your optional expenses to 25% of your income? And then saving the rest? .

Save Like Crazy - 80/10/10 Rule

MONTHLY EXPENSES

With this model you must live on **80%** of your net income. Write total required and optional expenses below (write down 80% of your income to the right)

80% Expenses: \$ _____

10% You must save / invest **10%** of your total net income

10% investing: \$ _____

10% is left for debt reduction, savings, and giving

10% Savings: \$ _____

MONTHLY INCOME

80% Income:

\$ _____

10% Income:

\$ _____

10% Income:

\$ _____



1. Can you pay your total required and optional expenses with 80% of your current income? .

2. If so, can you commit to saving, investing, and paying off debt with the remaining 20% of your income?

3. If you can't live off of 80%, what percentage could you live off of right now?

10 Ways to Save Like a Pro

1. Pay yourself first.
2. Make a budget and stick to it.
3. Consolidate and eliminate debt monthly.
4. Revisit your bills every month to see where you can cut spending.
5. Pay attention to the little things that add up.
6. Take full advantage of employer and government options.
7. Stop collecting things, and start selling them.
8. Eat in instead of dining out.
9. Save bonuses, tax refunds, and gifts.
10. Master the “30-Day Rule” (wait 30 days to decide on a big purchase).

Brainstorm where you will find immediate expense savings below:

Save Like Crazy - Reflection

1. How much can you currently afford to save/invest/pay off each month?

2. Is that enough to hit your goals (buy a house, pay off debt, plan for retirement)?

3. If not, what can you do to change that right away?

Part Four Giveaway Question

For those of you participating in the giveaway, make sure to answer this question and save it somewhere you can access later, as you will receive a form at the end of the series with a question from each part. This is a requirement for entering to win up to \$5,000 to fund your retirement and help you build wealth.

Name the two saving models from this lesson:

1.
2.

Preparation for Part Five

- Review parts One through Four and complete all of the workbooks.
- Make sure that you have calculated the amount of money you will need to save for retirement. Part Five helps you understand how to make that amount of money a reality.