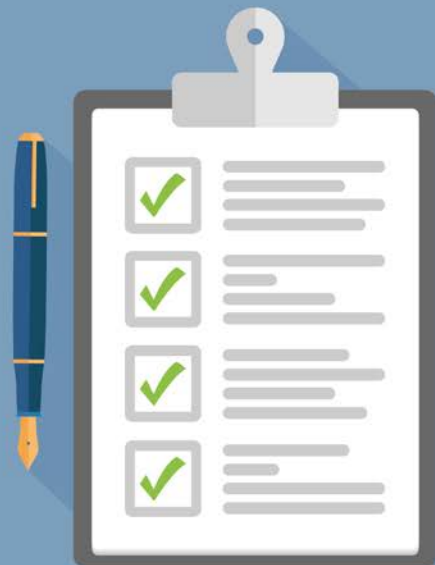


101 Money TIPS



TO SET YOU ON
THE PATH TO
FINANCIAL FREEDOM



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G**1 Establish an Emergency Fund.**

Emergencies aren't just a possibility – they are a certainty! So rather than relying on a credit card when they happen, plan ahead! Whether it is your car that needs repaired, a medical copay that needs covered, or a dishwasher needs replaced (can you really survive without one!), start building up a fund to around \$1,000 so you have it when you need it.

2 Create a Simple Filing System

I created a really elaborate filing system with a different spot for almost everything – and I never used it because it was so hard (How do I file the vet bill that is for both dogs when I have a separate file for each?). Now, I have a file called Med/Vet. That's for the whole family! (Kids should be separate). The point is that you only need a few large categories for a filing system, which it makes much easier to put files away when you are in a hurry.

3 Get On The Same Page As Your Spouse

Not everyone thinks the same way about money. That means you and your spouse might see money differently – your goals, your dreams, your spending, what amount of debt is acceptable, how much do you need in savings, etc. The key is to communicate with your spouse (maybe with a glass of wine.. Or two...) so you can determine what works for both of you combined. Now is the time to collaborate – before you have to compromise later – where neither of you are happy.



GOALS

4

Automation Is Easier Than Discipline!

Discipline is hard! It takes... well... discipline. But automation simply takes a few steps (a little effort) and then you are done! That means as you establish goals, budgets, debt payoff plan, whatever, simply automate the whole process through your online banking/bill pay and you won't have to put any more effort into it. And you won't need to worry about discipline anymore either!

5

Pay Yourself First

You already make everyone else rich – the mortgage company, utility company, the banks, etc. Do you know how they get rich? They get paid. So you need to pay yourself as well. In fact, pay yourself first. Set aside a portion of your hard-earned income that goes to you. That means money in savings, money in your 401(k) plan, or whatever. The point is, it is your money – so use it pay you, just like any other bill you pay each month.

6

Establish Your Goals (Together)

You have to set some financial goals. Preferably short-term and long-term. Once you establish these goals, it makes all your other efforts have a purpose. For example, you dine out less, but that is because you are setting money aside for a new car! See how that works? If you are married, it is critical that your goals are set together. You may actually have different goals than your spouse. It takes communication to make sure you are on the same page.



B U D G E T I N G

7

Use The Money Professor's 3-Account Simple System

The system we like to use is to set up three bank accounts, one for automatic bills that are due (utilities, mortgage, insurance, etc.) Another account is for debt payoff (if applicable) or goals, and the third is for spending. This way you will never accidentally spend your rent/mortgage payment since it is in a different account.

8

Use The Envelope System

One way to control your spending is to simply create an envelope for each category, such as dining, vacation, food, clothing, etc. Put the cash amount for each category in the envelope each month and only spend from that envelope. When the money is gone from that category – you are done with it for that month. No more money. This keeps you on track.

9

Tie Your Budget To Your Goals To Stay On Track and Be Motivated

Remember the goals you (and your spouse) set? Now look at those while deciding what matters to you when establishing your budget. Remember pay yourself first? This is where you set money aside each month towards your goals (see the budgeting systems above). Now your spending will align with your goals. If something doesn't work – you run out of money – then you will need to either change your goals, or adjust your spending. At least you now have a plan!



B U D G E T I N G

10 Automate Your Bill Payments

To avoid ever missing a payment or not making the minimum, simply automate your bills using the built-in payment on the company's payment website or use your bank/credit union's bill payment service. This will allow you to relax, knowing your bills are being paid so you can stop focusing on your monthly bills and start focusing on what really matters to you.

11 Plan For The Expected – Non Monthly Bills

Guess what? Birthdays, Anniversaries and major holidays happen the same time each year! Yet they always take us by surprise. When setting up your budget (or spending plan) look at a calendar and think ahead to all the occasions that will cost you money. Start setting money aside each month. Remember taxes, insurance, and even car maintenance as well.

12 Sell Unwanted Stuff

Don't need it? Get rid of it. But don't just throw it away. Either donate those items (if you itemize your tax deductions) and you will save money on taxes in April, or sell them. Use sites such as Craigslist or ebay, apps such as LetGo, or go old school with flea markets and yard sales. The point is, what you may think is trash, may be treasured by someone else. This is not a full-time job, just a one-time influx of cash you can use towards one of your many financial goals.



B U D G E T I N G

13 Live On Less Than You Make

Seems obvious, right? But nobody is doing it! By following our other tips, (pay yourself first, use a budgeting system) you are setting yourself up for financial success. These systems allow you to live on less than you make because you are not spending too much. You are setting aside some money and only spending what is left over.

14 Differentiate Between Needs and Wants

We all 'need' certain things. But do we really? We need food (basic), clothing (not Gucci) and shelter (not 6,000 square feet). We may want those other things, and if we have the cash to pay for them, so be it. But make sure you distinguish between what you actually 'need' and what you really just 'want'. If you want it bad enough, make it part of your goals and adjust your budget accordingly.

15 Add a Miscellaneous Category

When establishing your budget, there is no way you will be able to account for absolutely everything. Plus, restricting every single dollar can be quite frustrating. Instead, you need to have a cushion, or a miscellaneous category in your budget so when those small unexpected needs (or wants) pop up, your budget is flexible to actually let you live and enjoy life!



16 Shop Based On Value

Don't just look at price when you purchase, but consider price-per-quantity. Sure, it's always cheaper to buy the smaller item, but it actually costs you more in the long-term. However, not all family size items are the best value for your dollar, so figure how much it is costing you per item. Then you can better compare one size to the next to get the best value.

17 Look For Recurring Charges You No Longer Use

Take a look at all of your expenses over the past year by going through your credit card, debit card, or bank statements. Now, look for charges that are recurring each month or each year. Do you use these services? Are you getting enough benefit from them? Are their less expensive alternatives (have you shopped around)? If not, maybe it is time to cancel them. If you do use them, then maybe it is time to negotiate the price...

18 Negotiate On Services

You can negotiate the cost of your cable bill, your satellite radio bill, etc. Basically, any digital or other service you receive can be negotiated. You can still enjoy what you love, just enjoy it for less money!



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19

Plan Your Holiday Purchases

Instead of just getting caught up in the holiday spirit, the hustle and bustle, or the stress of the season, when you have a large number of gifts to buy, or a large number of people to buy gifts for – then plan the purchases. Either set a budget for each person, or come up with your list of items and tally the total cost. It may be eye opening, but it will save you in the long run.

20

Control Your Vices

It's okay to enjoy a little fun, but let's face it – vices are expensive. Whether it's drinking, smoking, gambling, or lots of chocolate – the government already knows too much of these things can be bad – so they tax them a lot. That means they cost you more money. Learn to quit the habit – or at least temper it a bit. This will save you money – and health...

21

Live a Healthy Lifestyle

Hospital bills are expensive. Missed hours at work are expensive. While some things can't be controlled, you can at least try to beat the system by living a healthy lifestyle. Not only will you feel better, but the amount of money you could save on vices, copayments, prescriptions and even lost hours at work could really help you have more control of your spending.



S P E N D I N G

22 **Cut Back On Dining Out**

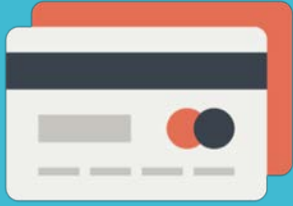
Did you know that one of the top ways Americans waste money is from dining out? Well, you do now. So do something about it! You don't have to stop dining out completely, unless your budget is super tight – but at least reduce the amount you spend each month and eat more leftovers – and pack your lunch for work.

23 **Don't Go Grocery Shopping While Hungry**

One of the best ways to overspend while grocery shopping is to go to the grocery store on an empty stomach. This makes everything look good. Instead, make a list ahead of time, and try to go when just after a meal, if possible. You won't be tempted to buy foods you don't need because you will be too full from your meal.

24 **Don't Go Shopping When Emotional**

When we make emotional decisions, we make poor financial decisions. If you go shopping while emotional – this includes happy, sad, excited, stressed, afraid, etc. – you will likely buy more than you should – or buy things you don't need. You have probably heard of retail therapy. We buy things to make us feel better. But how much better do you really feel when your credit card bills arrive?

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25

Check Your Credit Reports Annually

Your credit reports say a lot about you. They show what debts you have and if you paid on time, and more info. You want to make sure they are accurately representing your situation. Any incorrect information could be a sign of identity theft, so review all three reports each year through www.annualcreditreport.com. This is the government mandated website, so it is free.

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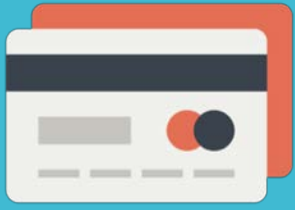
Check Your Credit Score

If you have a credit card, it may allow you to see your credit score for free each month. It is good to know your credit score, which is like a grade point average for how you handle debt and credit. Don't pay for the score, but access for free if it is available through your bank, credit card company, etc. A sudden drop in your score could indicate something is wrong. A steady rise is good.

27

Use Less Than 30% Of Your Available Credit

One way to really improve your credit score is to make sure you are using no more than 30% of your available credit on credit cards. For example, if your credit limit is \$10,000 and you owe \$3,000 then you are using 30% ($\$3,000 / \$10,000 = 0.3 = 30\%$). If you owe \$3,000 but your limit is only \$4,000, then you are using 75%! That would cause your score to be lower. You want less than 30% on each individual card and across all cards combined.

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28

Avoid Co-Signing Loans

When you co-sign a loan, you are taking full responsibility if the other person does not pay. That means you are leaving your credit in the hands of the other person. You might not even know they are not paying... until you check your credit report or score. Plus, this makes for an awkward relationship if the other person can't pay. If the bank says no, maybe you should too.

29

Get a Credit Card

Wait.. What? Well, if you already have a couple of credit cards you are okay. But if you are trying to build your credit, you have to have at least one (preferably two) credit cards to prove you know how to handle them. Since 10% of your credit score is based on types of credit, your lender wants to see that type of access to credit in your financial mix.

30

Avoid Closing Unused Accounts

Sometimes you want to clean up your credit so you cancel unused cards. But that can actually hurt your credit score. Why? Cancelling old cards could make your credit utilization go up (if you have a balance on other cards) which will make your score go down. Since amounts owed represents 30% of your score and includes your utilization rate, you are better off keeping your cards even if you have no plans to use them. Plus your average account age is 15% of your score, so older cards help keep your score higher.



D E B T

31 List All Of Your Debts

Yep. It's like trying on a bathing suit in front of a mirror with bright lights for the first time after a long and unhealthy winter break. But sometimes that is what it takes to get motivated. In this case, you need to do it because you have to know exactly where you are before you can start heading to where you need to be.

32 Choose the Best Option For Your Lifestyle To Pay Off Debt

Some people will tell you to pay the smallest debt off first, others will say pay the highest rate first. We believe personal finance is personal. We actually have 4 methods we use for our clients. The key is to pick the strategy that works best for your situation and lifestyle.

33 Pay Off Your Credit Card Balance Each Month, If Possible

This may not be helpful if you have no money, but in general, and going forward, do not put any more charges onto a credit card than you can afford to pay off at the end of the month. Even better, only put it on the card if you already have the money in your account. You could just use a debit card, but maybe you want the security of making the purchase with a credit card instead – or you just want the points. Once you allow a debt to accumulate on a credit card, it is very easy to let that debt build. In no time, you could be thousands of dollars in debt.

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T**34 Approved Is Not the Same As Afford**

When applying for a loan, a bank does not look at your budget or your other financial goals. They are only there to tell you how much they are willing to lend you based on your income. They can't tell you how much you can *actually afford*. You need to base that decision on your budget, not the banker.

35 Avoid Pay Day Loans

Pay day loans are some of the most expensive loans on the market. Between the fees and the interest rates, even though you are only borrowing the money for a couple of weeks at a time, it is equivalent to an annual rate exceeding 600% sometimes! Plus, most people who get them, end up using them week-after-week or month-after-month. Don't get stuck in that cycle of poverty. Avoid these types of loans.

36 Don't Compare Yourself To Others

There are many reasons we get into debt, but one of them is that we try to get what others have, even if we can't afford it. However, we tend to compare ourselves to the best of everybody. One neighbor has a nice car, a co-worker has a great house, a friend takes great vacations – and we try to match or outdo the car, the house, and the vacations! Choose what matters most to you and enjoy it, but stop comparing yourself to others – they might not be able to afford what they have either!

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37

Try The 50% Plus Solution

One of the strategies we advocate in our [DebtorADE \(Accelerated Debt Elimination\) System](#) is the 50% Plus Solution. This is where you pay off one debt and take 50% of that amount and add it to the next. Plus, you take 50% of every extra dollar you find (pay raises, bonuses, gift money, tax refund, etc.) and use it towards your debt, while using the other 50% to improve your lifestyle. By rewarding yourself for paying off a debt but still adding more towards your monthly payment on the next debt you create the perfect balance of enjoying your life and your money, while still responsibly and aggressively paying off your debt. By using 50% of all pay raises, etc. you do the same thing. You enjoy your money more, while at the same time help reduce your debt quicker.

38

Visualize Your Life Without Debt

Staying on track is tough, especially if you realize it will be a few years before you are completely out of debt. It is easy to get frustrated along the way. So keep in mind why you are doing this and how it will positively affect your life. Think about all the money you are spending on debt and what you will be doing with those dollars once the debt is paid off. How many other financial goals will be achieved? Paying for your child's college? Taking annual dream vacations? Investing for a more relaxing retirement? Helping your church, school, ageing parents? Visualizing this freedom will help you stick with the program.

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Fill Out the FAFSA Each Year In College

The Free Application for Federal Student Aid (FAFSA) is the critical document that most colleges use to determine all their financial aid, including merit (non-need) based. So if you want to be eligible for ANY aid, including scholarships, you need to complete the FAFSA for your college financial aid office.

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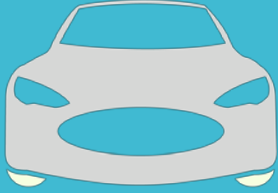
Always Choose Federal Student Loans Before Private Student Loans

Federal student loans are the most flexible in terms of repayment, plus they have a fixed interest rate. But the biggest benefit is that repayment flexibility. They have a program to make it possible to pay the loan no matter your circumstances, without falling behind. No job? Low income? Lost your job? Returning to college? No problem. They have seen it all.

41

Learn About Repayment Options For Student Loans

While the details of student loan repayment options can change over time, they have some basic options that are stable. You can choose standard, graduated, extended, extended graduated, income-based repayment and more! Even extreme circumstances (see previous tip) can be accommodated. The income-based repayments have multiple options with various eligibility rules. It is important to know your options so you can choose which is best for your financial situation.

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S**42 Buy Used, But Buy Smart**

The most expensive part of a car is the first three years of its life. So if you buy a car that is 3 years old, that is a good sweet spot. Too old could mean costly problems. Newer cars means you will be spending a lot on depreciation. Don't buy junk, but don't go new either if you want to save money.

43 Do Your Research Before Stepping Onto The Car Lot

Before you ever step onto the car lot you should already know what car you want, how much you should pay for it (fair price), how much you can get for your trade-in and what interest rate you qualify for (if borrowing). This information will help you negotiate and keep you from getting caught up in the emotional sales tactics.

44 Practice Regular Maintenance

It is easy to skip out on regular maintenance because, lets face it – nobody wants to spend money unless you have to. Skipping out on car maintenance may save you a few dollars today, but you will spend way more money in the long run in costly repairs. Keep up with the basics such as oil changes, but don't overlook transmission fluid, brakes and other items as well.

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Get Multiple Mortgage Quotes; Don't Just Go With The First Lender

Don't just use the first lender you come across. You wouldn't choose your spouse that way. You wouldn't choose a car that way. Why would you choose a mortgage that way? One mortgage company may say you qualify for 8% and another may say you qualify for 7%. On a \$200,000 mortgage, that is a \$140 difference in monthly payment and a \$49,000 difference in total mortgage cost.

46

Consider an 80-10-10 Loan To Save On PMI

PMI is an insurance you pay for being a riskier loan since you cannot afford to put a 20% deposit on your home. You receive no benefit from paying PMI (except you qualify for the mortgage), so it only protects the bank, not you. Assuming you do have enough to make a 10% down payment, then you can get a typical 80% mortgage and borrow the other 10% as a second mortgage. Your monthly payments will be similar, but you can at least deduct the interest on your second mortgage.

47

Consider an 80-15-5 Loan If You Cannot Come Up With 10%

Okay, so you can't come up with the needed 10% down payment. Can you come up with 5%? If so, this is the same concept as the 80-10-10, but instead you are putting down 5% and borrowing 15% on your second mortgage. You can also put 15% down and borrow 5% as your second mortgage. You will still save on PMI.

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Don't Buy Just Because You Can

Before you buy, make sure it is the best option for you. What are your other goals? Are you trying to change jobs/careers soon? Could a house actually hold you back? Keep in mind home ownership is expensive (maintenance, upgrades, etc.). Make sure it is actually what is best for you before you buy.

49

Choose The 15-Year Mortgage When Possible

The 15-year mortgage is an equity mortgage – you quickly build equity as you pay down the balance fast. The 30-year mortgage is a debt mortgage – you stay in debt for a long time and end up paying more in interest than the cost of the house itself! With a 15-year mortgage, if you have to sell in just a few years, you are much more likely to walk away with cash instead of walking away with a loss.

50

Keep Your Housing Costs Below 30% Of Your Monthly Income

This is simply a general rule of thumb. When your housing costs (mortgage/rent, utilities, etc.) eat up more than 30% of your monthly budget, it makes it nearly impossible to balance your budget, stay out of debt, and enjoy your life. If your housing costs are more than 30%, it is referred to as 'house rich and cash poor.' That means you might have a nice house, but you don't have any cash for other stuff in your life such as vacations, and spending money. This is one quick way to make yourself miserable.



H O U S I N G

51 Pay Bi-Weekly If Possible

If you get paid every two weeks, then you should set aside half your mortgage payment every paycheck or make half a payment every two weeks. Why? Because you end up making 13 payments per year instead of 12 (once per month). This can literally knock years off your mortgage and save you tens of thousands of dollars in interest!

52 Round Up Your Monthly Payment

For very little cost you can round up your monthly payment to the next even hundred and save thousands of dollars in interest and knock a few years off your mortgage. Of course if your payment is \$899, then rounding to \$900 won't save much, but if it is \$925 and you round up to \$1,000 it will make a big difference!

53 Refinance If It Makes Sense

Okay, so you can't come up with the needed 10% down payment. Can you come up with 5%? If so, this is the same concept as the 80-10-10, but instead you are putting down 5% and borrowing 15% on your second mortgage. You can also put 15% down and borrow 5% as your second mortgage. You will still save on PMI.

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Be The Go-To Person For Something

Be “that guy,” or “that girl.” Who? The one everyone knows they can count on for something. Are you the one to go to when people need help with MS Excel? The graphic design guru? The one who knows how to find everything? Maybe just the one they know who will get it done on time. Don’t just be a cog in the wheel. Be the cog that makes the wheel turn!

55

Arrive 15 Minutes Early and Stay 15-Minutes Late.

It really isn’t that hard to be noticed. Just get to work early and stay a little late to help someone. When surveying employers, what we find is that they are looking for people who show up to work, arrive on time and do what they are supposed to do. It seems simple, but it is hard to find these days. So do all that and then give a little more and you will move up in your career in no time.

56

Volunteer To Help Other People/Departments

Most people who are bored at their job or stuck in their position don’t realize it is a ‘career ladder’ – not a ‘career escalator’. You have to take initiative to find new things to do. In fact, your everyday duties will never help you advance in your career. It is all the special projects that make you stand out. So when you are done your work, ask your coworkers if they need help, even if it means you will have to stay late. Nobody does this! So you will stand out and be noticed.

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Negotiate Your Salary

When you first get hired, it is critical to negotiate your salary. Why? Because in many businesses your starting salary will determine where you end up five years later. Pay raises can be scarce at times, so don't expect to get big bumps. Where you start can make a world of difference. But, if you are performing very well, and the company is doing well, don't be afraid to ask for a pay raise a year later.

58

Take Advantage Of Company Benefits

Part of your compensation is in the form of company benefits. This includes health insurance, retirement contributions, discounts for services, and so forth. Basically, you receive a slightly lower salary so your employer can provide all these benefits. If you are not taking advantage of the ones that are good for you, you are leaving money on the table – or in your employer's pocket.

59

Spend Money To Grow Professionally

Most of your training and development needs will be paid for by your employer – so make you ask about these opportunities (company benefits). However, in some instances there will be opportunities that are great for your career that your employer may not pay for. Since one key to success is to pay yourself first (invest in yourself) part of that can include professional or personal development. Whether that is a career coach, a financial coach, or a training course, don't be afraid to invest in you!

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Saving Accounts Are For Protection and Access

When it comes to putting money in a bank or credit union – these are dollars that are for *saving* not *investing*. The purpose of a savings account is to have money that you can access easily and that you know it will be there for you when you need it. For example, an emergency fund or something for a short-term goal (vacation) needs to be there when you need it. It's not about the interest you earn, but the fact that it won't lose value that matters.

61

It's About Minimizing Fees

When choosing among several account types, your goal is to minimize fees. So pay close attention to any minimum balance requirements and other fees that are likely to hit you. It does no good to get a 2% special interest rate on a small savings account balance if you end up paying \$5 in fees every month.

62

Credit Unions Are Cheaper Than Banks

Banks have their purpose such as for larger transactions and multiple branch locations, but with online banking and digital transactions, these advantages are getting smaller. Meanwhile, credit unions tend to pay better rates, charge lower fees and interest, and tend to be more consumer friendly. In addition, with the improvements in technology, they offer most of the same features and benefits as banks. Since you want to minimize fees, look into your local credit union as an option.

63

Start Early....Like Right Now!

When you understand how compounding interest works, you realize that time is one of the most important factors. Every year that you delay investing could cost you tens of thousands of dollars. For example, investing \$250 per month for 25 years = \$280,000. But wait just one year and you only have about \$250,000. Wait two years and you only have about \$230,000.

64

It's About Building Wealth For The Long-Term

Unlike saving, which is about protection and access, investing is about building wealth over a long period of time. That means even though the stock market goes up and down at any particular time, in the long-term it moves upwards, and that is your goal. You don't care about the short-term movements – and you don't invest money you need access to anytime soon. Investing is about long-term goals.

65

Let Your Money Work For You

We all work hard for our money, but when you invest it, your money actually starts working for you instead. At first it seems like a very small amount. Your first \$1,000 investment might help you make all of \$100 in a year if you are fortunate. The second year, not only does the \$1,000 work for you again, but so does that \$100 you earned. As that keeps adding and compounding, you will get to a point where your money earns more interest in a year than the total amount you invested! That is making your money work for you.



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G**66 Don't Try To Time The Market**

Many people try to time the market, but nobody is that good – at least not consistently. Experts spend 12 hours per day with multiple computer screens and analysis trying to figure it out with less than stellar results. It is nearly impossible to tie it exactly, and if you guess wrong, you could lose a lot of money. That is why the buy and hold strategy works best for most people. Buy for the long-term and hold onto your money.

67 Dollar-Cost Averaging Is The Best Approach

The best bet is what is called dollar cost averaging. This is where you simply invest a set dollar amount at regular intervals. When the markets go up in value it means your overall investment increases, but when the market goes down in value, it means your money goes further! This makes it automatic and leads to more success.

68 Risk Is Your Friend

To get anything really good in life, it takes some risk. You have to risk rejection when asking someone out to dinner. You have to risk injury when playing a fun sport. Investing is the same. The amount of reward you want (investment growth or interest) will determine the amount of risk you should take. The higher the return you require, the higher the risk you must take. Everything worthwhile in life takes risk!

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Understand Asset Allocation

“Don’t put all your eggs in one basket.” That is a popular expression, but it is so true. You don’t want all of your investments in one company, because you might get lucky, but you also might pick a loser. In addition, consider different industries and even different types of assets (stocks and bonds). This helps get rid of unnecessary risk, while allowing you to reap the best rewards from the right amount of risk without ‘gambling’ your investments.

70

Stick With Index Mutual Funds

So how can you afford to diversity in multiple industries with multiple companies and avoid trying to time the market and eliminate unnecessary risk? Buy index mutual funds. Not only do these funds have the lowest management fees (you keep more of your money) but they are also some of the best performers. They buy shares of stock of multiple companies across industries and do all the work for you. You get the growth without the work.

71

Track Your Net Worth

One way to see if you are moving towards your financial goals is to track your net worth. The best way to do it is simply track it at the end of each year. Add up everything you own (your assets) and subtract all your debts (liabilities). The result is your net worth. Don’t worry about what the number is. Just make sure it keeps moving in the right direction each year!

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Take Advantage Of Your Company Match

The best return on your money may be 100%! Some companies offer a match where they will put in \$1 for every dollar you put into your retirement account. That is a 100% guaranteed tax-free return. Even if they offer 50 cents to the dollar, that is still a 50% return! Don't leave money on the table. Take advantage of any company match and contribute what you have to in order to maximize that match.

73

Consider a Roth IRA

An Individual Retirement Arrangement (IRA) is a retirement investment outside of your employer. If you have the funds, invest extra for retirement in an IRA. Fund the Roth IRA, if possible, because the money will grow tax-free and you won't pay any taxes when you withdraw the money either! Plus, after 5 years of starting a Roth IRA, you can withdraw the funds you deposited (not the growth/interest) without penalty for added flexibility.

74

Do Not Cash Out Your 401K!

If you change jobs or are trying to pay off debt, you may be tempted to just cash out your 401K or take money from it. But don't do it! Everyone who understands investments and compounding (and taxes) will tell you that it is a really bad idea and you waste a ton of money because you immediately pay a 10% penalty, plus pay your normal income taxes. In addition, that money could grow to 20 times the current amount if you leave it in there. Just. Don't. Do It.

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75

Get a Term Life Insurance Policy

If you have anyone in your life that relies on your income (spouse, child, aging parent, etc.), then you should purchase a term life insurance policy. Term policies are inexpensive for large amounts of coverage. They are good for a certain term, such as 10 or 20 years. You can then purchase the industry recommended coverage of 7-10 times your salary.

76

Avoid Whole Life Policies

Insurance agents are notorious for selling whole life policies. Why? Because they get really good commissions. These policies are too expensive, they do not allow you to buy the proper amount of coverage at an affordable rate, and they try to combine investing and insurance. You wouldn't want to combine investing with your car insurance policy would you (it is a form of term policy)? Of course not. So why combine investing with life insurance either? Just avoid it.

77

Get a Disability Policy

According to several studies, at almost any given age you are more likely to become disabled than die. That doesn't mean permanent disability, but could be shorter term. Regardless, what happens to your or your family financially if you can no longer work – even if its just for a few months or years? Disability policies can provide income whether you get injured or become ill. They will replace a portion of your income which you will need to survive and pay your medical costs.



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78

Get Renters Insurance

If you are renting a place to stay, then you need renters insurance. While your landlord should have insurance on the building, you need insurance to protect all of your belongings. Plus, renters insurance includes liability coverage so if someone gets hurt on in your apartment, or if you accidentally cause damage to the building, your insurance could cover you.

79

Pay Annually Instead of Monthly

Many insurance companies offer the option to pay monthly, semi-annually, or annually. Usually, there is a discount for paying annually (or a fee to pay monthly) – so you can avoid any extra fees and save some money on your insurance policy by making one payment per year and snagging that discount. Just don't forget to account for that annual payment in your budget.

80

Compare Rates, But Maximize Your Coverage

So you have an insurance company you have been with for a few years. Have you checked the rates of competitors lately? If not, it is time to do so. Look around at other rates and use an independent who can shop around various insurance carriers. You might be surprised at how much you can save. Just by increasing your deductible you could shave off a few hundred dollars per year sometimes! Just make sure you are getting the same amount of coverage. Anyone can help you save money by selling you a crappy insurance policy with little coverage.

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81

Take Advantage Of All The Tax Credits You Can

Tax credits are incredibly powerful at saving you money. They are dollar-for-dollar. For example, say you would owe \$3,000 in taxes without using a tax credit. Now assume you find out you are eligible for a \$2,000 tax credit. That means you only owe \$1,000 in taxes instead! You literally just saved \$2,000! Now you have to look for all the tax credits for which you may be eligible and use them!

82

Keep Accurate Records

Even though we mostly file electronically, we still need to know what dollar amounts to enter on the tax return. For example, maybe you donated \$3,000 last year to various non-profits. How do you know? Hopefully you kept the records – either physical or electronic. The point is to keep everything together so when it comes time to file, you can get it done quickly and painlessly – and if you ever get audited, you have proof that you did not lie.

83

Use Your Flexible Spending Account (FSA)

If your employer offers an FSA, the dollars you set aside in it are pre-tax, which means you save tax dollars by funding it. Of course, this only benefits you if you use those dollars for your qualified health expenses (there are also dependent care FSAs – generally used for child care expenses). If you don't use the dollars in the year you fund the account, you will likely lose those dollars, so plan accordingly.

84 Use TurboTax Or Other Software



Tax returns are getting easier, but that doesn't mean they are easy... just easier. Instead of trying to become your own tax expert or pay someone lots of money to do it for you, you can just use software, such as TurboTax, and complete your return. The software just asks you a series of questions and has you enter certain pieces of data, so you don't actual enter directly onto a tax return. It is not intimidating at all and is quite a simple process.

85 Estimate Next Year's Taxes

By using a software for your taxes, you can create a second return base don what you thing next year's income will look like and see what your estimated tax burden will be next year. This will allow you to make adjustments so you don't have too much or too little coming out of each paycheck.

86 Only Account For Your After-Tax Dollars

Most of us think about our income in terms of how much we get paid – but instead thin of how much you actually get to keep/spend. For example, you might make \$2,000 per pay period, but your check is only for \$1,400. That is because by the time your taxes are taken out (and maybe other items such as insurance) you really only have \$1,400 to spend. If you start thinking in terms of after-tax dollars, you will make better, smarter purchasing and other financial decisions.

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87

Create a Will

Everyone should have a will. A will is simply a document that states how you want your assets distributed upon death. Even if you don't have much, you might own a car or have a life insurance policy. It is a way to help ease the burden of those who are left behind after you are gone by letting them know what you want to happen so they don't have to stress over not honoring your life the best way possible.

88

Don't Forget About Your Pets In Your Will

Any estate plan will include assets and children, but don't forget about your pets. Include instructions in your will about who you would like to care for your pets and if any of your assets or money will go to that person to help ensure their proper care. Keep in mind you may have to update your will periodically with the passing or adoption of pets – or keep your will vague without mentioning specific pets.

89

Speak With Your Aging Parents/Adult Children

As your parents age, it is critical to speak with them about their assets and their wishes. You want them to have a will, but also other documents to make sure their end-of-life care can be delivered in a manner consistent with their wishes. Who will be in charge? What life saving measures will they endure? In the same manner, you should have these conversations with your adult children so that your wishes can be upheld.



90

Update Your Beneficiaries

When you have life insurance policies, retirement accounts, etc., they give you the option of listing beneficiaries. Keep these up-to-date, especially if you experience a marriage, divorce, death of a previous beneficiary, etc. Keeping the beneficiaries up-to-date will help ensure a smoother process for everyone upon your death.

91

Create a Durable Power Of Attorney

PMI is an insurance you pay for being a riskier loan since you cannot afford to put a 20% deposit on your home. You receive no benefit from paying PMI (except you qualify for the mortgage), so it only protects the bank, not you. Assuming you do have enough to make a 10% down payment, then you can get a typical 80% mortgage and borrow the other 10% as a second mortgage. Your monthly payments will be similar, but you can at least deduct the interest on your second mortgage.

92

Create a Social Media Will

Let's face it. We live on social media and have many different passwords. You should select someone to be in charge of your social media accounts upon your death. You need to instruct them how you want your death announced on each platform and if you want the account taken down or left open for your friends / followers / fans to grieve or pay tribute. This is not being vain, it is simply helping your survivors follow your wishes without stressing over their choices.

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93

Money Is Only a Tool, Not a Goal

Don't get too caught up in money. It is not your real goal, it is only the tool you need to achieve the real goal. Do you really want \$1 million or do you want the ability to quit your job? Do you need \$30,000 or do you need a car? The point is, don't focus so much on the money – that will make you miserable. The money is just a way to measure your progress towards the real goal(s).

94

Don't Let Money Control You

You should not base all of your decisions on money. That doesn't mean spend it if you don't have it. It does mean that you have to think about your goals not just in terms of money, but in terms of how you want to live your life. What matters most? Prioritize accordingly. Don't be obsessed with every penny. But don't be wasteful either. It's a lifestyle balance.

95

Avoid Lifestyle Inflation

More money is not the answer. When people make more, they spend more. Pay raise at work? *"I can finally move into that better apartment!"* New job with higher salary? *"I can finally get that new expensive car."* See what happens? Instead of taking the higher income and using it wisely, we tend to increase our lifestyle immediately. That is especially a problem if your budget is too tight now. More money means you can finally relax, not go buy more stuff!

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96

Don't Spend Money You Don't Have To Buy Things You Don't Need To Impress People You Don't Know!

Maybe this is the best tip of all! If you don't have it, don't spend it. Especially don't spend what you don't have to buy something you don't really need. You should save for your wants – build them into your budget and your goals. But most of all, don't buy those things to impress other people. They likely won't be impressed – or if they are, it will only be for a moment, but your payments could last for years.

97

Buy Experiences, Not Things

At the end of the day, is it a larger television that will make your life better, or a trip to the beach? I doubt anyone ever thought, “*I wish I had bought more electronic toys,*” near the end of their life. But many regret those experiences they did not enjoy – such as the romantic trip to Paris or Tuscany - or the family vacation to Disney. Experiences last. Things do not.

98

Don't Stress About Money

If you are stressing about money all the time, then you are not enjoying life. We can only hold onto a certain amount of emotions at any given time. If you fill that bucket up with worry and stress, then there is no room for joy and happiness. Let it go. Put a plan in place, automate it, and then enjoy your life. Go live.

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Learn To Say No

“No.” It’s the most powerful word that will help you take control of your finances and your life. It’s not rude to say no, it is rude to yourself not to! Say “No” when you are about to buy something you don’t need. Say “No” when your kids want you to buy things they don’t need. Say “No” when you are asked to be involved in something you simply cannot afford. Use the word “No” just don’t be rude when you do it.

100

Be Grateful For What You Have

Want to learn how to stop craving so much stuff? Be grateful for what you have! Instead of comparing yourself to the few people that have more than you, consider the billions of people that are less fortunate. Which leads us to our last tip...

101

Be Generous With Your Money

When you are in great financial shape nothing is more invigorating than giving helping others! Support those things/causes/people that matter most to you. But you don’t have to wait until all your money goals have been achieved to be a generous person. Even while you are struggling, by giving a portion of your money towards something bigger than you, you will always have a sense of purpose. When you have a bad day at work – at least you know you are going through this for something bigger as well, since a portion of what you make supports a great cause. Being the best version of yourself is always a great goal!