The Financial Action Blueprint

By Latasha Kinnard

Welcome!

My name is Tasha, CEO of Godeste, and I am addicted to helping people just like you achieve financial freedom.

You're reading this blueprint because you're ready to take action that will elevate your finances, but you're not quite sure where to start.

And this is the perfect place to be for that.

When it comes to your finances, there are so many different things you can focus on.

In this guide we are going to walk through some of the most foundational financial action pillars so that you feel confident about taking your next steps.

Use it.

If you do, you'll get exactly what you came for, which is the opportunity to create a better financial future.

Best,
Tasha

THE 7 FINANCIAL ACTION AREAS

The 7 Financial Action Areas help clients easily and confidently determine goals and next steps.

They are listed in a directionally helpful order, and we generally recommend tackling 2-3 at a time.

This blueprint will guide you through the details of 5 of the 7 action areas.

Income: Money coming in that fuels your financial ecosystem.

Emergency fund: Savings that are exclusively for emergencies.

Multiple Savings Accounts: Save for the future you want.

Investments (401K + IRA) (NOT INCLUDED): Invest for growth.

Debt: reduce your liabilities.

Credit/ Credit Score: Improve (don't abuse) your access to leverage.

Assets (NOT INCLUDED): Make your money work for you.

INCOME

Your income is the cornerstone of your entire financial ecosystem.

Despite how important it is, most people don't have a clear idea of how much money they bring in on a regular basis.

If you don't know how much money you have coming in it's almost impossible to manage it effectively.

But there's more to your income than just managing it. There's growing it too.

I highly recommend taking a few hours each quarter to create your Income Plan.

This includes a deep dive of your salary and any other income sources you may have. We'll focus on salary for the purposes of this blueprint.

if you have a business or other income generating investments, this is a good time to consider how to maximize those as well.

Step 1: Identify All Streams of Income

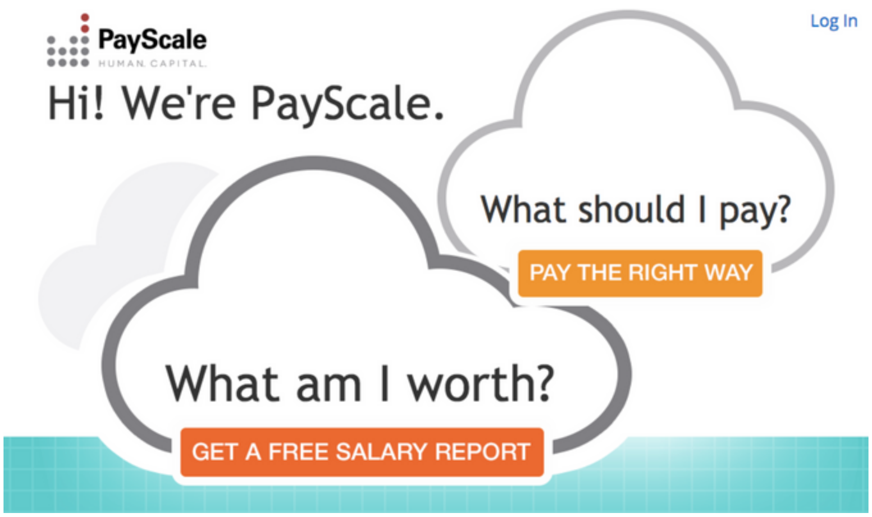
- Primary Salary: __________
  Your 9-5 job or main source of income
- Secondary Salary: __________
  From a second job, spouse, etc.
- Side Hustle: __________
  Hobby, uber, lyft, Turo, Ebay, etc.
- Business: __________
  From a business you own
- Investments: __________
  401K. IRA, anything stock related
- Rental Property: __________
  Real estate that you generate income from

INCOME

Step 2: Calculate Your Total Monthly Income

- Total Monthly Income: __________
- Monthly Take Home Income: __________

Step 3: Complete Your Salary Report Here at www.payscale.com



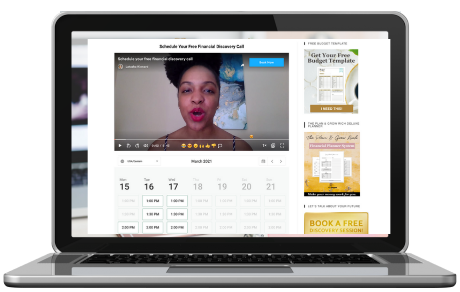
Step 4: Answer the Following Questions:

- Is my current pay average, below average, or above average?
- What type of employer pays the most? A company, private practice, non profit, etc.?
- How much more will I make with experience? What is the cap?
- What skills are compensated most highly?
- What certifications are most highly rewarded?
- Which states pay the most/least?

INCOME

Step 5: Determine your next moves. For example:

- Plan for a raise
- Get a new job
- Go back to school
- Get a certification
- Move to a new city
- Expand your network
- Switch industries
- Update your resume and Linkedin Profile



Learn how to increase your income with our team of financial professionals.

BOOK FREE CALL

Step 6: Create Your 6-12 Month Plan

EMERGENCY FUND

If you don't already have an emergency fund, building one should be a top priority as soon as you have the uncommitted income to do so.

Work your way to your first emergency fund benchmark within 60-90 days. Exclusively focus on this until you hit it. From there, work steadily towards levels two and three while also balancing other goals.

Income Below $50,000

Level 1: $1000

Level 2: $3000

Level 3: $5000

Ideal Timeline

Level 1: 60-90 days

Level 2: 1 yr

Level 3: 2 yrs

Income b/w $50,000 and $100,000

Level 1: $1,000

Level 2: $5,000

Level 3: $10,000

Income Above $100,000

Level 1: $,5000

Level 2: $10,000

Level 3: $15,000

System Boost: Use Ally Bank or Qapital App to set up automatic transfers between your checking account and your Emergency fund to automate your way to $1K and beyond

EMERGENCY FUND

Example:

After joining our private coaching program, you realize that you have money in savings, but you don't really have an emergency fund.

You currently have $3000 saved. Since your annual income is $110,000 your level 1 goal is $5000.

We decide to allocate the entire $3000 to your emergency fund to begin to satisfy the Level 1 requirement, which leaves you with a $2000 shortfall.

You decide to channel ALL of your uncommitted income ($1000) to your emergency fund (since you haven't hit the minimum benchmark) for the next 2 months which will get you to $5000.

Congrats! You made the 60-90 day timeline for hitting your level 1 benchmark goal

Since you now meet the minimum standard, you will now start to split your uncommitted income considering your other goals, values, and priorities as well.

Important Note

We do not recommend that you start balancing multiple goals until your emergency fund meets the minimum standard (level 1) for your income bracket.

Then, we recommend balancing between 2-5 goals per month. With 3 or less being ideal.

MULTIPLE SAVINGS ACCOUNTS

Saving for the future is one of the most underrated wealth building activities.

Saving for predictable future events such as college, travel, a new car, buying a home, your dream wedding, etc. prevents you from having to dip into your emergency fund, withdraw from your investments, or run up your credit.

This significantly improves your long term wealth building potential.

The Godesté financial philosophy is built around the idea that your money should have a purpose and should be working for you.

Therefore, we strongly recommend that you have a separate savings account for each savings goal that you have.

In order to do that, we recommend two very amazing tools that will revolutionize how you save money and bring ease and simplicity to your financial plan.

Qapital App: (Use this link and we both get free money)

The Qapital App is best used for microsaving.

Microsaving includes things like saving a dollar a day, rounding up the change, or doing the 52-week savings plan.

It makes saving much more fun because you get to make the rules for each savings goal/bucket.

Here, we are usually dealing with smaller sums of money OR an inconsistent income. (Because you can save percentages of your income instead of a set monthly amount).

MULTIPLE SAVINGS ACCOUNTS

Ally Bank

Next, I recommend Ally Bank Online Savings Account.

It is best in class.

Like the Qapital app, you also get access to multiple savings account under one umbrella.

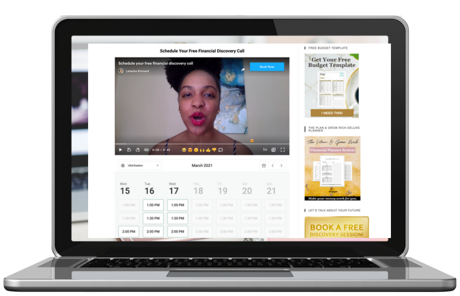
But, you can also have several umbrellas with bucket accounts inside of each.

For example you may have one account for your entire family where you include your emergency fund, new care, and new home savings buckets.

You could also have a separate account labeled kids where you save up money for each child for a specific purpose.

We recommend Ally Bank as a place to hold your primary savings and as the primary holding account for your goals.

We primarily recommend Qapital as a short term holding account that helps you save some extra cash that is then transferred into your main savings buckets with your primary financial institution, whether it be Ally Bank or something else.



Get the support you need to take your savings plan to the next level.

BOOK FREE CALL

MULTIPLE SAVINGS ACCOUNTS

EXAMPLE:

Let's say you have $1,000 in uncommitted income, money available for you to use on your goals.

You choose to allocate your uncommitted income accordingly:

Emergency Fund: $300

Travel: $200

Home: $500

Step 1: Set up your Ally Bank Account with the number of umbrella accounts you need.

Step 2: Under the umbrella account create buckets for your goals: Emergency fund, Travel, Home.

Step 3: Set up the proper transfer automation for each bucket

Step 4: To boost your savings, create your Qapital account and create buckets for the goals you want to boost. We'll choose EF and home.

Step 5: Set up savings rules for those accounts. This could mean saving your coffee money ($3) everyday, rounding up the change from what you spend, or doing the 52 week savings plan.

Step 6: Once you hit the goal, transfer the money from you Qapital account into its corresponding Ally Bank account.

This is an example of how you can use multiple savings account, but think about your goals and your lifestyle and do what works for you.

System Boost: Use Ally Bank or Qapital App to set up automatic transfers between your main account and your savings accounts.

DEBT

Eliminate your debt in a way that supports good strategy instead of high emotions.

I know how easy it can be to get distracted and burdened down by the total debt picture, but remind yourself that you are more than just your debt.

And you can't drive towards a new future if you're always looking in the rear view mirror.

Start by outlining all of your debts.

Don’t just look at the interest rate. That just gives you one part of the story.

Instead, you want to multiply your total outstanding debt by the interest rate to eye ball your interest payment for the year.

All of this information will help you decide which strategy is best for you.

There are two main ways to manage your debt. We'll start with the most popular, which is the Snow Ball Method.

People tend to like this method because they build up confidence and results by tackling the smallest debts first.

<u>The Snow Ball Method: Tackle smallest debt first</u>

- Pay minimum balance on all debt
- Put extra debt money toward the debt with the smallest balance
- Once smallest debt is paid rededicate ALL funds to the next smallest debt.

DEBT

Loan Name	Current Balance	Min. Payment	Interest
Credit Card	$20,000.00	$350.00	21%
Student Loan	$15,000.00	$550.00	3.5%
Car	$5000.00	$150.00	9%

If your total debt budget is $1200, here is an example of how to use the Snow Ball Method:

Step 1: Pay minimum balance on all debt, which comes to $1050.00. Always at least pay the minimum balance if you can.

Step 2: From your total debt budget, you have $150.00 left to put towards your debt with the lowest balance, which in this case is your car note. Add $150.00 per month to your car note for a total payment of $300.

Step 3: Once the car note is paid off, move to the next smallest debt, which is the student loan.

Take all available funds: $300 (what was originally being allocated to the car note) +$350 (current minimum payment for the credit card) for a new payment of $650.00

Keep doing step 3 until all debt is paid off.

DEBT

Loan Name	Current Balance	Min. Payment	Interest
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Student Loan	$15,000.00	$550.00	3.5%
Car	$5000.00	$150.00	9%

Avalanche Method: Tackle highest interest rate first

- Pay minimum balance on all debt
- Put extra debt money toward the debt with the highest interest rate.*
- Once the debt with the highest rate is paid rededicate ALL funds to the next smallest debt.

<u>If your total debt budget is $1200, here is an example of how to use the Avalanche Method:</u>

Step 1: Pay minimum balance on all debt, which comes to $1050.00

Step 2: From your total debt budget, you have $150.00 left over to put towards your debt with the highest interest rate, which in this case is your credit card. Add $150.00 per month to your credit card for a total payment of $500.

Step 3: Once the credit card is paid off, move to the debt with the next highest interest rate, which is your car.

Take all available funds: $500 (what was originally being allocated to the credit cards) + $150 (current minimum payment on the car) for a new payment of $650.00

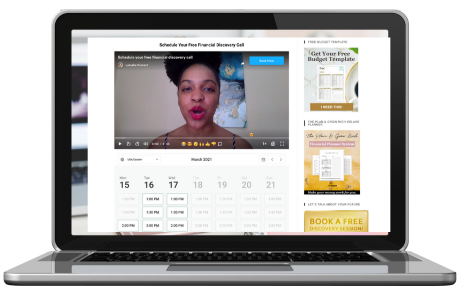
Keep doing step 3 until all debt is paid off.

DEBT

*Note:

You may want to pay off the debt with the highest interest payment first instead of the highest interest rate.

For example, If you have a credit card with 20% interest and a $1000 outstanding balance and a credit card with a 15% interest with a $10,000 balance, it would make sense to tackle the $10K first to help bring down the interest payment.



We can help you create a plan to tackle your debt and boost your savings at the same time using all the tools and strategies you see here... and more.

BOOK FREE CALL

CREDIT

Do you know how your credit score measures up?

Improving your credit score is part of having a healthy financial life. The goal is not to be dependent on credit, but we can’t ignore how deeply it is woven into the fabric of American culture.

You can’t even buy a home without someone looking at your credit.

So, it is imperative that you have access to credit when you need it and that you know how to use it responsibly.

The first thing you should know is that the term "credit score" is somewhat misleading.

You don't just have 1 credit score. You have several.

Fair Isaac's Corporation has been around since 1989 and that's where you get your FICO score, the most popular credit score.

There are several different FICO scores used to help lenders determine credit worthiness for buying a home, car and more.

In 1996, the credit bureaus (Experian, Equifax, and Transunion) got together and created what is called the Vantage score. This is what you'll typically see on CreditKarma and sites like that.

It's definitely gaining some traction as free credit scores become more and more widespread.

A bad credit score might initially seem like nothing more than an annoyance, but it can actually cost you money.

When your credit score is low, it is an indication that if you take out a loan, you just might not pay it back.

This makes you a risk to lenders so they charge you more to borrow money than they would charge someone with a higher credit score.

CREDIT

When it comes to managing your credit score, there are five factors that come into play. Each credit score weighs each factor differently, but this is the generally accepted model.

Payment history (30%):

Your payment history has the greatest impact on your credit score.

It tells lenders how reliably you're paying your bills on time.

If you are late paying a bill, it is not reported to the credit union unless you have been late for more than 30 days. The longer you neglect to pay, the more the late payment will negatively impact your score.

Payment history is extremely important and if you have any delinquencies in your report, it will negatively impact your score.

Credit Utilization (25%):

Banks like you to have some debt, but not too much. They especially want to make sure that you are not using up all of your available credit.

For example, if you have a total credit limit of $1000, you should not use more than 30% ($300) of it.

But here's what people usually don't know, a credit utilization in the single digits is what will benefit your score the most.

Length of history (15%):

A more established credit history helps lenders feel comfortable that they have a well-rounded view of your financial behaviors.

With a short credit history, banks are not as trusting because they do not yet know what you are capable of. If you are responsible, the earlier you establish credit history the better.

CREDIT

New credit (10%):

Banks don’t like to see you applying for multiple credit cards.

Every time you send in a credit application or apply for any type of credit, it costs you a few points off of your credit score.

The impact usually isn't that great if you have 1 or 2, but it's best to try and keep this number low.

The impact inquiries have on your score usually dissipates in about 2 years.

Note: If you are shopping around for a car loan or something like that and you inquire with multiple lenders, you will only be dinged once.

Types of credit (10%):

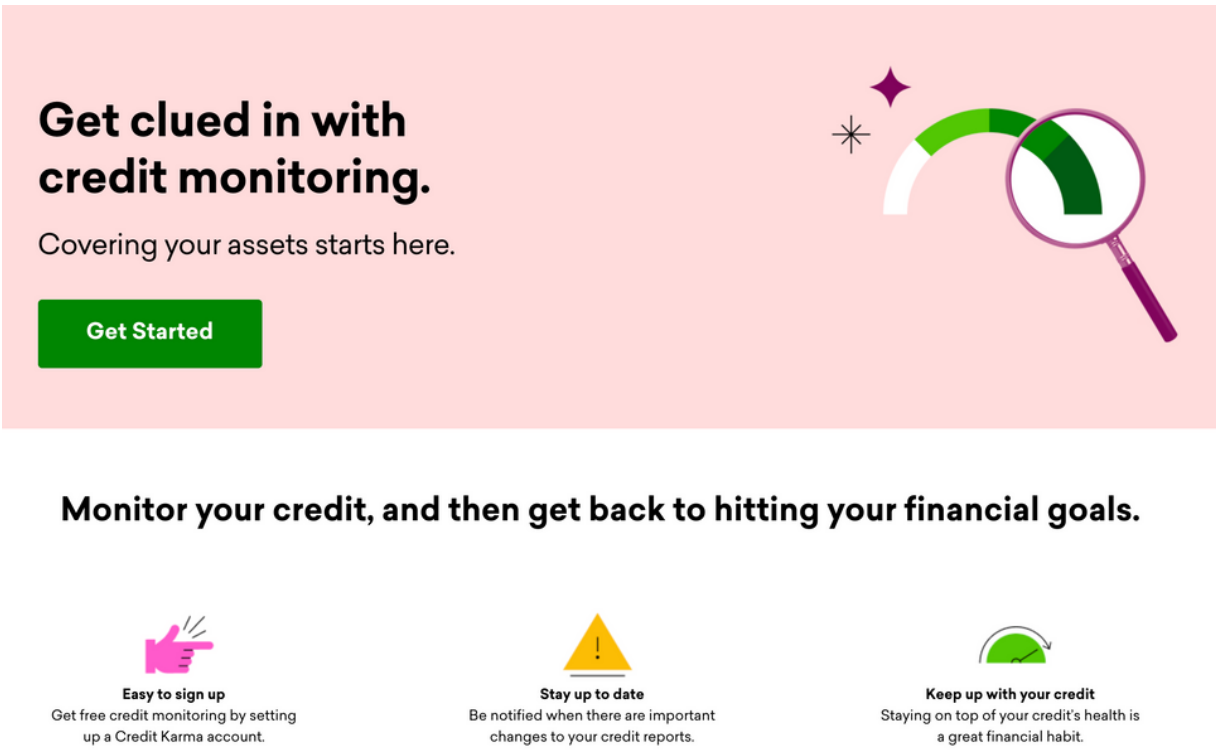
Try to have a balanced debt portfolio. This might include student loan debt, credit cards, and a mortgage.

Having a mix of credit products shows banks that you are a mature credit user. I don't think this should matter but I'm not the one with the money to lend, so there's that.

CREDIT

Steps to Improving your credit:

Step 1: Sign Up For Credit Karma



Credit Karma, allows you to monitor and track your credit score, specifically your VantageScore 3.0.

While the score is accurate and valid, it is not the industry standard FICO score so understand that it may be best to use this as a tool to get directional insight and not as the final authority.

Another great thing about Credit Karma is that they offer free credit simulation to help you understand what will happen to your score if you pay off a card, get a new line of credit, have a late payment and more.

CREDIT

Step 2: Pull Your Credit Report

Your credit report will give you insight into what financial institutions are saying behind your back.

And trust me, you want to know so that you can check for errors.

Whatever is on your report will be reflected in your credit score. You can access your free reports at www.annualcreditreport.com.

- Pro tip: You can pull one free report from each bureau per year. Pull a report every four months from a different bureau so that you have year round access to what pops up on your report.

Step 3: Request Your Credit Score

You can purchase your FICO credit score as an add on to your Annual Credit Score Report.

You may also be able to access it for free from one of your financial institutions.

But, make sure that you are looking at your FICO score. That's what you want here.

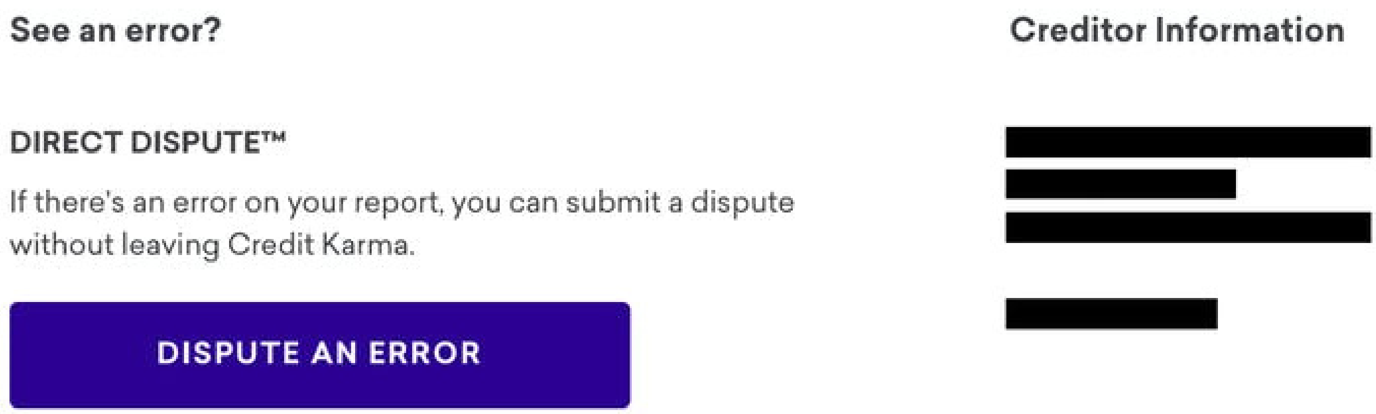
Step 4: Dispute Errors on Your Report

You can dispute errors on your report by contacting each agency seperately.

✴ For Equifax reports: http://www.investigate.equifax.com
✴ For Experian reports: http://www.experian.com
✴ For TransUnion reports: http://www.transunion.com

CREDIT

You can also do this in Credit Karma, which may be easier. Looks like this!



Step 5: Create Your Credit Restoration Action Plan Below

CHECKLIST

NOTES

HERE'S WHAT YOU SHOULD HAVE:

- Career Viability Report
- Income Comparison Report
- 12-month income plan
- Micro-savings automation
- Macro-savings automation
- Debt Plan
- Credit Karma Account
- Free Credit Report
- Credit Score
- Plan to increase credit

BOOK A FREE CALL

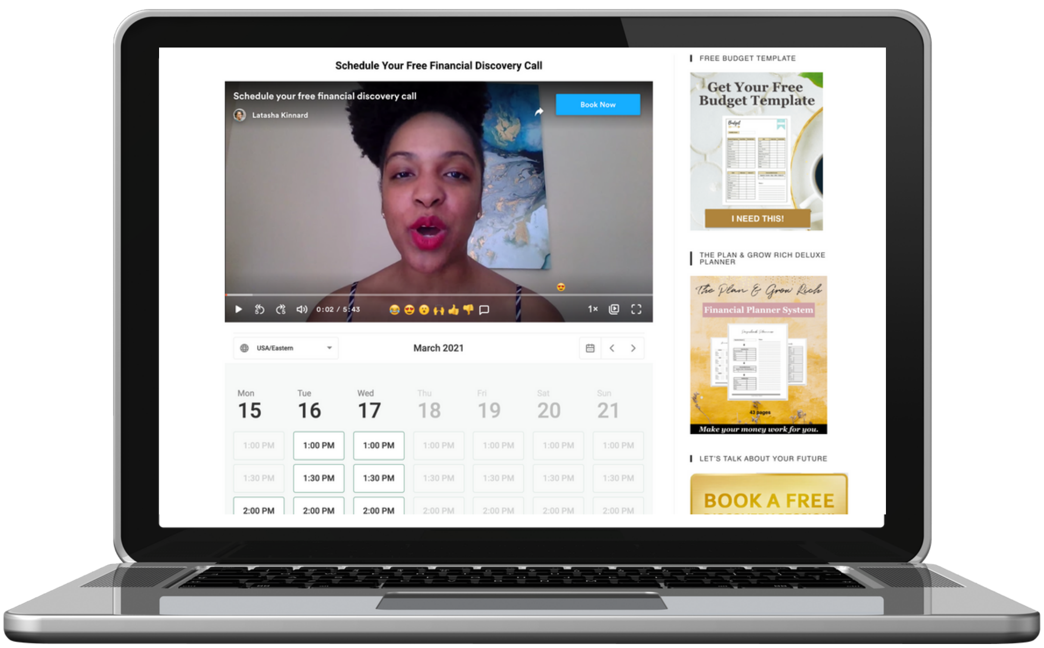
In this blueprint, you have an opportunity to check in with where you are regarding your income, savings, debt, credit and more.

We've walked you through, step-by-step, some of the most important details of advancing within each action area.

If you're the type of person who is detail oriented and you love to see a plan through to the very end, then go forth and prosper with this blueprint alone.

For everyone else, knowing where to start and how to start can be paralyzing. Especially since we have only scratched the surface.

If you want to go further, schedule a free discvoery call today to see how we can help you accelerate your path to wealth.



We can help you create a financial plan that will take your entire financial situation to the next level.

Learn More

“YOUR JOURNEY TO FINANCIAL SUCCESS STARTS NOW”