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#WINNING WITH YOUR MONEY

**Financial Lessons
for
Everyday Living**

by Melinda Belle



Winning With Your Money!

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TRANSFORM

Introduction

The burning question after seeing the title of this book might be can I really win with my money? Every day? Is this possible?

It might seem impossible, but before you dismiss the possibility, let me tell you how I won with my money.

When I got my first paycheque I was on top of the world. I thought to myself I have finally achieved a certain level of independence! I was still living at home by the way.

I thought the word independent meant I could do whatever I want with my money. I could spend money as it pleased me. *(Spa treatments were on the top of my list.)*

Contrary to my belief, this was not true. I soon realised I spent money haphazardly and on a whim. Sometimes I spent money to feel better. *(It is not advised you do so.)*

I needed to do better. I had to change the way I handled my finances. I lacked vision. I had no sense of direction.

So one day I sat down at my laptop, opened an excel spreadsheet and created a budget. I was challenged to redirect my spending and live within my means.

I am so thankful for that lesson learnt. I'd say it was learnt just in time. A couple of years later, I got married. Now imagine if I had continued my spending patterns into my marriage.

Transformation is stemmed from a desire to change. Change comes when we take intentional steps to improve and grow.

Are you ready to win with your money? Let's get started!



Independence brings responsibility!

You can win with your money!



Take Stock

At the end of each financial year, companies close for a time of stocktaking. Auditors come in to basically count the remaining stock for that ending period.

It is always good for a company to have knowledge of that remaining value. With that information in hand, the company can proceed to make strategic business decisions and prepare accurate financial reports.

What about you? Do you know where you stand financially?

If not, I encourage you for purposes of reflection, to carefully ponder on the following:

- *Do you know how much you make on a monthly basis? (Inclusive of dividends, interest or other income);*
- *Do you know how much money you spend on a monthly basis?*
- *Do you know how much debt you are in?*
- *Do you have an idea of how your investments are growing?*

If you can answer right away, congratulations you have been keeping track! If you cannot answer right away, it's not too late!

The aim of this chapter is to raise your financial awareness. The more you know about your current financial position, the greater knowledge you can have to make informed decisions and also change financial practices.



Know where you stand financially 

Release Past Failures

We often make judgements without adequate information. Some of the financial decisions I have made were not very wise.

I received a salary increase and thought I could use this to secure a line of credit offered by my bank. It seemed like a great idea at the point in time. Five years later and I am onto my last three payments.

Little did I realise that my salary increase was going right out the door and not in my pocket. I should have placed that increase into a savings tool.

On reflection, I find myself saying, *"I wish I knew better"*. If I could turn back the hands of time, I would make the right decision.

Mistakes are good. Don't get me wrong. I am not saying making the same mistakes are good. I am saying that mistakes make us wiser. If I had sat down and considered the interest I would be paying, I would have said no thank you to that loan. But now armed with more wisdom, I can make better choices in the future. And so can you once you learn from your mistakes.

So how did I release my past failures? By:

- *Acknowledging the mistakes I made.*
- *Admitting I was wrong. The sooner I admitted the less denial I was in.*
- *Letting go of the shame and the guilt. The past is past. I closed that door.*
- *Forgiving myself.*

The best way to handle failures is to learn from them and grow.



**When You
Know Better
Do Better!!!!**

Forgive yourself for past mistakes



Answer the Tough Questions

Sometimes to achieve what we desire, we need to sit down and consider the costs of obtaining it. Why not spend some time in quiet reflection and pen your thoughts?

Am I ready to live a disciplined life? What steps am I willing to take?

Am I willing to delay gratification and exercise self control? How will it benefit me?

Do I understand that accumulating wealth takes T-I-M-E? What do I think about this?

Will I be content with whatever I achieve? Why?



What are the costs of achieving your goals?



Now's the Time to Plan

If you are reading this chapter, congratulations! The hardest part about winning is the renewal of mindset. If you are willing to change how you think and perceive, half the battle has been won already. Way to go!

Onto the next step. It's time to create your financial plan. This acts as a roadmap to your ultimate financial destination. It gives you direction, lists your financial goals and helps you strategise for the future. Sounds exciting, doesn't it?

Listed below is your opportunity to create your life plan. Remember to list goals that are attainable and realistic.

Happy Planning!

Short Term – Within a year

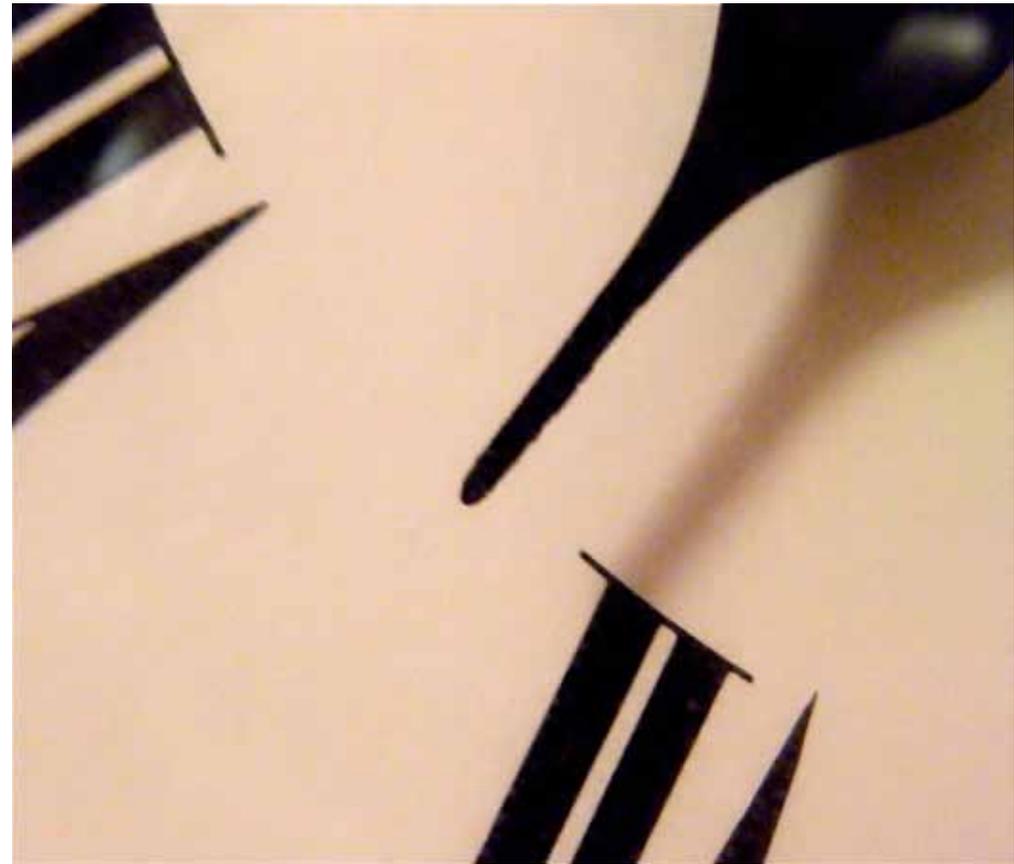
For example: vacation, save for annual expenses (car insurance)

Medium Term – Next two to five years

For example: purchase house and land

Long Term – 6 years or more

For example: retirement, college education



Plan your financial destination!



Select your Financial Tools

The best way to execute one's financial plan is to employ financial tools. Financial tools are essentially systems you implement for the effective management of your money.

These include:

- A budget
- An envelope system
- Financial software

A budget is a spending plan used to allocate money for various purposes. For example, rent, utilities, groceries and savings. You simply list your income and spend according to your financial plan and commitments. Always keep your goals before you when budgeting.

The envelope system is much like a budget. It is a system where money is placed into labelled envelopes and spent according the amount available in each spending category. The beauty about using this system is that once the money has been used up, that's it. There's no taking money from another envelope to place in an envelope that is empty.

Financial software can be purchased to help manage your finances. They often provide automatic updates about your spending. This will assist you with living within your means. Financial software can be purchased on the web in the form of downloads or apps.

Do your research. Discover what's out there and pick what's right for you. You know your strengths and your weaknesses. Implement the system that suits you best.



Select the tool that's right for you!



Free yourself from Debt

As a family, we employ budgeting. It has really helped us curb our spending and inspired us to live within our means. However, there are financial goals we have yet to accomplish. In order for us to pursue those goals we need the money to do so.

Remember I said I am three months away from repaying my line of credit. Well, after I finish making my payments, more disposable income will be available. Then, we will have more freedom to pursue other financial goals.

Since one of our goals is to be debt free, the amount used to pay the line of credit, will go towards repaying another debt. This method of debt repayment is known as the debt snowball. In the event we are finished repaying that debt, we will then use those two former debt payments to reduce the other debt.

To facilitate the repayment of debt, you need a debt management plan, much like you need a financial plan. Financial plans have debt management plans in them. This tool helps you to reduce any amounts due to creditors.

You can use this table to track your progress toward debt freedom.

Creditor	Debt Type	Amount Owed	Amount Paid	Remaining Balance

The moral of the story is, the sooner you clear your debts, the sooner you can accomplish other financial goals.



Have a debt management plan!



Organise your Records

Businesses normally or should maintain a filing system for their accounting records.

By the time an audit comes around the information is readily available.

A family should implement one as well so that by the time tax season comes around, the information is also readily available.

Having this information on hand can bring a world of benefits. You can use your financial information to compare financial patterns in different months.

You can be strategic and see if you need to improve in your spending or see if you are closer to achieving a savings goal or see how much more money you need to repay a debt.

Get creative in establishing your filing system. If you wish to use different colour folders for different spending categories, by all means, be my guest!

To win with your money, you need to get organised.



Be organised and strategic!



Reach for the Stars

After you have sought to put your finances in order, become disciplined in your spending and worked hard towards achieving your goals; dream!

- Put your money to work.
- Start a business.
- Buy real estate.
- Help someone accomplish their dream.
- Sow into your community.

The greater your financial freedom, the greater things you can accomplish.

I give you permission to dream again. Get a pen and paper and write them down.

Revisit your financial goals. Write down new ones and cross out the accomplished goals.

As you grow and develop, the possibilities will become greater. Be strategic and be wise.

Yes, the sky is the limit, but we must always remember to be prudent.



Dream Big: The Sky is the Limit



Maintain Healthy Financial Practices

We all wish to accumulate wealth, whether it is for our financial empowerment or the next generation.

Even though you have attained financial freedom, you still need to employ healthy financial practices.

One of the key ways of measuring your financial progress is to know your net worth. And that can be accomplished by means of a net worth statement.

A net worth statement is a financial statement used to list an individual's or family's assets and liabilities. Assets are valuables owned by a person (bank account), while liabilities are monies owed by a person (student loan).

You calculate your net worth by simply subtracting your total assets from your total liabilities. If your liabilities are greater than your assets, you are considered to have a deficit net worth.

It is best to compare your net worth on an annual basis, as you want to be sure you are accumulating wealth. If you compare your net worth on a monthly basis, there won't be much of a difference to evaluate.

An increase in net worth normally implies that healthy financial practices are being implemented.

So in conclusion, let's apply what we have learnt!

Let's win with our money, everyday!



Win with your money, everyday!





About The Author

Out of the financial crisis which affected many in 2008, Melinda saw the need for financial planning and education. This led to the launch of her company Astrape Finance. (www.astrapefinance.com)

She is now dedicated to the financial success of those in their personal affairs and those in the business sphere.

She firmly believes that the journey to financial soundness does not commence at the beginning of a year, it starts when you decide to take that journey.

Melinda currently resides in Barbados in the West Indies with her husband.

Astrape Finance thanks you for your continued patronage, as we empower you to master your money.

