



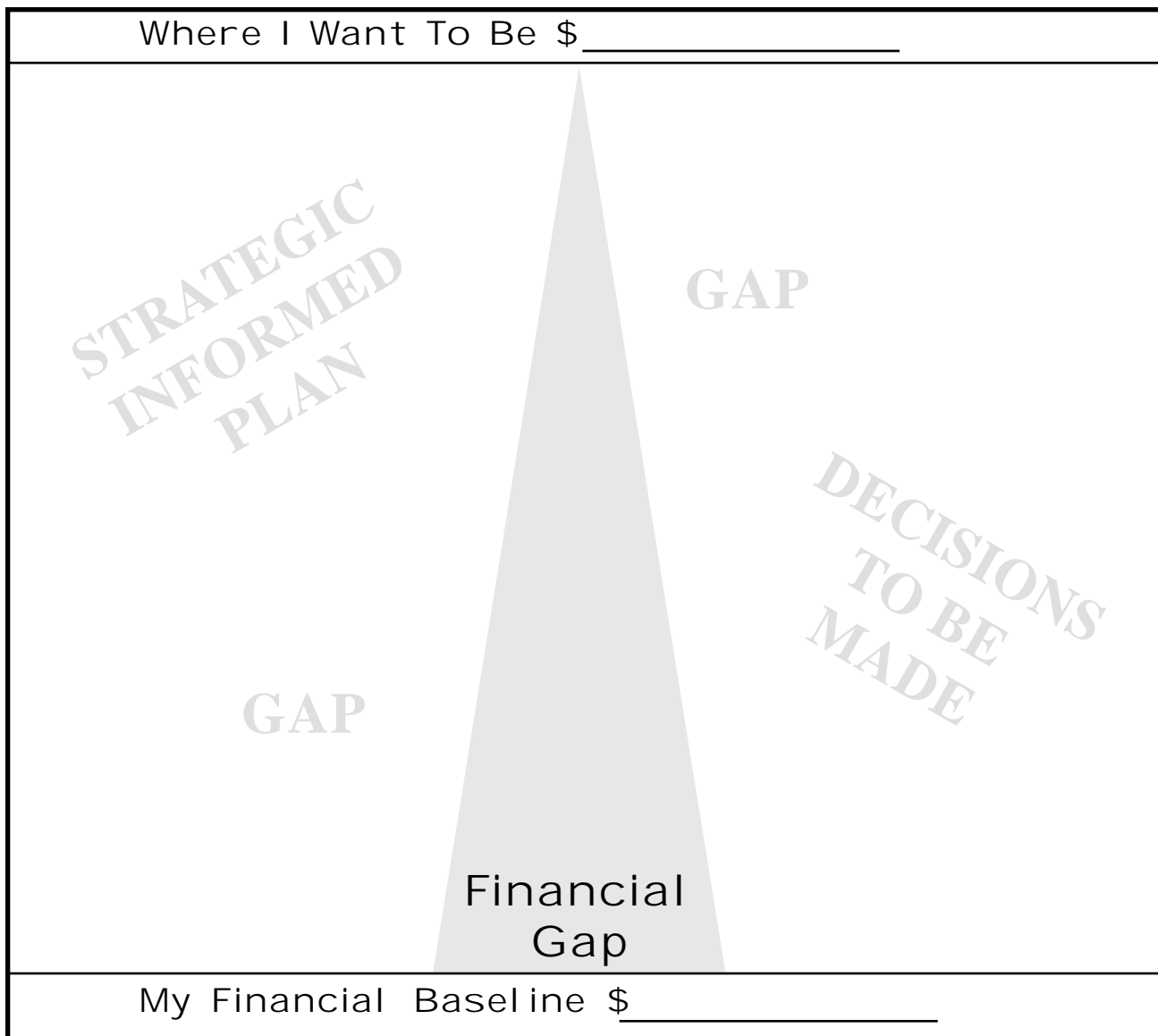
Wealth Diva Certification

Tele-Class 3

Wealth Diva's Financial Freedom Day



Isn't Freedom Day what we all strive for? In the last lesson, you uncovered and clarified where you've been, the next step is to decide upon where you want to go. The most informed decisions only occur when you understand your financial gap; otherwise you may be making emotional short term decisions, which could be detrimental to you in the long term. The gap exists between where you are now (your financial baseline) and where you want to go (your financial freedom day).



In order for you to create your gap, you need to determine your financial freedom day.

How much money (cash flow) do you want to receive each month?

What do you want your net worth to be?

At what age?

By what day/month/year?

Knowing What You Need To Achieve Your Goals

Now you have a clear understanding of where your money is going each month and how much you currently have in assets. The next step is to determine how much you will need to save each month in order to reach the financial goals that you identified earlier.

Your Goal Achieving Investment Plan

By completing this exercise you can begin to estimate the monthly investment requirement for each of your financial goals.

Years	6%	8%	10%
18	0.0026	0.0021	0.0016
17	0.0028	0.0023	0.0019
16	0.0031	0.0026	0.0021
15	0.0034	0.0029	0.0024
14	0.0038	0.0032	0.0027
13	0.0042	0.0036	0.0031
12	0.0047	0.0041	0.0036
11	0.0053	0.0047	0.0041
10	0.006	0.0054	0.0048
9	0.0069	0.0063	0.0057
8	0.008	0.0074	0.0067
7	0.0095	0.0088	0.0081
6	0.0114	0.0107	0.01
5	0.0141	0.0133	0.0126
4	0.0181	0.0173	0.0166
3	0.0247	0.0239	0.0232
2	0.0377	0.0369	0.0361
1	0.0746	0.0739	0.0732

*rates of return above are for illustration purposes only.
This example is not intended to represent the past or future
returns of any specific investment or investment strategy.

- 1.What is your goal?
2. Length of time until you will need to reach your goal?
3. Estimated cost of your goal?
4. Choose a rate of return from the chart to the right that you can realistically expect to receive on your investment?
5. Multiply line 3 by line 4. This will give you a rough estimate of what your monthly investment contribution will need to be in order to reach the financial goal you outlined on line 1.

Example:

1. I will put my daughter through college. I will fully cover her tuition and books, as well as provide a monthly stipend for her living expenses (rent, auto, insurance, food.)
2. I have 15 years to achieve this goal.
- 3.I will need a minimum of \$150,000 to achieve this goal.
4. \$150,000 times .0034 (6% rate of return for 15 years) = \$510.



One of the best definitions of vision that I've come across comes from Cynthia D. Scott, Dennis T. Jeffe, and Glenn R. Tobe who wrote:

"A vision is a picture of a preferred future state, a description of what it would be like to be some years from now. It is a dynamic picture of the future. It is more than a dream or set of hopes; it is a commitment. The vision provides the context for designing or managing the changes that will be necessary to reach those goals."

As you think about growing wealth and wealthy people in general, what is your vision for your wealth? Very few people that we know are creating wealth just to be "rich." The wealth is a bi-product that allows them the means to do other things. So what's your reason for accumulating wealth? Are you doing this to be able to provide some service to the world; are you doing it to build a legacy for your family; do you have philanthropic goals? You need to be clear on your vision.

What is your financial vision? As you think about being wealthy or wealthy people, what kind of life do you want to live ... what kind of life are they living? Most we know have multiple corporations, trusts, charities and they really spend most of their time strategizing on how to keep it accelerating. Additionally, most wealthy people have multiple streams of income ... meaning they generate income through different sources ... investments, properties, etc. In fact, if you look at most of the wealth that's accumulated in the world, it's created through real estate.

We provided you with a tool called the financial forecast. The financial forecast template will be used in two ways:

1. You'll use the forecast sheet to record your baseline—where are you now
and
2. We'll have you do a second one to be used as a visioning tool to forecast the wealth that you want to create.

As you can see in the example on the next page, in addition to a personal account, this person also has 2 corporations and a trust.



	Trust		
	Personal	ABC S-Corp	223 LLC
Income			
Rental Income			
Happy Ave.			\$ 500.00
Glad Blvd.			\$ 750.00
Excited Crt.			\$ 800.00
John's Net	\$2,500.00		
Joan's Net	\$2,700.00		
Business Revenue		\$2,800.00	
Gross Income	\$5,200.00	\$2,800.00	\$2,050.00
EXPENSES			
Home Mortgage	\$ 600.00		
Home Office		\$ 125.00	
HOA Fees	\$ 50.00		
R.E. Mortgage (PITI)			\$ 270.00
Utilities - Phone	\$ 40.00	\$ 120.00	\$ 60.00
Water	\$ 36.50		
Sewage	\$ 48.21		
Electricity	\$ 25.00		
Groceries	\$ 210.00		
Auto Expenses			
John's Car		\$ 400.00	
Joan's Car			\$ 398.00
John's Ins.		\$ 60.00	
Joan's Ins.			\$ 50.00
Gas	\$ 6.00	\$ 42.00	\$ 28.00
Parking		\$ 15.00	\$ 25.00
Education		\$ 49.95	\$ 199.00
Research & Dev.		\$ 200.00	\$ 300.00
Totals	\$1,015.71	\$1,011.95	\$ 1,330.00



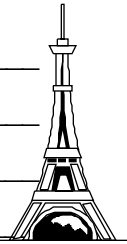
Insert your financial baseline information below.

	Trust			
	Personal			total
Income				
Gross Income				
EXPENSES				

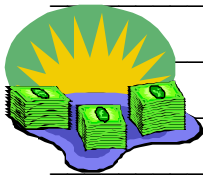
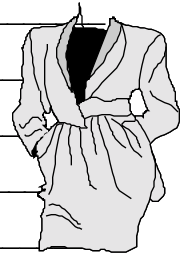
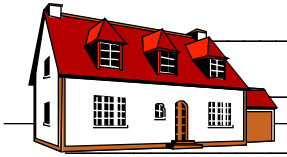


As a result of establishing your financial baseline, record your observations below.

What is your financial vision? In the space provided, in clear and concise language, describe your financial vision. This will include ... I want to have "x" dollars a month, I want 3 homes, I want my kids to be set for life, I want to leave nothing behind ... whatever your vision is for your financial future, write it down.







Vision Forecast

Using the second financial forecast sheet, again, complete your financial vision forecast. To be specific, what we're asking you to do is vision what those companies will be doing, what will they be earning, how much revenue each will be producing, etc., etc.? The more clear you are about where you want to be in "X" years, the more strategic your current planning can be. The clarity you've set for your future will be the basis upon which you make your short term financial decisions. For example, if one of your companies is a real estate investment LLC, you'll need to determine how many properties you will purchase and the rate of return they will provide you for the next "x" number of years. If one of the companies is going to day-trade in the stock market, how much are you going to contribute to the company every year and what are the rates of return you're going to accrue every year? Be sure to include pension money, inheritance, qualified retirement plan money, etc.



	Trust			
	Personal			total
Income				
Gross Income				
EXPENSES				



We strongly urge you to put the information you created for your financial baseline and financial vision into spreadsheets and use this as a financial planning tool. For instance, when Ms. Financial Advisor comes to your door soliciting your business to purchase a financial instrument (ie. insurance, an annuity, mutual funds) ... if it doesn't fit into your financial vision, you simply don't buy it, rather than being convinced emotionally that you need something that's not going to fit in with your financial goals. Without a clear financial vision, you're apt to purchase solo financial instruments that will keep adding pieces to your puzzle ... the wrong pieces. Your financial vision can be likened to the puzzle box—it's your financial picture of the future. Your goal is to only place those pieces of the puzzle that fit into your financial future. Realize, no one will ever care about your money more than you will.

This is not to say that we don't encourage you to use your financial advisors. We highly encourage it, but as you will learn in the leadership model, the goal is to guide and lead your advisors toward your vision rather than them guiding you toward something they think you'll need in the future.

In the beginning of this lesson, you completed an exercise whereby you were asked to determine your Financial Freedom Day. Given the forecasting and the visioning you've just gone through, we're going to ask you to do it again and to follow it with a declaration, a commitment for your financial independence.

<p>How much money (cash flow) do you want to receive each month?</p> <p>What do you want your net worth to be?</p> <p>At what age?</p> <p>By what day/month/year?</p> <p>Do you have specific plans to achieve this desired wealth?</p>	<p>\$</p> <p>?</p>
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(If you feel stuck in this exercise, here's a really rough guideline. \$1 million in net worth invested at 10% annually is \$100,000 in cashflow per year which is \$8,333 per month. Does that figure work for you?)



Declare your Financial Freedom Day. Print this out! Post it somewhere you will always see it. Carry it with you. Do something so that its message is always with you.

Certificate

I, _____
do hereby decree that on
_____ of the year _____ ,
I will be financially free.
This means that I will have
a passive income of
\$ _____ per month
and a net worth of \$ _____ .

Signature

Date

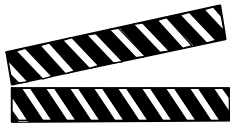


What are the 3 things I learned from this lesson:

1

2

3



ACTION

What 3 actions will I take as a result of this lesson:

1

2

3

To whom will you be accountable?

