6 Steps to Wealth

BSG
BRIAN SMITH GROUP

UNIONHOME
MORTGAGE

P. F. P.
Personal Financial Plan

We're committed to helping you achieve financial success!
We want to provide you with the tools and resources we've accumulated over the past 20 years to guarantee you get there. Our plan includes time-tested principles proven to build wealth and avoid financial harm.

Here's our plan. It's simple, but will require time and effort.

Will you go with us on the journey?

Step 1:

Track Your Money & Know Your Numbers

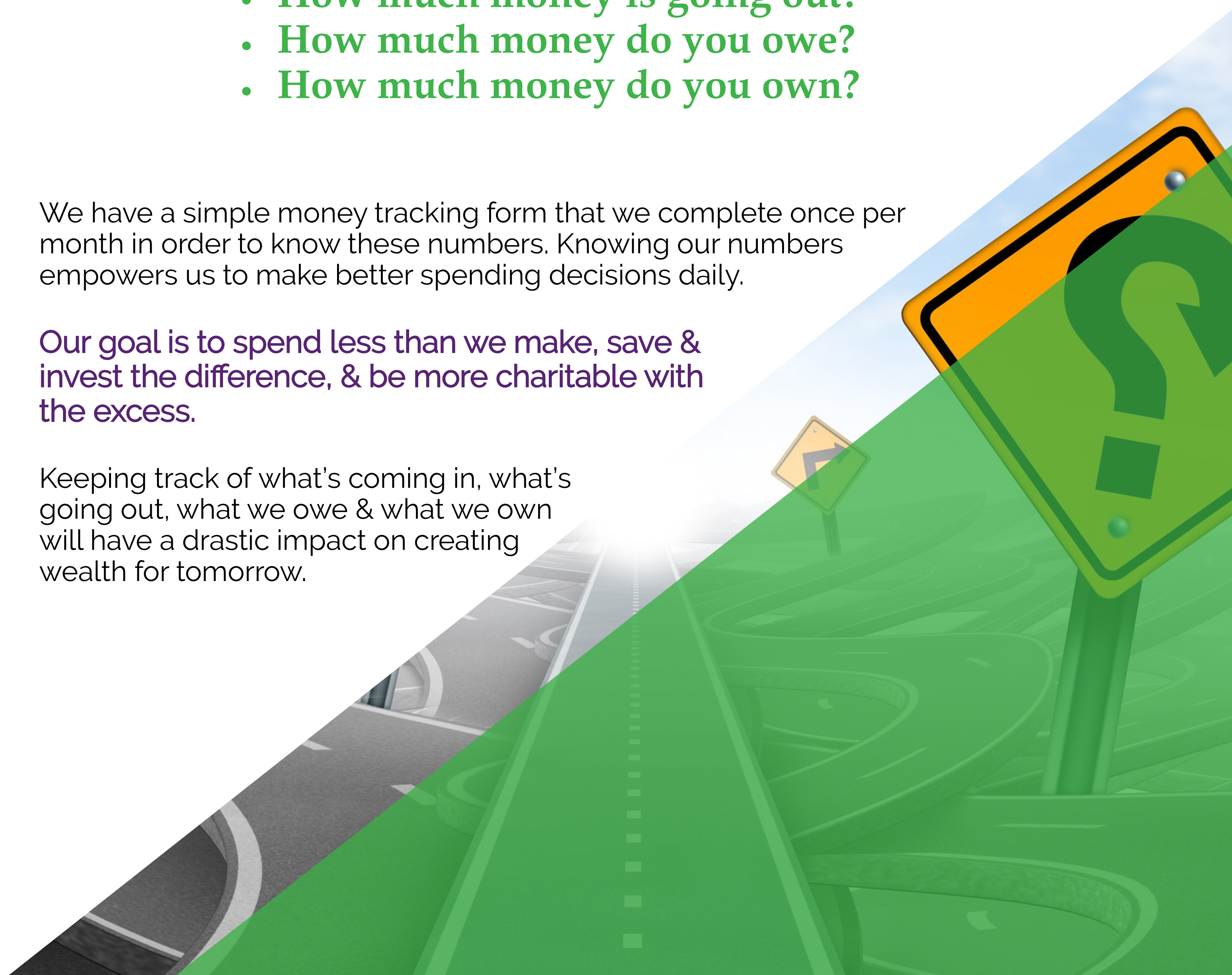
Track your income and expenses, along with all debt and asset balances on our monthly tracking form. This is the foundation that we'll build upon for years to come.

- **How much money is coming in?**
- **How much money is going out?**
- **How much money do you owe?**
- **How much money do you own?**

We have a simple money tracking form that we complete once per month in order to know these numbers. Knowing our numbers empowers us to make better spending decisions daily.

Our goal is to spend less than we make, save & invest the difference, & be more charitable with the excess.

Keeping track of what's coming in, what's going out, what we owe & what we own will have a drastic impact on creating wealth for tomorrow.



Step 2:

Pay Off All Debt Immediately & Live Debt Free

Eliminate all consumer debt. If you have consumer debt, we'll create a debt snowball plan that will help you pay off all debt in a fraction of the time. If you have a substantial amount of debt, our plan can save you thousands.

The best way to build wealth is to stop paying high interest rates & live debt free!

The plan is to become laser focused & pay off all consumer debt in 12—24 months. We believe in snow-balling your payments from the smallest debt to the largest debt & living a Spartan lifestyle until all debts are completely eliminated.

Eliminating debts will not only help you build wealth, but it will also lead to a higher quality of life by eliminating the stress of debt.

Step 3:

Build an Emergency Savings Account

Emergency savings / float money — there are 3 levels to the account...

Level 1: $1,000

Start with at least $1,000 in your emergency account to pay for the unexpected things that happen in life.

Level 2: 1 Month of Living Expenses

Level 3: 3 Months of Living Expenses

Having an emergency savings account will insulate us from going back into debt & provide a stress free life by knowing that if something comes up (& it will), we have money set aside to pay for it.

We use this account when "life happens."
When we use these funds, we quickly replace them over the next month or so.
The balance floats up and down as needed.

Step 4:

Maximize Retirement Contributions

Someday we will lose our youth. When we do, we may want to slow our pace of life. If we start saving for retirement after completing steps 1, 2, and 3, and if we allow our money to multiply through compound interest, we'll have enough money to sustain our lifestyle and leave an inheritance for the next generation.

Maximize your retirement savings in 401k, Roth IRA, Traditional IRA, or any other retirement plan that your employer offers.

The key to building up a retirement account is to invest early in life & continue on for 20-30 years, or even longer.

Compound interest is our friend & once we reach the age of not being able to work, we can rely on the money we've set aside to sustain the rest of our lives.

Step 5:

Invest!

Most people start investing too early. We encourage you to invest only after completing the first 4 steps. Now it's time to save for big future purchases, such as a child's college education, a new business, a new house, or the middle years of your life. Buying investment real estate might also be in your plan. We're not telling you how to invest; we just want you to prioritize when to do it. The goal is to transition from a life of struggle to a life of stability.

Invest in the market by purchasing stocks, bonds, & mutual funds to grow assets.

Delay investing for your future until you've completed steps 1, 2, 3, & 4. We are investing for our future; for college education, purchasing your next home, starting a new business, remodeling or repairs on your current home & for the middle years of your life before you get ready for retirement. Always invest with a purpose.

Step 6:

Pay Off Your Mortgage Early

Like the last two steps, we want to hold off on paying the mortgage early until the first 5 steps are completed, especially if we're under age 50. If we do it too early, we could miss out on multiplying our money other ways. Paying off our home before age 55 is the goal.

Pay more than your minimum mortgage payment to knock years off your mortgage.

As in previous steps, you want to complete the first 5 steps before you tackle step 6. A little bit can go a long way when it comes to pre-paying your mortgage.

By making 1 extra principal payment per year on a 30 year mortgage, you can take up to 6 1/2 years off the life of your loan, not to mention the amount of interest you can avoid paying.

Pre-paying your mortgage is another great way to build Wealth, but only after you have completed the first 5 steps of our process.

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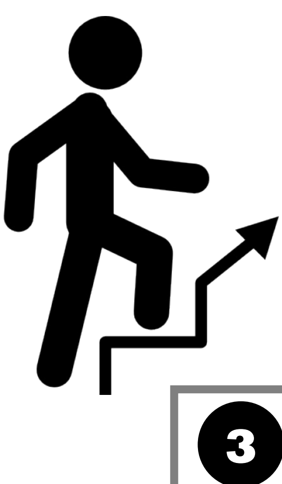

6 Pay Off Your **Mortgage**

5 **Invest!**

4 Maximize **Retirement** Contributions

3 Build an **Emergency Savings Account**

2 **Pay off** all Debt Immediately & Live **Debt Free**

1 **Track** Your Money & **Know** Your Numbers