

Financial Makeover

The Savvy Girl Way

Brand Visuals DIY



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*"Learning Financial
Literacy so my family can
live for years to come."*

-Savvy Girl Money

What's your financial goal?

A financial goal should be specific to accomplish a future goal. You want to also include a dollar amount and a time to complete the goal.

Example of a financial goal: "I want to pay off \$24,000 of student loan debt in 24 months in order to be debt free."



Financial Foundation

◇ **Build An Emergency Fund**

◇ **Repay Debit**

◇ **Repair Credit Score**

◇ **Save For Retirement**

◇ **Build Wealth**

Makeovers are needed when you've outgrown your look. The same is true when you've outgrown your current financial situation.

This quick guide is designed to assist you with giving your finances the makeover it deserves.

Are you ready for a financial *Makeover*?

Yes or No

Think about it, you have to really want to change in order to make modifications in your life. So if you're not ready, close this guide and pick it back up when you're really ready to make financial growth.



Let's start with a good foundation

Building an emergency fund is like finding the perfect shade of foundation. I always need assistance when picking out the correct shade.

Do you currently have \$1,000 saved into an emergency fund?

Yes or No



This step is important because it protects you when life throws unplanned events your way.

3 Ways to save \$1,000:

- 1. Do you receive a refund check from your taxes or from school? Use the funds to start an emergency fund.*
- 2. Begin a Money Saving Challenge.*
Go to www.SavvyGirlMoney.com/shop to download the Savvy Girl Money Saving Challenge. It's free. The saving challenge will help you slowly build an emergency fund each week.
- 3. Set up your savings on autopay through your online banking. Allocating a certain percent every paycheck.*
 - Example: If you make \$1,500 bi-weekly, you decide to save 10% every pay. You should have your bank account set up to transfer \$150 into your emergency fund each pay.*

After you build an emergency fund, you want to start saving 3-6 months worth of your monthly expenses. In case you lose your job or any other foreseen events occur.



Next you'll need a new hairstyle

Paying off debt is like clipping your bad hair ends. No one wants to see all their hair get chopped off or see all their money go towards paying off debt, but it's needed for you to grow financially.

List all your outstanding debt and the amount

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

“ It’s needed for you to grow financially.



Next you'll need a new hairstyle

Cont.

I recommend two methods to paying off debt. You can take the modest approach and pay off a small amount each paycheck or you can be aggressive. I personally like to take the aggressive route when paying off debt.

Which style are you?

Modest or Aggressive

If you selected paying off debt modestly, consider using "Layer Method."

The "Layered Method" is a debt repayment strategy where you pay off debt in order of smallest to largest. Similar to trimming layers in your hair.

Make a new list of all your debt from smallest to largest to attack your debt **modestly**.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

The most important step here is to make minimum payments on all your debts, but pay extra on the smallest debt. Once the smallest is repaid, move down your list.



Next you'll need a new hairstyle

Cont.

If you selected paying off debt **aggressively**, figure out how much additional cash you have (after you've allocated money to your savings, bills & other needs) and attack one bill at a time. When I say aggressive, I mean **aggressive!** Pay as much as you can until the debt is paid off.

Make a new list of how you're going to attack your debt **aggressively**.

Example: I get paid semi-monthly. I determined that I have an additional \$500 each paycheck to attack my student loans. This will help me reduce my payback period and lower the total amount of interest I'll pay in the end.

How much **additional** cash do you have each month?

Once you've paid off one debt, move on to another one.



Now let's get your wardrobe together

Most Millennials destroyed their credit score due to overspending on credit cards for purchasing items they didn't really need. Change your shopping habits and only purchase key items to enhance your wardrobe.

Actionable steps to repair your Credit Score

A.) Correct errors on your credit report. Check your name spelling, address etc.

B.) Start making all your payments on-time.

C.) Pay off a BIG portion of your existing debt.

D.) Ask your lenders to increase your credit limit.

E.) Dispute all negative items on your credit report. You can start this process by phone or by mail. If you do this by mail, please always request a delivery receipt. If this is done by phone, please request a letter confirming all details discussed over the phone.

F.) Become an authorized user on a relative or close friend credit card who has a good reporting history. Explain to them that you are trying to rebuild your credit & that you do NOT expect access to their account. that you do NOT expect access to their account.

G.) Reduce your utilization ratio. You want to keep your credit card usage under 30%.

How utilization ratio is calculated:

$$\frac{\text{Current Debt}}{\text{Total Credit Card Limit}} = \text{Utilization Ratio}$$



Now let's get your wardrobe together Cont.

- If the reporting agency does not resolve a dispute to your satisfaction, you have the right to add an explanatory statement to your credit file.
- Check your report frequently. You can visit www.annualcreditreport.com to get a free report annually.
- When you're planning to make a big purchase for things like a house or a car, you want to review your credit report in advance.

Start exercising & switch to a healthier diet

Studies show that exercising and eating right increase your chances of living longer. Living longer means you have to be prepared financially and start saving for retirement **NOW**.

- Saving should be consistent and NOT complicated
- If your employer offers a retirement plan:
 - Contribute at minimum your employer match percentage.
 - If your employer matches your contribution at 3%, you want to match at 3% and place the remaining amount into a ROTH IRA. There are many ROTH IRA providers online. Research different providers and their fees before selecting one.

Let's walk through an example:

- Let's say you want to contribute 10% towards retirement and your employer matches at 4%.
- 4% - Would go to your employer's retirement account.
- 6% - Would go into a ROTH IRA account. The ROTH contribution limit for 2018 is \$5,500.

If you reach the ROTH contribution limit, place the remaining contribution into your employer's retirement account.



Start exercising & switch to a healthier diet Cont.

- *If your employer does not offer a retirement plan:*
 - *You can open an Individual Retirement Account (IRA) or a ROTH IRA.*
 - *You can open these accounts at most brokers, banks and Robo-Advisors.*
- *An IRA is a tax-advantaged savings account that allows you to invest your contributions tax deferred. You will deduct your IRA contribution on your tax return.*
- *ROTH IRA contributions are after tax. The profits you generate on your investments are NEVER taxed.*

Consistency is key

In order to own your new look, you have to be consist. Keep up your new look and take the extra steps everyday. You have to handle building wealth the same. You have to be consist!

- *The best way to start investing is to start NOW and take advantage of COMPOUND INTEREST. Compound interest is interest on interest. If you continuously reinvest your interest, your return on investments will continue to grow.*
- *Savvy recommendation: If you're just starting out, consider investing in Exchange-Trade Fund (ETF). ETF's allow you to diversify and reduce your level of risk. EFT's also normally cost less than other investment options.*



Final Checklist

1.) I have \$1,000 saved in my emergency fund.

2.) I have selected a debt repayment plan & committed to this plan in order to pay off my debt.

3.) I have completed all recommended steps to repair my credit score.

4.) I have started automating my retirement savings.

5.) I have committed to a wealth building investment strategy.

Once you've checked off each item above, your financial make-over is complete. From here you must stay consist in order to reach financial freedom.



NOTES





A LITTLE ABOUT ME



Hello! My name is AShira Nelson. I'm a wife, mom, and CPA. I've committed my life to helping people better their finances. Now, I'm dedicated to helping millennials achieve their long-term financial goals. Despite whatever their financial history may look like, and whatever mistakes they have made with their money, I want to help millennials realize that obtaining wealth is possible. I've avoided many financial obstacles throughout my life, and I want to help millennials do the same.

Most millennials have never been taught how to handle money. This is where I want to step in! I want to personally help millennials break generational habits when it comes to money. I can help eliminate a lot of stress by teaching you about finance. I work with individuals that don't know what to do with their money, and how to manage their money. Essentially, they're allowing their money to decide what they do. No more! It's time to tell your money what it's going to do.

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