10 Simple Strategies

TO HELP GET YOUR FINANCES IN ORDER

IT'S SIMPLER THAN YOU THINK

ROBERT SLEZAK

DEDICATION

This booklet is dedicated to my bride, GiGi our five sons and to our 7 grandkids. Without your encouragement and positive attitude throughout our marriage would have made life's challenging speed bumps seem like mountains.

Thank you GiGi. I love you…

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INTRODUCTION

Sometimes life gives you experiences that you can't possibly anticipate. One of my favorite sayings is that sometimes I have a plan for my life and God has a different plan for me.

My name's Rob and I'm going to share some stuff with you that shook me to the core and changed my family life in ways I never imagined. It changed the way that I live my life, and knowing what I know now, it could happen to anyone. Even you. Based on what I've learned, I now teach people how to plan for the unexpected. Because life is unexpected.

15 years ago, my brother-in-law, Jack, got sick. It left him with permanent nerve damage. He could no longer work, and he had no choice but to come and live with us. All he had to live on was $800 in Social Security Disability.

My Mom and Dad lived with my wife and I for 3 ½ years before my Dad passed away. A year later, mom was not only suffering from advanced dementia; she was bed ridden too. She needed long-term care, but the only money she had was the $1,200 a month she got in Social Security.

And to our horror we found that residential memory care in Florida where we live starts at $3,875 per month. (It's gone up in price since then)[1]

My wife's dad worked hard all his life. He did the very best he could and gave his family a good life

But he never thought much about what would come next. When it came to the later years he found he couldn't afford to live. He only had $300 a month plus his social security. So, guess what, he came to live with us too.

See, I'm just a real Joe, a typical American just like you. But I came face to face with three devastating situations in my own family. Situations that we think that if they're going to happen at all, will happen to somebody else. Not me.

My wife and I dealt with our three situations the best we could. I'm not bragging or complaining. We are blessed that we were in a situation that we could do what we did.

But I made a vow to myself that never again would any family have to

[1] Researched cost in 2016 at Grand Villa in DeLand Florida

face stuff like that without at least being warned.

So, I made it my life's work, for however long I have left, to reach out to people and ask them 3 very important questions. Questions that all of us WILL face if not today, then tomorrow.

Yes, I'm a financial guy, but more than that, I'm a husband, a dad and a son. I'm an everyday American who had to pick up the pieces when tragedy struck and stop the devastation becoming catastrophic. And it's on that basis I'm talking to you today.

What if you're one of the 37% of people the government says are destined to become disabled before you reach 65?[2] Worse still, one of nearly 40% of who will end up disabled for an average of 82 months?[3]

What if you're one of the 70% of people the government says will need long term care after they reach the age of 65?[4]

And what if you're one of the 56% of Americans that Time Magazine recently reported that has less than $10,000 put away when they retire?[5]

<u>Now, at this point, you can do one of two things:</u>

You can choose just to ignore it, stick your head in the sand, and move on in some sense of false security, knowing that none of this stuff will ever affect you or the folks you love. Sure, it might happen to the guy next door, but not to me or mine.

And if that's where you are, I wish you well as you play the game of life. But just know this – those questions have been planted in your mind, and if and when the shoe does drop, you'll remember reading this book today.

OR you can make a decision to talk with me. Personally. One on one.

By the way, I want to make something very clear.

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[2] Statistics obtained from http://www.disabilitycanhappen.org

[3]The following statistics come from CDA's disability risk calculator

[4] www.LongTermCare.gov

[5] Time Magazine (March 14, 2016)

I'm not one of those guys that will try to sell you something just for the heck of it. In fact, many of the things I suggest and advice that I give comes without any benefit to me whatsoever.

I'm simply a human being who chose to be a financial guy. Because I care. I really care that what happened to me won't happen to you. That you will be prepared for the unexpected. I'm known as the guy who helps real people solve real life issues using real strategies that work. My approach is both honest and really effective.

So, I guess what it boils down to is this:

If I've given you some serious food for thought, then you need to contact me to schedule a FREE, strategy Session.

By the way, FREE means no cost or expectation or obligation.

But know that I am passionately concerned about you and your life, because of the things that happened to me and mine. And from one American to another, you owe it to yourself to at least talk with me.

And if you're not quite ready to have a conversation with me, then enjoy the stories in this book

GROWING UP PERSONALLY RESPONSIBLE

In a society that almost encourages its citizens to avoid personal responsibility, it's more important than ever to teach our children to do things the right way. It's sad to say that many of the role models that our children have today behave badly with drugs, alcohol, lies, and promiscuity. Let's face it…our parents may not have given us great role models and sometimes we have to look to better models to be an outstanding parent and to raise outstanding kids. As parents, it's our responsibility to model the right way to do things and to demand that our children follow our lead.

As a parent, I've always wanted to do the right things for my children, so they would grow up to be responsible, upstanding adults.

When Linda (my second wife and love of my life) and I got married we instantly had a five teenage boy family. (I had 3 and she had 2) You can just imagine the food bills, food and snack preparation, laundry, cleaning and chores that had to take place on a weekly basis with 7 of us in the house.

Linda and I believe that we are all responsible for who we are and what we do so it made sense to us that our children would be raised to believe the same things. So, in line with personal responsibility, one of the things we incorporated for the boys was a weekly chore chart. Each week the boys were assigned tasks for that week such as cleaning their rooms, doing the dishes, putting away groceries, etc. One of those tasks was to mow the yard. One of our sons hated to mow the grass, so he came to me one day and asked if he got one of the brothers to mow the lawn on his week and paid him would that be OK? Of course, I told him, I didn't care how the lawn got mowed just as long as he made sure it got done on his week. As parents, we were firm on making sure each son handled their responsibilities without complaining and to the best of their ability.

Growing up in that atmosphere, it was no surprise when one evening we were all in the van going to the store and the boys were talking about all the excitement on the TV ads about Publishers Clearing house million-dollar sweepstakes. They were all discussing about what it would be like if our family won the sweepstakes. In the middle of their discussion one of them blurted out "I bet if we won the million-dollars dad would still make us mow the lawn!"

How to implement this into your life:

- When you demand the best from your kids, they deliver.
- If you set high expectation, they will accept them as their own, creating personal responsibility
- Children model what they learn from their parents. Be a great role model.

So many parents today feel that it's their responsibility to pay for their child's college education. If the kids don't go to college, then what? It's hard for them to find a full time good paying job so many of them live at home. Others are forced out of their home right after their high school graduation, without the skills to be a productive, capable adult. Another set of kids live at home without getting a job, as if it's an extended stay hotel, leaving the parents to support them.

When our boys were approaching their last years of high school, we gave them three choices after graduation.

1. We would support their decision to go to a community college and we would provide room and board at no expense and help with the tuition and book purchases.
2. If they didn't want to go to college they could live at home, provided they had a job, for one year, giving them an opportunity to save up for the transition of being out on their own.
3. The third option was for them to enlist in the military.

Three of them enlisted in the military (two of them used the GI bill to continue their education). The other two worked and moved on their own within the year.

How to implement this into your life:

- Give your children options and let them choose what works best for them in making adult decisions.
- You are not responsible for providing money for your child's education. There are other options.
- Trust your children to support themselves. As a parent, you've given them the tools to make wise decisions.

- We all have to support ourselves at some point. When children make decisions earlier in life, they have a huge advantage over their peers who fall 4-5 years behind in decision-making skills.

Need more help getting your children to be more personally responsible?
Contact me at Rob@SlezakAgency.com

PAYING OFF DEBT
(DEBT STACKING)

I've worked with hundreds of people over the years that had a lot of debt. And I mean a serious, painful amount of debt that was damaging their health and relationships. When the debt load got so high, they kind of threw their hands in the air, not knowing how they would ever pay it off.

Several years ago, I had a client that had two revolving credit card loans (balance of $22,700) and two student loans (balance of $102,000). The interest rate on one credit card was 11.9%; a monthly payment of $260 and it was going to take 5 years to pay it off. The interest rate on this revolving loan was 4.74%; monthly payment of $194 and it was going to take about 5 years to pay it off. The interest rate on one student loan was 8.25%, the monthly payment $720 and it would take 10 years to pay it off. Interest rate on the other student loan was 7.63%; the monthly payment was $274 and was scheduled to pay off in May of 2090. Total balances were on all the debt was $124,700, total monthly payment $1,448 and total projected interest to be paid would be $221,149. And the debt won't be paid in full for 70 years. (See Payment Table – next page)

Compare the above scenario, same debt, same interest charged, same total amount of monthly payment ($1,448). But instead, use the debt stacking method (sometimes call the debt snowball).

How does debt-stacking work? Focus on paying off the smallest debt first then as each is paid off, apply that monthly payment to the regular monthly payment of the next debt.

The results are staggering….

TOTAL INTEREST PAID $62,213…. TOTALLY DEBT FREE IN 11 YEARS

AN INTEREST SAVINGS OF $158,936 AND A REDUCTION IN TIME OF 59 YEARS.

This couple was looking at no end in sight with little hope of ever getting out from under the debt, in their lifetime. Employing this strategy, they would be out of debt in 11 years (the data was gathered in 2015, the model was re-calculated in 2020).

How to Implement this into your life:

- Make a list of all of your debts.
- Use the debt stacking method to pay them off quickly.

Balance Date: **11/1/2020**

Creditor Information Table

Row	Creditor	Balance	Rate	Payment	Custom
1	USAA	13,000.00	11.90%	260.00	2
2	Student Loan #1	59,000.00	8.25%	720.00	3
3	Student Loan #2	43,000.00	7.63%	274.00	4
4	Discover	9,700.00	4.74%	194.00	1
5					
6					
7					
8					
9					
10					
Totals:		124,700.00		1,448.00	

Monthly Payment **1,448.00** *Too Low*

Initial Snowball **0.00**

Strategy: Snowball (Lowest Balance First) Choose a strategy

Creditors in Chosen Order	Original Balance	Interest Paid	Months to Pay Off	Month Paid Off
Discover	9,700.00	1,127.63	56	Jul-25
USAA	13,000.00	4,943.13	64	Mar-26
Student Loan #2	43,000.00	28,060.19	130	Sep-31
Student Loan #1	59,000.00	28,082.00	121	Dec-30
	-	-	-	
	-	-	-	
	-	-	-	
	-	-	-	
	-	-	-	
	-	-	-	

Total Interest Paid: **62,212.95** (Lower is Better)

Results are only estimates

Table 1: Payment Table

Need more help with debt stacking?

Contact me at Rob@SlezakAgency.com

BUDGETING IS THE FOUNDATION OF EVERYTHING

Years ago, I wasn't savvy with money at all. I over spent and didn't understand how to save. Sure I knew to put money into a savings account, but it seemed like I could never find the money to do it. Then I discovered the power and freedom that comes with budgeting and I help other people to find financial freedom as well

Several years ago, I visited with a prospective client couple that was supplementing their income by using credit cards to satisfy the monthly shortfall. They had no idea why they didn't have enough money to make ends meet, and were going backwards, claiming they lived a very modest lifestyle. They both had decent jobs that brought in a combined income of a little over $80,000/year and had only one son (age 17).

I assigned them the task of writing down where their money was going. It was a struggle to get them to commit to identifying where every dollar was going. They were short by $1,200 per month. Every month. When they wrote down where all of the money was going, there were things on their budget list like eating lunch out every day, paying monthly for seasons passes to Disney World and buying coffee at Starbucks every day. They also had two fairly new cars they were paying a combined monthly payment of approximately $700/Mo.

My recommendation to them was to cancel the Disney passes, bring lunches from home, make coffee at home and take it to work in a thermos, and get out from under the $700 car payments and get a couple of very clean, reliable older cars for transportation. These few changes would have them break even at the end of each month. And if one of them would commit to work at a second job until things were straightened out and got them into a habit of a more modest lifestyle, they would become financially free in a short number of years.

The result? From what I gather, they didn't take my recommendations and are now deeper in debt. In fact, after that meeting, I never heard from them again.

A budget is not a life sentence, and it's not a way to control you. In fact, it

works the other way around. When you're in control of your money, money no longer controls you.
How to implement this into your life:

Write down everything you spend.

- Look at how you're spending your money and find things that you can cut out, spend less money on, or use less often.
- Use these savings to put money into savings or pay off debt.

Need more help with working out a budget?
Contact me at Rob@SlezakAgency.com

THE MILLION DOLLAR SUV

Sometimes we buy things, just because it feels good and right in that moment. But if we look at what it really costs, we may think differently.

Several years ago, at our company's conference, we listened to our keynote speaker by the name of Chris Hogan. He started his talk with a story about his million-dollar SUV. Have you ever seen a million dollar automobile? Are you driving one right now?

He told us that after he finished college and landed his first prestigious job, he felt the need to go out and buy the biggest, fanciest SUV on the market. Since he didn't have the money to pay for the whole thing up front, he financed it, as most of us do.

After he was done paying off the car, he sat down to figure out what the car cost between the principal payments and interest, as well as what money he would have made if he hadn't spent the money on that car. After doing all the calculations, he figured out that with the cost of the car and the monthly payments, had he put the money he paid each month in an investment account over the course of 30 years his account would have grown to just over one million-dollars. [6]

How to implement this into your life:

Before you make any kind of major purchase, consider how much money you will make if you don't take that money out of your savings account between now and the day you plan to retire. Then add in the cost of the product or service you want to buy. Is it worth it?

[6] The assumption was the vehicle cost was $60,000 that would have been put into an investment at an average of 10%ROI for 30 years. This is strictly hypothetical and not representative of a particular investment; actual results may have varied.

SOMETHING IS BETTER THAN NOTHING

I used to believe that because I couldn't save a lot, that it wasn't worth saving at all. $5 here, $10 there…it doesn't add up too much quickly, does it?

Listening to one of Dave Ramsey's radio broadcasts, he was telling a story about a client he was working with He was teaching the client a saving and investment strategy that by the time the client would be retired, he could have made a million-dollars.

The client's wasn't impressed. In fact, the client's response was "by the time I retire, a million-dollars wouldn't be worth that much" to which Dave replied, "well it's a million-dollars more than what you would have if you didn't save".

How to implement this into your life:

- Every penny, nickel, dime, quarter and dollar counts in achieving your financial goals.
- Save whatever you can. Keep track of it on a regular basis.

Need help with a savings and investment strategy?
Contact me at Rob@SlezakAgency.com

WHY WE NEED LIFE INSURANCE

Most people don't see the need for life insurance. They say things like, I'm really healthy; I don't need life insurance. Or…I can't afford life insurance.

One of my son's works at Disney. Several years ago, he worked with a 30 something year old mother who had three small children, all under the age of 10. She only worked part time to supplement her husband's income to stay ahead of the family's expenses. By all accounts, they were doing well financially and had a really good life.

The one-day, out of the blue, her husband died unexpectedly. It was devastating! She not only had the emotional loss of her husband but now she had to face the sad fact of the loss of the major income provider in the family.

When it comes to insurance…

For most of us, term insurance will meet our need to protect our family. The only type of term insurance we should consider is term insurance with living benefit features (LB). This type insurance contains three insurances in one policy because it pays out in death, and in situations while the policyholder is still alive like with a critical illness or a terminal illness.

(Note: Not all insurance policies and living benefit features are the same. I can help you to understand what features you need and don't need and help you to choose the right policy and benefits to suit your particular situation.)

Sadly, things happen more often than you think. Facts:
21.5% of people die before turning 65 according to the CDC website. [7]

Just over 1 in 4 adults will become disabled before they reach the age of 67[8].

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[7] Cdc.gov, based on mortality statistics in 2016
[8] Ssa.gov, basicfact-alt.pdf fact sheet 2018

In 2016, there were 20.1 million wage earners between the ages of 21-64 getting social security disability benefits and that represents 10.9% of the population. [9]

Need help sorting through the right kind of life insurance for your family?
Contact me at Rob@SlezakAgency.com

[9] From a Cornell University webinar on www.disabilitystatistics.org/webinar-ds.cfm

MY WIFE DOESN'T WORK

I can't tell you how many times I've sat down with a couple, talking about life insurance needs and the husband says, "My wife doesn't work so she doesn't need any life insurance".

Wow, I hate that comment.

What if, God forbid, something happened to his wife? Who would take care of the kids, run the errands, clean the house, make the meals, run the kids to the doctors etc.? If he had to pay for all those services, it probably would cost him more than he makes.

Then he gets it. They both do. Just because one person works at home, taking care of everything to do with the kids and the household, it doesn't mean that there isn't value to the work done each and every day. And the value of that work needs to be insured in case it ever goes away.

How to implement this into your life:

- Get life insurance. It will support your family and their lack of income if you're suddenly injured or pass away.

Need help with answering questions about whether life insurance and what type of life insurance is right for you? Contact me at Rob@SlezakAgency.com

HOW TO PAY OFF YOUR MORTGAGE SOONER

Home ownership is the American Dream. Work hard, pay your taxes, pay your mortgage and one day you can own your home. But what if you could have the house paid off quicker?

To illustrate this point, I will use the debt snowball example and my own mortgage.

My mortgage was $182,000, 30year at 3.875%. Just by making bi-weekly payments instead of monthly payments, I would pay off my house loan 4+ years sooner and save $19,000 in interest.

Remember the client I talked about in the Debt Stacking section of this book? What if he wanted to pay off his mortgage faster?

Remember that his debt would be paid off by 2025. What if he added the $1,448/Mo that he was paying per month on his debt, to the mortgage principal? The result would be that the balance of the mortgage would be paid off in 6 years (2031, which is 16 years sooner) and he would save another $46,500 in interest.

How you can implement this into your life:

- Instead of paying your mortgage monthly, pay it twice a month instead to save on interest payments.
- And when you're done with debt stacking, apply the additional payments to your mortgage.

CHRISTMAS ON CREDIT CARDS

What is the definition of insanity? Doing the same thing over and over but expecting different results.

Years ago, before I became financially smart, I was like many Americans that fund their vacations and Christmas on credit cards. I had three sons at the time, a wife that worked part time and I was young and very early in my career. Money was very tight so at Christmas time we would buy all the gifts on credit cards.

Shopping this way is so easy. The credit cards advertise great deals during the holiday season and stores encourage you to use their cards to take advantage of additional percentages off when you use them.

Most of the time, you don't even notice how much is being spent until you get the charge bill at the end of the month. Like most people, we couldn't afford to pay it off, so we made monthly payments. The sad fact was that we usually got it paid off a month before the next Christmas and the cycle would start all over again.

These days we do things differently. We put money aside monthly into an account that is designated specifically for gift giving. When it's time to buy a gift, whether it's for the holidays, a birthday, or some other occasion, the money comes out of that account.

How to implement this into your life:

- Start a special account to have money set aside for gift giving.

PAY YOURSELF FIRST
(WHY SOONER THAN LATER)

In the "good old days" retirement funds came from three sources (like a three-legged stool) a Pension, Social Security and personal savings (like 401K, IRA etc.). Most companies have eliminated pensions.

Pensions were given as a retirement benefit from the employer, making sure that employees would be able to retire. Since pensions have been pretty much eliminated by companies, which means you need to create this leg of the stool with your own savings program.

Before you pay money for any of your bills or entertainment, put money away for your future. The rule of thumb is 10%. If you can do more, do more. If you have to do less, then do less and add more as you can.

It's never too late to start your personal savings program. Any amount will lessen the negative impact at retirement but starting early does matter and will have a profound impact on your retirement savings.

Here's an example of a young person (20 yrs. old) who saves $200/Mo. If he/she invests at a 10% return for 10 years then quits saving, at age 60 he/she will have accumulated a total of $706,552.

If someone else doesn't start saving till they are 30 years old, then saves $200/Mo. until age 60, they will have accumulated only $416,058. That's $290,494 less and the real bummer is the person that waited to start at 30 put in $48,000 more in principle.
Just think, if that 20-year-old doesn't quit investing after 10 years and continues for the next 30 years at a mere $200/Mo. (some people spend more than that on lunches in a month), he/she will retire as a millionaire ($1,119121).[10]

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[10] Calculations from website www.calculator.net/investment-calculator.html.
This is strictly hypothetical and not representative of a particular investment; actual results may vary.

What does that mean for you if you're older than 20 or 30? Even though you may not accumulate as much, you still will have significantly more money saved by putting away any amount of money instead of not saving at all.

How to implement this into your life:

- Put money into an account on a regular basis to save for your future.
- If you have to start small, start small but save something.

The rule of thumb is to save 10% or more so add to your nest egg until you're saving 10% or more of your annual income.

Need help with figuring out how to save and how much to save?

Contact me at Rob@SlezakAgency.com

PITFALL OF SPREADSHEETS

When you get totally committed to having a budget and identifying all the "buckets" your money needs to go in, then you need to decide, logistically, how you're going to keep track of the individual accounts.

Dave Ramsey talks about the envelope system. Have an envelope for each spending category (bucket) and on payday, sort out your money and put it in each envelope. This is a simple and easy practice since when the envelope is empty, you don't have the money to spend any more for items in that bucket. But it can be difficult to have the exact amount of money in the right denominations to sort out for each envelope.

Having an engineering background, I like spreadsheets and decided to create one for my budget and spending. I listed all the items across the heading row and every month placed the dollar amount under each heading that automatically calculated the total at the bottom.

I put the money in my savings account and transfer it to my checking account when a bill is due. (I still use envelopes for week-to-week expenses but the ones that are biweekly to annually go in the spreadsheet) This works great IF YOU KEEP YOUR SPREADSHEET UP TO DATE. I ran into the problem of not transferring some medical expenses when they came due and ended up overdrawing my checking account and having a surplus in savings. OOPS! Lesson learned.

How you can implement this into your life:

- Create a spreadsheet with all of your expenses and put all of your expense money into a savings account, so you can earn some interest on your money.
- When bills are due, transfer the money from your savings account to your checking account and then pay the bill.

Need more expert tips about how to save money, pay money in ways that you can increase your savings, or planning for retirement or college? Contact me at Rob@SlezakAgency.com

ABOUT THE AUTHOR

In the first part of Robert's professional career, he spent 42 years in the utility industry and really didn't think much about getting into the Financial Services arena. Throughout the course of his life though, he always had a desire to help people with their personal finances. In following that calling, for 19 years, he voluntarily thought Junior Achievement, a middle school financial prep class. He has now taken his experience and financial knowledge, along with those same teaching skills, and offers services as a financial coach to families of all ages who have a desire to get out of debt and create a plan that prepares them for their retirement years.