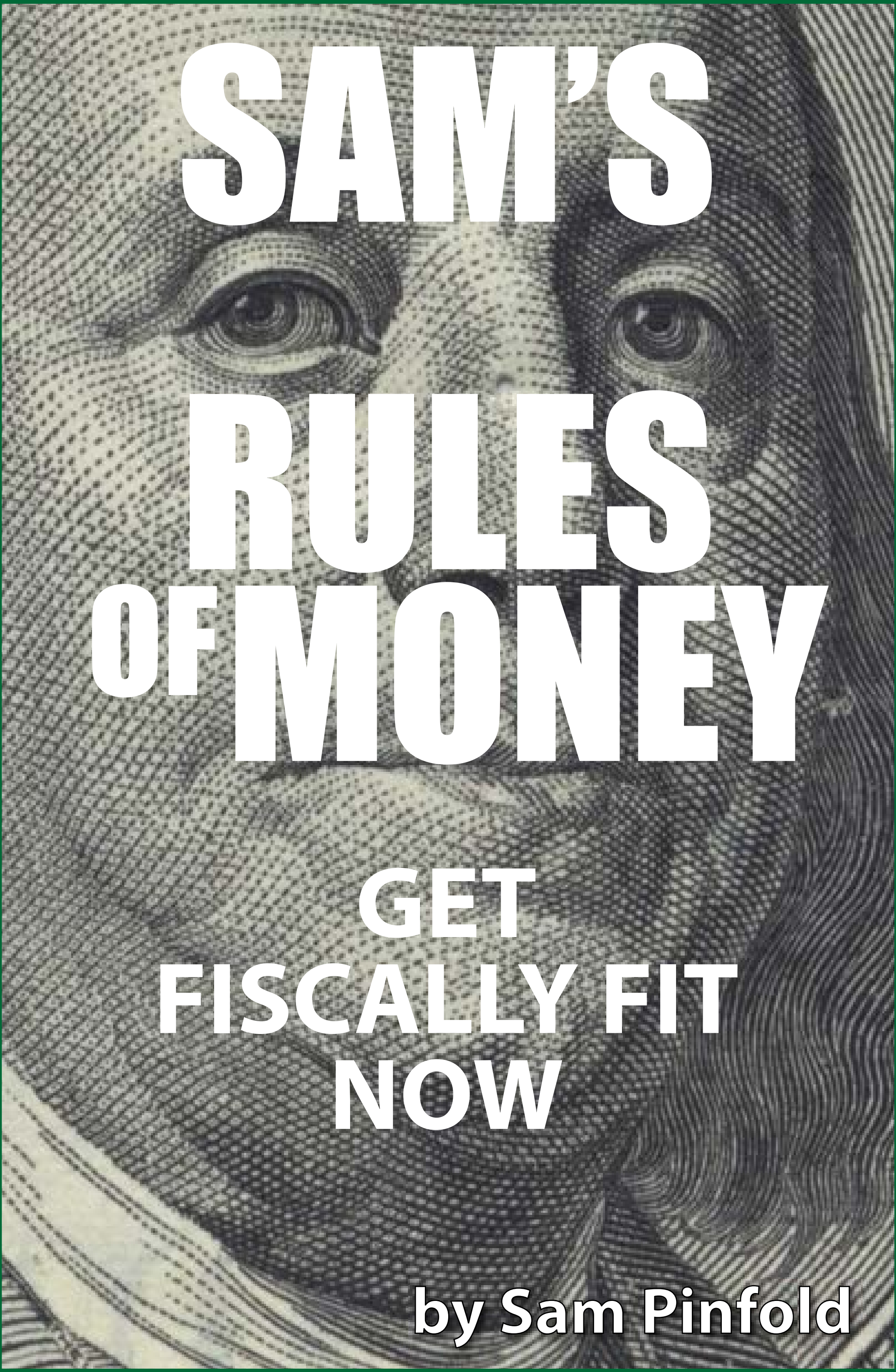

SAM'S RULES OF MONEY

GET FISCALLY FIT NOW

by Sam Pinfold

Sam's Rules of Money©

(Get Fiscally Fit Now)

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Sam's Rules of Money©

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Sam's Rules of Money© was written because there is no adequate formal education that provides practical advice on the use, care and acquisition of cash and how to properly use it.

Financial security creates peace of mind, and good decisions emerge from a clear mind. It's time to clear your mind and secure your future.

Table of Contents

Author's Preface vii
Introduction ix
Rule 1: Cash is King 1
Rule 2: Debt is Slow Death 5
Rule 3: Insurance is Protection, Not Savings 9
Rule 4: The Rule of 72 13
Rule 5: Income Streams Are Precious 17
Rule 6: Buy Assets that Appreciate 21
Rule 7: Live and Love within Your Means 25
Rule 8: Acquire the First Million –Then Live Off the Interest 27
Rule 9: Invest Fully in Retirement 29
Rule 10: Pay Only For the Healthcare You Use 31
Rule 11: Educate Yourself 35
Rule 12: Money Replaces Insurance and Fear 37
Rule 13: Tie It Together 39
Rule 14: Guard Your Personal Information 41
Rule 15: Your Final Resolution 43
Final Thoughts 45
Winning Bill Minder 46
Life's Financial Balance Sheet 49
Mindful Phrases to Consider 51
Bibliography 53
Glossary 55
Biography 59

Chapter Title

Author's Preface

Hello! Thank you for taking the time and effort to secure your future. I write this book to help young people start right, and to help middle-aged people begin immediately in securing themselves for the future.

You don't need a 400-page tome to show you how to live in a securing way. There will be emergencies, needs to prepare for, and unexpected financial requirements. That's why the three pillars of protection are covered here. They are Cash, Debt, and Credit. Think of a T-chart with Assets (total worth of all you own and have) on one side, and Debits (things you have that someone else owns) on the other. The answer is the starting point.

Sam's Rules of Money© was created because there is no adequate

formal education that provides practical advice on the use, care and acquisition of money. There are courses in education about spending, but few on what we use everyday to survive. Money is crucial to a human's existence. Without it, drastic things will occur. With money in your pocket, you have a sense of greater security. I created this guide to help you learn more about this critical commodity and to enhance the quality of your life by increasing your financial security with these simple rules of money.

To your healthy and secure future,

-Sam

Chapter Title

Introduction

Financial security creates peace of mind, and good decisions emerge from a clear mind. It's time to clear your mind and secure your future.

The world of finance can be complicated - with multiple accounts and systems. Let's organize and simplify your finances, through understanding how money works, so we can eliminate unnecessary processes.

This book is about saving money.

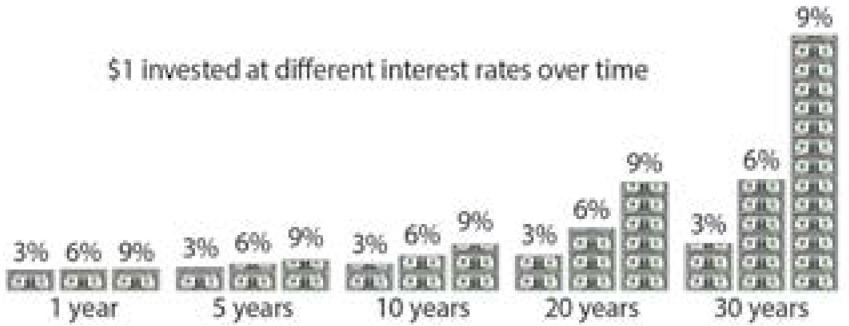
- There are fifteen rules outlined below.
- There are three critical concepts:
  1. pay cash for the expenses
  2. eliminate debt and
  3. protect your income streams.
- Start saving in three accounts: a) cash, b) emergency and c) long-term savings.

These steps will help you accomplish your goals to finance education for your children, fund your savings, enact your dreams, and most importantly, provide a comfortable retirement.

Follow one rule and you will be ahead in life. Follow them all and you will be on the path to financial wellness. Each rule allows you to make good decisions that enable your dreams while protecting yourself, eliminating debt, and securing your future legacy. Protect it so that no one will take it away from you.

Chapter Title

Chart of $1 over time



$1 over 30 years at 9% interest doubles itself 13 times. The right mutual fund yields a 9% relative return.

Start saving immediately at the best rate of return that you can find. Look for better savings rates and special offers and take advantage of them when you.

Rule 1: Cash is King

"Make money make moves."
–Bryant l capshaw Daddy Rich

The first Rule of Money is Cash is King. If this is true, then debt is the court jester who wreaks havoc unto its King. Why is cash a King? It's simple to spend, easy to calculate, and you can touch and feel it. It is peace of mind in the form of security. It leaves your mind free to work on other pressing matters. The true worth of an item is very clear when you use cash to buy it. Cash is universal as it's accepted almost everywhere. It requires no credit check or pre-authorization. No credit line is extended. It won't be denied. The transaction is complete as soon as the money changes hands. It is oddly efficient.

The government owns the paper money you hold. It can be spent everywhere. Many places take cash, make change and dispense coinage. It very rare for a vendor to not take cash. The golden rule of business used to be "make it easy" to purchase the product. Now it is "keep it simple, Sam" (K.I.S.S.)

Online you will use digital cash. Digital cash converts to real cash with a couple of clicks. PayPal is an easy method to convert digital cash to physical cash. The coming blockchain technology that enables cryptocurrencies like Bitcoin will further enable digital transactions. PayPal is not a bank, but it allows anyone with a verifiable email to bill (invoice) and receive payment. It does not pay interest. PayPal only acts as an intermediary in a financial transaction.

To move to a cash-based life requires a mindset shift. It's drastic. First clean out your wallet or purse of anything that swipes or has an expiration number. These are leaks. For some folks these are necessary leaks. They are the function of life. We are not always in control of income streams, funding options and payments to make. Cash-based ones are flexible, prepared for any payment eventually. Control is necessary and key. One card is fine for cash and other spending needs. Make it easy on yourself.

Let's be clear. A debit card immediately withdraws the money from your account. A credit card runs through a different process and works almost as fast. In that case the processor is usually one of the big three – Visa, Mastercard, or American Express. Everyone gets a cut but debit cuts them out. There are aggregators (Square.com) who process slightly differently but the money moves from the account quickly to fund a transaction and lessen fraud. Try to limit or eliminate the use of the fraud-ridden cards. They still are insecure even with the new chips on the front. Cash is most secure. Cards are not. Bill-pay is secure when it costs little or nothing to use.

Allow three weeks for a new habit to take hold. You do it the "first" time, then the "second," and eventually it becomes automatic. Your path each day is altered as you no longer swipe your card for every transaction. Soon, you will be finding new sources of cash as you find that every day creates new opportunities to buy and acquire cash. Businesses that deal only in cash tend to charge less, but not always. It will feel uncomfortable at first, but will become normal soon enough as you begin to take charge of Your money.

Developing new ways to spend, save, and locate sources for cash-based business is fun! The great thing about cash, is that the transaction is truly complete when it's done. You may be going to the same places buying the same things. But this time, you feel the worth of what you are buying. Asking yourself each time, "Is this what it really costs?" When you use a card, it doesn't seem like it, but it really is that much! Don't buy it. Think of an alternative – saving That money (put it in savings) or finding a more cost effective solution.

Work to create a meaningful mindset**.** You think differently when you carry money in your pocket. Your new attitude becomes, "I pay my bills – not when they're due – but now, when I buy something." Reaching for a card is replaced by counting out money in actual bills and coins. It is an enlightening experience.

Cut up your credit cards, but keep one ***debit card***. And load up with $1000 to $2000 in cash which you keep securely on your person or on your property. Wear it in a secure place on your body -- it could be in a money belt or in a special secure vest. This may seem strange at first, but it's how things were done before there were credit cards, debit accounts, and auto pays. The path to financial freedom is to use a cash-based system that keeps all your expenses at the forefront and holds a tight rein on unnecessary expenditures.

Operating this way is to act frugal, not cheap. Buy only things that you truly need now and save for the things you will need in the future. You established a new fund, your personal cash fund. You keep this fund in your pocket or special place. You should only buy and use the very best items you can afford. Try not buy things that are repeatedly disposable. Think about the items you buy. Gauge them against a 30-year money return, when you might most need it.

The basic priorities in life are food, shelter, clothing, and transportation – necessary to help you earn money and stay afloat. Do you need a daily coffee or energy drink? That is fine, then pay cash for it. Feel the value of the things you buy. Do they meet your life goal of financial independence? Align your purchases with your goals.

Income streams create dreams. Saving each time new funds are acquired is crucial. Create some accounts to help secure your long-term plan. Set up three accounts at first to keep it simple:

1. A **debit account**, for you debit card, and to access cash.
2. An **intermediate growth fund** with a good long-term track record.
3. An **IRA**: either Traditional or Roth. Both are proven for long-term savings with tax advantages, and are sponsored by the US Treasury. They have yearly contribution limits. There are many other safe solutions to access safe returns from reputable firms for quality long-term returns. Do your homework as it's your money.

Sam's Rules of Money©

Be ready to sacrifice some comfort for security. A savvy financial plan has both a cash management system and asset accumulation program built in. It lowers, then eliminates, debt, too. And it protects from sudden loss or change.

The time to start is right now. Begin by creating a system that works. Try different things. Find what's comfortable for you. Money markets are better for savings than bank accounts. Find the account with the lowest transactional costs. This can be found on the prospectus. Savings accounts in mutual funds have annual costs, but give better returns than banks.

Good management costs money, but the total costs to manage your account should be at or under 1% total assets of management. An upfront sales load is ok for long-term savings as long as the annual return is well over the sales load charged. (That is a one-time charge for managed money.) Collect all information for your accounts in one general binder or file folder.

The cash management system is key to savings. Every extra dollar should be converted to savings that grow. Programs start with as little as $1 a day or $25 per month.

Consistent contributions to your savings plan are important because these saved dollars will build future capital, applying a dollar cost averaging method.

Set up auto-deductions and deposits directly into your savings account. Matching funds from an employer is free money. Pay yourself the maximum allowed to gain the maximum matching funds. Maximize that to its full potential each pay period for as long as possible.

Cash is King because it spends easily, it shows you the worth of each transaction, and it frees your mind to focus on other things. It's the change needed to stop financial leaks, plug holes and steer the ship into the safe port of retirement. It takes time and effort, but it is worth it. Start saving today. If you already save, start saving more because everything is sure to go up in price (inflation).

Rule 2: Debt is Slow Death

"I'm living so far beyond my income that we may almost be said to be living apart."
–E.E. Cummings

All debts are bad. What debt means is that there is not enough money for an item (asset) or service purchased. Now there are many future payments for that one transaction. What you pay is called the principal and the cost is interest. You also pay transaction fees, adjustments, and yearly membership fees along with a repayment timeline. They even give you credit on their fees charged.

There are some surprising facts about debt. Debt has virtually little cost to the lender. Yet large lenders charge exorbitant fees. Interest rates are more than four times the savings rate offered at most institutions. Banks always ensure that they get the money back that they loan. A typical mortgage has points and fees to complete or close it. On a $100,000 loan it could cost as much as $5,000 to close it. When you eventually pay it off, you will end up paying more than three times the original amount.

Credit cards charge high interest rates, sometimes over 20% per year to carry your debt on their books. One dollar over 30 years at that percentage is $237, or a 237% increase in cost that you will never get back. Payday loans have a transaction fee of $15 on $100 plus an interest rate above 300%. Loans from family may not always come with an interest rate but they often carry an emotional cost (quiet discussions, hurt feelings, general discomfort). It's always better to give the money, rather than lend, to family. A good rule of thumb: If you lend money at home to family or close friends, forget about getting it back! Consider it a gift. If you can, write off any debt that you are owed, as a loss.

Debt comes in many forms. The service charges that come with it increase its cost. Like with a 401(k) or Whole Life policy, they allow you to borrow your own money and pay interest on the privilege.

When you give (loan) or take (borrow), a contract is created. Each side of the agreement are expected to abide by the terms of the agreement (contract). Contracts can change over time, but the debt does not go away until it is repaid. I advocate gifting, never loaning. When you give, insure that it is clearly a gift. Give or loan only when you can comfortably afford the outlay.

One of the worst feelings in life is when you go into a deal understanding the terms and then later find those exact terms you agreed to have been changed or worse, recalculated. Clear communication is key. Variable rate loans are an example of this. With an open-ended (never-ending) debt it is easy to become complacent to the terms. It is imperative to know all the terms of the deal in its entirety.

Debt is an ancient concept. It has a practical purpose. The purpose is to leverage (increase) buying power with an agreement of repayment over time. That is how homes are sold. Taking out a mortgage often means that the person who took out the loan could not afford the house they bought. Holding it may be precarious. The value of a single place to live forces the necessity of an assumption of debt. And it has a holding cost to calculate and pay.

Most people can't actually afford property. The assumption of debt only makes sense when the payment is under 30% of a total monthly outlay and savings are being accumulated simultaneously.

Buying an automobile on credit (debt) is silly. The asset depreciates immediately while the balance slowly goes down slower than the car's maintenance schedule. At least a home has the potential to go up in value from a leveraged (debt) investment. An auto is usually financed for the expected usable life of a vehicle 3, 5 and 7 years. Leasing is also an option if getting a new car every few years is viable within your budget. When savings increase, choosing your next car becomes an easier decision. Pay cash to get the best price with the best options. Feel the power of ordering and buying your own car.

Rule 2: Debt is a Slow Death

The Rules of Debt:

1. Eliminate all debt immediately, or
2. Stack your debts, paying off the easiest to the largest, and
3. Cut all costs to the necessary bare bones

The first task is to eliminate debt completely and immediately. If that is not an option, begin stacking your debts; the smaller, lower debt balances on top, the largest on the bottom.

Pay the smallest balances, the easy ones, off first while you make minimum payments on the bigger debt balances. Take the extra money you saved by paying only the minimum on the largest debt balances, and use it to help pay off the smallest debt. Then work on the next one, working them one at a time, from smallest to highest. Eventually you will pay them all off. This is called debt stacking.

Then cut fees to the bare bones. Seek lower costs, not just a lower interest rate. Shrink your payments to increase your savings too. The savings balance will increase as your overall debt gets smaller. Watch for financial leaks; follow up on everything that concerns your debt until it is eliminated.

There are two kinds of debt: secured and unsecured. The secured debt is the collateral (basis) for the debt. If there is stoppage in paying the debt, they will take it back. Homes and autos work this way. Unsecured debt is bit different. Unsecured credit is flexible in its repayment. It's based on the borrower's promise to pay. To enforce that, the lender must obtain a judgment from a court and then work hard to collect something that is possibly uncollectable. Credit cards are like this. There is a big difference between the two types of debt.

Stay away from debt. Find ways to eliminate it. Adjust payments to end it. Seek out all hidden fees and charges. Then destroy the ones not in your favor. Use debt as a financial tool only when necessary to gain an asset worth more than the loan. Save enough that one day you will never need another personal or business loan again.

The goal is to become financially independent and to live debt-free. The path will be as enlightening as the finish.

Now that the first two parts are in place – a cash element and a debt-free environment – the next step is protection. It's here because it's essential to Sam's Rules of Money©. We will use insurance to protect your cash and secure the family in case of an emergency. It will also provide for disability and funeral expenses should no one else be able to.

Rule 3: Insurance is Protection, Not Savings

"I guess what scares me the most now is the thought that I won't be able to protect you."
–Julia Hoban, Willow

Insurance is Protection against financial loss. Savings is the money you're going to retire on. Together … they never belong together.

Insurance is **not** savings. Insurance is a contract between two parties whereby one party undertakes to indemnify the other party against loss, damage or liability arising from a contingent or unknown event. That means one party is in a contract to assume the risk responsibility from the other party in the event of a mishap. The terms of this agreement are spelled out in the contract (policy). It states the amount paid, frequency of payment, terms and provisions approved by the underwriting department of the insurance company. And remains in force until canceled or lapsed.

Savings is a wholly different instrument. The two should never be commingled. In fact, money (savings) replaces insurance. That is the goal of the savings plan. The concept is to one day afford to insure yourself against potential loss. While savings are being built, there is protection in the form of life insurance to prevent the depletion of savings should a catastrophe occur to the plan. In the event of a calamity or loss, the savings will continue to grow in a stress-free financial environment.

The only kind of life insurance you will need is "term insurance." Seek out the best price for the highest amount of coverage and longest time possible. A "group insurance" at work is fine for covering your burial costs but it won't provide for your family after that. In the event that an income stream suddenly stops, a lump sum payment will be made to ease any financial burden felt and for a period of time after. It allows time enough to get back on your feet. When you're older, if you have saved well, your savings will replace life insurance with cash or assets held. Life insurance is a bridge to ease a transition during a time of grief. Companies use "key man life insurance" to insure against a valuable employee's death. This is how you should think of life insurance for the business of raising a family. It lessens the burden of hardship and protects loved ones.

The best life insurance is the one that has the best coverage for the least amount of money (monthly, quarterly, semiannually or annual payment). It minimizes the risk of human loss for a cost. There are many products out on the market for this. A phrase to keep in mind is "Pay for term, invest the difference." Use what you might pay for a costly cash value policy, then walk with the difference and create a savings program instead. This way there is protection in place and savings earning a good return growing normally.

This works well during the younger years until you have the money saved that will replace a life in an insurance plan. You manage risk until you no longer need it. Savings is protecting you from loss.

A good auto plan does not raise your rates for a single accident. Be willing to switch when service or treatment is not what you expect. When your auto-insurance renewal comes up each year, you have a choice of carriers. Companies offer different rates at different times. Be flexible, and willing to compare price versus coverage, and you can save money with just a few phone calls. Get the best price for the most coverage. Do they meet the state requirements for coverage? Do they meet your real world estate needs? Read the fine print on all insurance policies, always. The goal is to protect yourself from loss caused by you or someone else. It has limits. You can also change anytime through the year if you find a better price or coverage at a competitor.

Home, property, and casualty insurance is required when any mortgage (loan) is taken out on a property. Lenders require you to protect their asset and their risk exposure to loss. They own the paper to your property and can impose many different restrictions and adjustments to the loan terms at any time.

Rule 3: Insurance is Protection, Not Savings

Governments can do the same as land risk changes too. Like auto insurance, be flexible for the best rate. Insurance claims happen rarely but when they do, it's good to know the team is ready and prepared for the worst, like being out of your home.

We've all heard stories of random electrical or plumbing mishaps that cause big damages and insurance claims. It almost happened to me; a rubber hose to the washing machine burst when we were at work. It took a side of our shelving out. No claim needed, but very close. The cabinets saved us. Since it's your home you should cover the first $500 or $1000 of deductible on coverage and check the deductible for best pricing. Sometimes the difference between $500 and $1000 is a small amount under $50. If you can go higher such as $2500 you will get an even better (less expensive) price. When you are finally independent you will insure your own home in the event of property calamity.

Earthquake and flood insurance are mandated by government based on FEMA maps of record. They have hefty deductible payments. In areas of enormous calamity they seem to settle claims slowly with their insured. This is another reason for your long-term savings account. Personal calamity or act of god or earthquake insurance. More competitive policies are coming, but it is a good policy to check the worth of any company you pay to insure you.

Protections from financial risk or unexpected calamity are what insurance is for. There is no reason to save funds inside an insurance policy. They will manage it for a small return while you watch the fees eat up your return on the principal. In cash value policies (whole life, variable life), when you die, your heirs get only one thing, either the policy's value or the amount of funds that you've saved. Somewhere something is wrong with cash value life policies. You are hundreds of times better saving your funds in a top quality managed fund than in an insurance policy. For large holdings there are annuities for distribution at retirement. Two types of IRAs are available now. Be sure to fund yours up to the maximum each year. Special rules exist for each flavor of IRA.

Term life insurance protects income streams and creates a sense of financial security for the family or individual while savings are being built elsewhere. Lock in long-term stable pricing to protect the assets, your family, and keep the legacy forward whole for your heirs.

Rule 4: The Rule of 72

"The 8th Wonder of the World, the greatest mathematical discovery of all time."
Albert Einstein

How long does it take to double your money? How many times do you think you can double your money in a lifetime? The answer is - not too many. The idea is to double your money as fast and often as possible. The slower it takes the less chance you have to do it again. Start immediately.

The simplicity of the Rule of 72 is this. Divide your annual return into the number 72 to see how long it takes to double that money. No fractions or decimals needed. 72 divided by 8 (8%) = 9. At eight percent, it takes nine years to double it. That's the reason. Money needs to work at all times until you reach your goals and beyond. When it's at the highest interest return rate possible, it doubles faster.

When choosing an investment savings option, the best (faster=higher) return possible on funds is the fastest way to double those funds. Depending on investment temperament from aggressive to conservative it's important to diversify and protect funds from loss.

Good performing managed mutual funds are earning 9% or better on money today. Long term there are no better ways for a small investor to make than returns that double their money.

In 30 years at 9% the funds increase 13 times whereby at 3% it merely doubles plus some. A stark contrast in value over time.

"Nibbles" on your investments are called sales loads, expenses and 12-pound fees. These fees pay the managers and the administration of a fund. They should be researched and watched carefully as they erode long-term accumulation. There is a big difference between one-time charges and monthly or yearly expenses. Look ahead to

$10,000 invested over time

	1 year	5 years	10 years	20 years	30 years
3%	$10,300.00	$11,592.74	$13,439.16	$18,061.11	$24,272.62
6%	$10,600.00	$13,382.26	$17,908.48	$32,071.35	$57,434.91
9%	$10,900.00	$15,386.24	$23,673.64	$56,044.11	$132,676.78

determine if costs are appropriate for the expected returns. Is the return you receive minus the fees that are paid to get that return worth the effort?

The mutual funds make money on whatever they can. Some are better (long-term stable returns from year to year) than others. Though good quality returns do incur load and expense charges. Watch carefully what keeps the engine moving up the hill. Be willing to move when you find a better elsewhere. Make sure it's truly better though. Think through all the changes and view the history for any aberrations from what you are expecting.

Consistent contributions to savings are what keep the balance ever increasing. Using dollar cost-averaging to take advantage of price declines on quality investments enhances a long-term return. That means buy more of something good when its price goes down. Long-term prices do rise and fall. Dollar cost-averaging concentrates on accumulation during any price decline of a well-researched investment whose prospects or business model has not changed due to the changing economic environment. That needs to be in line with long-term expectations. Because expectations do change. It is important to read and see the information on all savings/investments and stay in contact with its keeper. Watching not just its rise but its terms and conditions as they relate to an investment. A steady stream of payments will grow quickly. Consistency to that is key to long-terms savings.

The **Rule of 72** is a tool to predict how long it will take to double your original investment. It is useful when considering long-term retirement funds. What it cannot predict is how long a return will last or how solid the management company is, or will the company remain in business? All excellent research questions. Mutual funds with outstanding management are a great option to consider. The best investment is a low cost, long-term saving plan, in a quality savings and consistent investment program.

Investing in managed funds beats any return from a US bank. "Private Client" is seen on some bank walls. Impressive? Not really – they serve only those with the most money. It takes six figures in savings or investments to access this service and knowledge. Look elsewhere, search out the best options and returns. The same information is accessible. It is understood that much in the financial world is now transparent. It takes time and digging to understand an investment. Your two options are to either access the information yourself or pay someone to show the best returns and options.

Goals will be reached if your vision extends past today's market headlines and volatility. It's important to stay invested for the long term. This one action gives you the stability to weather multiple storms and life's real drama.

Rule 5: Income Streams Are Precious

"First, if you're so good they can't ignore you, you can negotiate a premium for your services. And second, an excellent way to boost your income is to generate multiple income streams."
–Laura Shin

We live in a new economy called the Entrepreneur-Economy. Intelligence is not required to win at the game of life – it takes vision and drive. If you can see value where others do not, you have the advantage. One day an opportunity to make you rich may appear and, it will be the time to seize the chance. Keep your ears open and eyes peeled for additional income streams.

A good income stream is a steady flow of funds that arrive on a regular basis. The first stream usually comes from a job. Thus, maximize the value of your job or seek a better one. If you search honestly, you will find a job you enjoy. Find a passion. Do it for work (money). Bingo! Work no longer feels like work!

Investment dividends or a small ongoing cash business are other examples of income streams, but they may be irregular. Your aim is to have more than one income stream. Collect them like marbles, filling your bag with as many as you can manage. Be thinking how you can help and make money. There are many possibilities.

If you are a wage-earner, are your exemptions set properly? How you fill out the your W-2 affects what is what you owe and what is returned each year when you file your taxes. Returns from investments are taxed unless they are tax-advantaged or qualified. Take advantage of all pre-tax deductions that are allowed at your job. Those funds are immediately swept from taxed income into a tax-advantaged fund, free from income tax until the money is withdrawn, presumably at a lower tax rate period of your life. Take advantage of these opportunities to the maximum. Roll those funds over into a self-managed account later for even better returns.

Always participate in your company's 401(k) or profit-sharing programs. If they offer matching funds, take the maximum. Nothing beats free money and these savings are usually pre-tax, so you receive another savings on taxes owed. As the funds increase, roll it out into high earning accounts, if possible, as long as this doesn't affect the matching free funds. And if you have to pay interest on the money you withdraw, make sure you are making more than you are paying in interest. You never want to accrue debt from a savings account.

Social Security is a supplemental program - that means it is meant to supplement your income, not replace it. It's paid for by the employee and the employer, 50/50. Once a worker has worked 13 consecutive quarters (3 years plus a month) they are eligible to receive benefits (once they reach a certain age). The longer you wait to receive Social Security benefits, the more money per month you can receive. It is direct deposited into your bank account. Take your benefit as soon as you need it. Remember, Social Security is Supplemental Insurance – it is not meant to be the sole retirement income you will live on, but it adds to it. It has a place at your retirement table but is not the only one seated.

The options employers provide are for employee retention. They create incentives for an employee to stay at a company. Subcontractors are not subject to employer-contractor tax withholdings from their income. They are required to pay their own taxes. There is a January 31 deadline each year for contractors to provide the 1099s to any qualifying subcontractors who make more than $600 in a calendar year.

Dividend and fixed income payments come in like clockwork. Most are direct deposit to your account. Everyone has access to their accounts online. If for some reason you do not have a phone or computer, banks have a web portal to their site within the branch, or public libraries have free online computers to use. Online banking is very secure, the only potential weak point is you. Create strong passwords and memorize them. You can do more online these days than you can do with a teller at the bank. Good planning has everything in place except the manual payments and transfers. Take advantage of convenient online services - especially when they are free.

A good savings program is crucial to long-term financial success. You can start one with as little as $25 a month. Establish a program to provide a cushion for your future. Stay flexible and seek the best return for your savings dollar. You will probably only get small percent interest rate to start, but as you acquire more money, you may be able to increase your return rate.

An income stream is the foundation of a solid financial home that provides stability in your life. As it grows, your floor becomes stronger. Like a precious jewel, value the income stream and protect against its loss. Collect as many income streams as possible in a lifetime. Value each for the protection it brings.

Rule 6: Buy Assets that Appreciate

"Life is constantly providing us with new funds, new resources, even when we are reduced to immobility. In life's ledger there is no such thing as frozen assets."
–Henry Miller

An asset is a property that you own. It could be physical or intellectual property. Most assets wear out over time due to use or age. As they do, they depreciate in value. Some items, such as good tools, can last forever or until replaced with better. We all buy and collect stuff that ends up forgotten, taking up valuable space. Clear out the chaff and keep the wheat. Have a plan to carefully add the big purchases that you need. Look for value, a good price, solid add-ons, or a valuable service that is easy to determine its market value. The biggest asset is your home or first property. Another large asset is an automobile that is safe and secure for the family. In each area, research to find the best value and try to find assets that appreciate in value.

An asset has many different values. What it is worth to one person may be worth nothing to another. Its original cost is often not taken into consideration when determining its final price. An asset is only worth what someone is willing to pay for it. I once had to liquidate a whole house of property and furniture inside of three days. The contents of a 3-bedroom 2-bath home fetched less than $2,000. One television alone cost more than that. Cars lose value as soon as they are purchased. Certain autos, however, increase in value, but they usually have a high starting cost - that could well be worth it. But with an eye on value, special things can happen – there are the deals that come once in a life. Be ready when it's your turn and take advantage of such a deal when you see it. Always be on the lookout.

Houses used to be the asset that always improved in value, and it was fairly easy to buy one, but that has changed. Since the 2008 recession, values can, and do, drop based on economic and geographic changes. It took seven years for the economy to begin recovering from that recession, and you cannot predict the next years to come. The economy will move, sometimes quickly and sometimes sluggishly. Change is inevitable, but timing is not, because world events are unpredictable.

But you must consider the many hidden costs of home ownership – taxes, extra insurances, landscaping, general upkeep, Not to mention the big ones, such as a new roof, painting, and water heater every few years. When acquiring an asset consider if you have the resources to keep it. Not only is the value important, its general maintenance is key. A resource can be both a physical and financial challenge to maintain. Timing is important in considering home ownership. It's the asset held the longest, generally. And possibly costs the most to retain its purchase value.

In most cases cars and trucks decline in value the very moment the ownership papers are signed. Financing the cost on a product that is guaranteed to decline in value is foolish. The convenience cost is buying a brand new car that depreciates in value. The true cost of a car or boat is its price plus upkeep, minus what you can get for it, plus the cost of its replacement. Taking a loan out for a car only makes this cost more. There is a better way. Buy with cash and you get a better deal. Save until you have the cash, until then buy used.

Either you make enough money to buy and hold an asset, or you save until you do. Knowing this is imperative for families. Buy assets that appreciate or hold their value over time. Protect the value of the assets that you have from sudden unplanned loss.

Never be cheap, value is key. Use a simple and smart method for acquiring assets. Is it worth it to me? Will I use it? Does the price I will get for it when finished with it matter to me?

Assets are the things we own. They travel their timeline until needing a replacement, you sell it, or it becomes obsolete. Buy low, sell high is a way of life. There is no panacea when it's time to say goodbye to something you once loved. Try to find closure for beloved items that you release. If something was important at one point in your life and has sentimental value, use a ceremony when discarding it. Or photograph the items and store the photos on your computer, so they are not entirely lost. Back them up to free cloud storage and they will have them forever.

Rule 7: Live and Love within Your Means

"Anyone who lives within their means, suffers from lack of imagination."
–Oscar Wilde

Living within one's means is a nirvana that we all should achieve, yet few ever do. Most people do not take the time to calculate their true measure of means. They live in financial denial. Monthly and twice yearly figure the means by which you live. Pull the bills and statements out and write down actual numbers. Line them all up on a sheet. Put the positive numbers on right, the payments on left, and add the columns up. In other words, do you spend more than you make or make more than you spend? Include savings each month into your calculations. Ten percent of every dollar you make should go towards saving. If a spiritual organization can ask for 10% surely you can pay yourself the same for good faith!

When the numbers are out of whack something needs to be done to fix it. Either find more income or reduce expenses. That may require drastic cuts. If so, correct immediately. The search is on for more income streams while payments are reduced. Continue saving with as little as $25 per month.

Living within your means requires good daily decision-making. Do you know what a Starbucks coffee or energy drink costs these days? Let's say $4. Then think of that money in 30-year terms at 9% or better – the coffee would be worth $53 (doubling itself 13 times).

Invest that money in an even more aggressive T-fund, and that one coffee or drink is worth so much more toward retirement. Do that enough times and you will find the first chunk of a million dollars. It takes a lot of these to fund retirement. Think on how much a Starbuck's coffee is worth on a daily basis. Save your money, you will need it later.

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Solve all debt with a plan and action, stacking the most costly debt on bottom, with the lowest on top. Starting with the lowest, pay one down quickly then move to the next. To live within your means is to afford your expenses relative to your income. Then save pennies, dimes, and dollars for a future carefree retirement. This is a continual ongoing process until you retire. When you fail, start it up again. Savings can start at any time in life.

Rule 8: Acquire the First Million – Then Live Off the Interest

"Only one person in a million becomes enlightened without a teacher's help."
–Bodhidharma

$5.50 becomes $79.87 @ 9% interest in 30 years, doubling your money 13 times. It is possible to acquire a lot of money, but it needs to be earned, saved daily, and made secure to build and protect your financial home. Save this in a long-term high-yielding mutual fund. At every opportunity, try to stash a little extra into the fund. That sum saved and interest earned will put you within the range in 30 years of a working life. A novel, yet worthy idea, is to immediately take 10% of every dollar you earn and save it long-term for retirement.

Over 2.5 million dollars go through the average American's hands in a lifetime. Trap enough; make enough and save enough income. Then find one opportunity that will propel you in this entrepreneurial society. You need a catalyst to get you into six figures faster than saving, and then one more catalyst after that to take you into a seven-digit savings world. All the while, saving funds no matter your circumstances. Passive income – not what you make but what others do for you – is some of the best money there is besides free money. The secret of $2 million is to multiply your passive income streams times people who do it for you. It's about getting or having work and income happen without your direct labor. Create as much as you can. All this takes some measure of personal risk. Good for the young, but older people should use caution. Your tolerance for risk will determine your investing and catalyst strategy. Risk ranges from conservative (no loss ever) to aggressive (the more you risk the higher the gain).

What is something that is uniquely you? Have you tested the market, given yourself a never-say-die approach and forged ahead with something you have both a passion and knack for? A little bit of risk-taking is needed to achieve goals and dreams. When money does come in, have your three accounts ready: Emergency, Dreams, and Retirement. Fund them immediately as you get paid, and pay yourself consistently for the long-term.

We live in a convenience culture. Services and goods are used to being delivered next day or immediately. It's common to be annoyed with something that takes a week. If that is you it's time to Slow Down! Everyone has goals dreams, and desires, but the way to get there is to plan and then act on them. Set a goal – such as a number that signifies financial success to you – to help guide you to where you want to be. It may be a long way to go, but you will be happy once you finish before retirement. **Life's richness is in the journey not the destination.**

As I stressed at the end of Rule 5, The Rule of 72, income streams are the measure of your financial home. Collect them or create them, making as much income as possible. Be on the lookout for needless fees or unannounced changes. Always keep your 30-year plan intact. Love your income streams like family. Collect different ones like coins.

$50,000 invested over time

	1 year	5 years	10 years	20 years	30 years
3%	$51,500.00	$57,963.70	$67,195.82	$90,305.56	$121,363.12
6%	$53,000.00	$66,911.28	$89,542.38	$160,356.77	$287,174.56
9%	$54,500.00	$76,931.20	$118,368.18	$280,220.54	$663,383.92

$100,000 invested over time

	1 year	5 years	10 years	20 years	30 years
3%	$103,000.00	$115,927.41	$134,391.64	$180,611.12	$242,726.25
6%	$106,000.00	$133,822.56	$179,084.77	$320,713.55	$574,349.12
9%	$109,000.00	$153,862.40	$236,736.37	$560,441.08	$1,326,767.85

Rule 9: Invest Fully in Retirement

"Retirement is the time to give advice to others, even though you never followed it yourself."
–Unknown

Don't let this be you. Retirement is coming to the future. It's your choice how to prepare. It's a quality of life issue many overlook. One day you will retire from active employment. At least that is the plan. Today more people have to go back to work to support themselves. There are a few reasons for this. Recessions in the economy hurt many people. Life insurance and other insurance policies are a gimmick. They steal your money. The best plan is to save the money instead of paying into one of these policies. Switch to a term policy and save the difference in a high performing fund. You save in fees and the return is clearly a better choice. Make the case in your head to fully invest in retirement.

Anyone can open a Roth IRA or similar account. There is a yearly limit on IRA deposits, so if you plan to invest more there are better tax effective strategies.

You have worked hard and saved well. What does a comfortable retirement look like? Envision it for yourself. Be reasonable, retirement is a defensive type of living. You eat less; exercise less and travel less. You drink clear liquids, eat well and house yourself comfortably. My physician says that "Keep Moving" and "Drink Plenty of Water" are the keys to long living.

Retirement is where you have a fixed income. Of the three stages in life, childhood, adulthood and senior life, this time is made for comfort. There are limited funds available. There are long-term care insurance concerns with society's prevalence of dementia and Alzheimer's. You should be prepared for this, just in case. A family I know has paid into in a nice disability plan that covers their loved ones living in an assisted living facility. It's worth it and much cheaper to buy early in life than later.

In retirement you have should have acquired enough funds to survive comfortably. You should have many diversified accounts by the time you retire, but it is time to consolidate them into a safe annuity plan. An annuity plan should be very stable and provide consistent income for your savings while preserving the principal. Use smart people and invest in funds and products you understand. Plan early for peace of mind. Later, to help with effective advanced savings and plans.

Rule 10: Pay Only For the Healthcare You Use

"If you look at healthcare today, it's all about disease. It's not about understanding wellness."
–Leroy Hood

Medical bills are the single leading cause of bankruptcy in the USA today. It's needless. You will pay for what you can. What you can't, don't pay for. Eventually you will fit into a plan that works. If you make under a certain amount each year, you are considered below the poverty level. Get yourself free medical (ACA here in California) and free food from your local agency. Never let a hospital or medical group administrator push you around. You always have a right to decent medical care no matter your income level. You may have to drive 100 miles for it because they make it difficult in many places. But there is also a law that no one without insurance may be turned away from a hospital emergency room.

If you're working you should have medical care from work. If you don't, then why are you working there? Being sick costs money. Get some health insurance if you are able to because you Will use it throughout the year. All income levels need insurance. There are many county services that exist in most areas of the United States to help you get well.

Health care begins at home with your own decisions and actions. Eat a well-balanced diet daily. One that is free from white flour products, heavy sugar, and fat. Choose a salad instead of fries. A baked potato costs the same as French fries and is better for you.

A balanced meal has fruits and or vegetables every time. Go lightly with carbohydrates and be reasonable with proteins. Eight ounces is fine, twelve if you must. Start immediately. Watch and limit your portions. Eat only when you are hungry. Skipping a meal each day can also help if it can be tolerated.

Exercise regularly. Find an activity that works for you. Walks, swimming, sightseeing, whatever is fun for you. Exercise increases your blood flow, stimulates muscle growth, and increases overall flexibility. Create a habit of healthy eating and living. Enjoy your meals. Take your time when eating. Taste it, think about how it nourishes you. Buy the best quality food that you can afford. Stay nourished with high quality food and hydrate constantly. Hydration is very important to muscles and body tissues. It is the fuel of circulation.

When you are ill or need to see a doctor for a checkup, this should be covered from your health insurance. This is why we buy health insurance. Small co-pays are sometimes required, but a good rule of thumb with any insurance is to buy the best coverage you can rightly afford. Read your policy and coverage. It should save you money each year. Learn how to submit claims yourself. Some private practice doctors require you to submit the claims, meaning you pay first. Ask your doctor questions. Your goal is to keep yourself feeling 100%, and if you are not, get help getting there again. Familiarize yourself with your health insurance websites and their call center options and help procedures. Plans and exchanges try to make it simple -- we all know it isn't.

Find a health advocate to help you when needed. This may be a trusted friend or knowledgeable person close to you. They may be a great sounding board for seeing or understanding what works best. Ultimately you are your own best health advocate, but there are times when you need to find another person you trust to review the options and to help you better frame your health questions. Don't become complacent with pain or long-term discomfort. There are different strategies now to counter pain -- seek them out.

Health insurance is important. If you live in an ACA approved state with a health exchange and you are low income, there is available wellness insurance. Choose your coverage wisely so that you don't have co-pays and extra charges. For many years I was sick, even though I paid for insurance. My medications were reduced to save cost but it only made things worse. Doctors don't make as much money when you are well; they make money when you are sick. I got sicker and sicker using professional care. I finally I got back to good health after a year of switching to a wellness care program. If you are not getting the care you need, make a change to what will help you feel well.

What about health care needs not covered by insurance? This could be things like eyeglasses, dental care or the unexpected illness not covered. That is what the medium-term savings is for. Costly practices and procedures usually offer financing or other form of debt to cover their cost. Living debt free means you will think about it carefully before assuming debt for your health. Can you afford it? Can you pay it back in reasonable time? Will it truly make you better? These are all legitimate questions to ask and expect answers for before you make the expenditure.

Healthcare companies do not sue their patients. It is bad publicity They usually write off your debt each year. No one in the health-care field is empowered to take your money from you. You give it willingly for the medical care you need. Watch for fees that increase your bill. Question everything you are billed for. Do not let medical care costs put you into bankruptcy. Bankruptcy doesn't solve your health problems. The only things that will stop are the phone calls and bills being sent. The solution is to stay healthy, insure for when you're not, and watch your fees and charges carefully. Question everything to insure you receive the best care possible. Be your own healthcare advocate.

Rule 11: Educate Yourself

"I study to learn, to be an educated person."
Gary Sinise

Learning begins at birth and ends when you do. It's a never-ending process. Each day is full of things to learn as the world changes around you. Become a student of people and processes. My father used to say, find out what a teacher wants and give it to them exactly as they want it. Life is your guide and teacher. Learn to give life exactly what it wants. Find the passion that is there for you. Be an active participant in your life and its management.

These rules are meant to keep you safe and to put you on a path to financial independence and wellness. Ultimately it's up to you to follow them Think objectively about your future and plan for it. Along the way, trust yourself and make good moral judgments concerning you and the people dear to you. React and adjust the things that need change. Maximize what you are good at and strengthen what you are not. Hire help when you need, pay for it well, and learn from every experience. If a task is beyond your means, save until you can afford it.

Here are some great resources for online classes and information:

- canva.com
- codecademy.com
- Ten Easy Steps to Protect Your Personal Information and Detect Fraud
- ehow.com
- 5 Things You Can Learn On The Internet
- google.com
- Importance Of Learning Science
- khanacademy.org
- The 101 Most Useful Websites
- legalzoom.com
- webmd.com
- wikihow.com

Here you will find articles on money, health, coding, math, and how-to instructions. This is a start. There are many other sites for learning anything you can dream of. Get started today. Ask a search engine (Google, Bing, etc.) a question. In turn it will lead to more pages. I hope you will enjoy an independent search at least once a week on something you feel passionate about.

Rule 12: Money Replaces Insurance and Fear

"A man can make money, but money does not make a man."
–LL Cool J

The overall goal of these rules is to build a solid financial home and habits that secure that home. One day when you have enough money, your idea of insurance will change. Because your level of risk changes, it's good to review your coverage at least once a year. Besides this yearly review, make changes as soon as they happen. Once you acquire funds, carry money in your pocket. Use it to shop, and save.

Save your pennies every day the best you can. Fund your savings accounts 10% of every dollar you earn (pay yourself). Eventually you will be insured against life's mishaps. Build your legacy from this stable base.

When you have funds available, your options are open. Your goal is to protect yourself from loss, create a stable income from your savings, and pass whatever is left over tax-free to your heirs. Life insurance is accrued until your total assets are more than triple what you are insured for. Life insurance is then replaced with your own money.

Ultimately you are in charge of your own destiny. Learn all the information you can absorb. Make good daily decisions. Avoid debt whenever possible. Save for something and then buy it instead of using credit. Win a battle against the "I want it now" syndrome.

Long-term care for a loved one can consume a family. There is an epidemic of dementia and cancer and cures are slow or may never come. The answer is long-term health care insurance. The costs can be staggering, $8000 a month is not unheard of to house a loved one in a care facility. End of life costs are expensive. Use the right insurance for the risk you are attempting to manage.

Home and casualty insurance are based on the replacement value of a home including the contents inside. Read these policies carefully. Does it cover what you would need should your home become unlivable? Accidents happen infrequently but they do happen. Riders to the policy cover special items such as jewelry and artwork. Expensive items must be appraised before they are included in your policy.

Here in California, homeowners are required to have earthquake and flood insurance in certain areas. This makes for some overlapping policies, each with deductibles for the same property. The higher the deductibles, the lower the cost of insurance. Set your deductibles as high as you can reasonably afford. If you decide to get home insurance, think about how much money you would need to live if your house was gone.

Rule 13: Tie It Together

"Follow up the interview with a phone call. If Carrot Top can figure out how to use a phone, so can you."
–Tom Cole

The action which makes any of these rules work is action! There needs to be some very specific actions to operate a financial plan that seeks comfortable retirement. The first order of business is to take stock of what you have. Enclosed near the end of this book is a simple method to account and record the information of what you own. Next order of business is a system to follow up on the things that really matter to you. A calendar, tickler system and contact list will work as your follow up tools. A filing system that sorts out items by vendor or date is necessary for document recall, and the tracking of credit and or payments.

Life is a series of human interactions which can be viewed as cycles of thoughts, actions, and then reactions to those actions. We interact with each other to accomplish tasks. When we do, we keep a record of these interactions. Why? For follow-up. Include notes to yourself on when they happen whether there needs to be follow up to monitor or complete a task. Often someone who has assisted you in the past becomes a new friend. Keep a clear record of your contacts in one central place. Sort it by name or date for easy recall. This is your personal database. It is helpful to refer to it throughout the year especially around holidays. Stay on point with your friends and contacts and they will do the same for you. Following up with people pushes the train around the circle of life. Your goal should be to ride it smoothly and debt-free.

Documented for you is something called your credit score. This is kept to track your history of borrowing, repayments and anything publicly that may reflect your ability to pay a debt back that is borrowed. Do not borrow money publicly and you will have no need for a credit report. The reporting agencies use a numerical rating system. A credit score is the numeric expression that represents the creditworthiness of a person based on an analysis of their credit and history of credit payments. A credit score is primarily based on a report from credit bureau records of past transactions, court filings (liens, bankruptcy), and possible notes from you. You are allowed to place notes on your credit report to explain situations or problems.

Credit Scores were created by the credit industry to grant credit to consumers and businesses worldwide. Since you follow Rule 1 and now save and pay for everything with cash, this score should be meaningless to you unless you rent a living space. Even there, cash usually is fine for many landlords.

There are ways to get easy credit that boost your credit score. These are nothing more than gimmicks that usually hurt a score in the long run. They know that most people don't know Sam's Rules of Money© so they will overspend and extend themselves into more and ever increasing debt. Credit is bad for a personal economy. You know the rules now so stay away from credit and loans. Use them only when you need to leverage your buying power beyond your capability, if you have a plan for its repayment that is better than the terms of the original loan agreement. Find a way to pay it off early.

There are consumer ratings. There are also websites that use the agency reporting to give you a free disclosure of your credit score. They will provide you with a score from the information they receive and do it within minutes with very little information except what they need to verify that you are the requestor. If your score is a concern to you, I suggest getting a free score each November around Thanksgiving. Hopefully one day you will not need a credit report ever again.

Rule 14: Guard Your Personal Information

"Hackers have already breached Internet-connected smart TVs and even baby monitors."
–Mary Wood, New York Times

The internet has brought us great connectivity but along with it, greater opportunity for nefarious behavior. Here are some thoughts to help:

The credential numbers in your life that repeat over and over should be memorized using any method possible. These are yours and yours alone private information. They include:

- Social Security Numbers
- Drivers License Numbers
- Professional, Medical Numbers

Passwords: There are a lot of these with three level and higher management. That means we have to change our passwords regularly. Many sites won't let you copy them over from the old ones. It's a pain. To track this I have seen many services and apps. Nothing works better than pen and paper I conclude. I josh here, but a spreadsheet keeps mine. Nothing is foolproof, but you can keep a high level of confidence using and thinking about how you handle your passwords. It is an important item in the 21st century. The Consumer Federation of America offers 10 easy steps to stay safe (listed in the great website resources in Rule 11).

Password systems run from four digits to eight for most passwords. I create both a four and six digit series of numbers, change them regularly and keep it random. Use them together to create anything bigger than 6. To incorporate letters in your password, use the two letters or initials of a site, or subject that relates to the site. Making the first letter the capital takes care of an "upper/lower" case requirement. Write it down or record it somewhere, and memorize your passwords. Use the "forgot password" button when needed. It is there to help.

Signatures: Are not used or needed on credit card receipts. They are not turned into the company nor are they ever checked. It really is the equivalent of placing your "mark" like the old days on whatever it is you are signing. I never give out my signature anymore. Just initial or scribble something illegible and watch it fly. Never give strangers your true signature unless you have to. Think before you sign. Always listen to your inner voice. Your body and mind do talk, it's your job to listen.

Information is valuable. Your information is more valuable to you than any other person. Be smart about it. It takes three specific pieces of information about you to locate you. A Google fact. Like your birth date, your origin, your work. How many people on this earth fit that profile?

Think of information like currency; pay with it when you need to, and no more than needed for the task.

Remember: If something sounds too good to be true, then it is! Critical thinking keeps things safe. Check things out with someone first, a friend, a family member, or the police, with any questions you may have. Seek help when you don't understand. It never hurts to ask. It's ok when someone says, No! It means you are testing a boundary. Questions bring on new information.

Rule 15: Your Final Resolution

"Resolve, and thou art free."
–Henry Wadsworth Longfellow, Flower-de-Luce, and the Masque of Pandora

Imagine that you have worked hard all your life, and now you are retired and living comfortably. How long will you live? No one knows exactly. The current average is 85 for women and 83 for men. Your final wishes should be written down and on file with an attorney or accessible to family members upon your death. If you don't have a comprehensive plan, start one now. Think about life's plan and prepare fully for it. A frugal adult life creates a comfortable senior life.

There are four major documents all adults should have. You can find the necessary documents online, and create a plan for yourself. Then you will have all in order, reducing the time/cost should you have a professional review them. They are:

- Your Will
- Durable Power of Attorney
- HealthCare Proxy
- Living Will

Having these forms in place, you will have your final arrangements in order, so your loved ones and caregivers will understand your explicit wishes. This simplifies the process to ensure your wishes are known to your loved ones, should you be unable to explain at the end (due to an unexpected incapacitation, or worse.)

When you have assets to be distributed, like a home, property, business interests, or other large assets, an attorney should be consulted to draw up the documents properly. You may pay over $1200 depending on your assets, but the clarity and peace of mind are worth it.

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It is important to have a person in place who your heirs will trust. This person is the Executor of your Estate. Part of your savings plan will fund your funeral expenses. Preparing these documents is an investment in sound, practical thinking, in the short term. For the long term, they answer unspoken questions that may be difficult for others to ask. And lastly, once it's done, it's done!

Review and revise as life changes occur regularly. Calendar it now!

Final Thoughts

"Final thoughts are so, you know, final. Let's call them closing words."
–Craig Armstrong

Imagine what it will be like when you gain financial independence. A life with few credit cards, money spent only on what is necessary, and your regular contributions to savings are now regular payments back to you. You will walk around with the confidence that comes from three savings accounts and a wad of cash in your pocket.
As you search out and find new income opportunities, you will be ready and able to take advantage of them. You can tell your loved ones that you are taking care of them and planning for their future. You will be a shining example to others around you.

Go forth and make good decisions. Mistakes are part of the process, but I believe in you. Write down your goals to keep them in your mind. Progress happens one step at a time. Start now. It is never too late to start taking care of your financial health.

Good health begins with your state of mind. This stability, enthusiasm and resilience will in turn affect your body, and your wallet. Together they are important and feed into each other - mental, physical and financial. The goal is all-around good health.

Sam Pinfold

You can find a downloadable version of this spreadsheet online at
samsrules.com/freebees

Winning Bill Minder		
	Month	Year Total
Income Streams		
1		
2		
3		
Dividends		
Savings		
Interest		
Other		
Expenses		
Shelter		
Rent / Mortgage		
Association Fees		
Maintenence		
Utilities		
Property Tax		
Other		
Childcare		
Nanny		
Babysitting		
Toys		
Gifts		
Education		

The Winning Bill Minder

Other		
Sports		
Music		
Food		
Medicine		
Entertainment		
Other		
Credit Cards		
Card 1		
Card 2		
Card 3		
Card 4		
Personal		
Food		
Medical Care		
Other		
Monthly Balance		
Calculation of Monthly Savings %		
What can be saved from dscretion spending?		

Life's Financial Balance Sheet

You can find a downloadable version of this spreadsheet online at samsrules.com/freebees

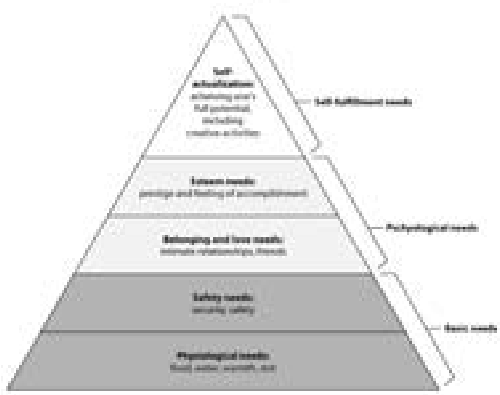
Life's Financial Balance Sheet		
	Date:	9/9/1999
	Amount	Balance
Liquid Money		
Cash	$500	
Business Checking	$2,000	
Business Savings	$2,000	
Personal Checking	$1,000	
Personal Savings	$1,000	
Coinage	$100	
Total Liquid Money		**$6,600**
Money that is owed to you		
Job 1	$500	
Income Stream	$250	
Total credit extended		**$750**
Money that you owe someone else		
Credit line	$300	
Medical	$200	
Gas	$200	
Insurance	$150	
Misc.	$150	
Total credit owed (short term 12mos or less)		**$1,000**
YOUR TOTAL BOTTOM LINE TO WATCH		$8,350

Mindful Phrases to Consider

- Frugal vs Cheap
- Spender vs Saver
- Giver vs Tightwad
- Goal Setter vs Spontaneous
- Planner vs Doer
- Organized vs Scattered
- Collector vs Minimalist
- Where Are You Now?
- Where Do You Want To Be? When Do You Want To Be There?
- Make the Necessary Adjustment

Sam's Hierarchy of Financial Security

Maslow's Hierarchy of Needs



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The Hard Times Guide to Retirement Security: Practical Strategies for Money, Work, and Living, Mark Miller, 2010 ISBN 978-1-576-60362-8

Teachings and Life Insurance Training, Primerica Corporation, 2015

Glossary

401(k): A feature of a qualified profit-sharing plan that allows employees to contribute a portion of their wages, tax-free, to individual investment accounts, oftentimes matched by the employer, and taxed upon withdrawal at a later date.

12-pound fees: An annual marketing or distribution fee charged by a mutual fund.

aggressive: An aggressive investment strategy emphasizes capital appreciation as a primary investment objective, rather than income or safety of principal. It requires a high tolerance for risk, but has a higher reward possible.

assume: Debt assumption is a special form of debt refinancing, involving three parties—the creditor, the original debtor, and a new debtor who assumes the debt obligation.

annuity plan: A fixed sum of money paid to someone each year, typically for the rest of their life. A form of insurance or investment entitling the investor to a series of annual sums.

commingle: To mix or blend.

conservative: An investment strategy that emphasizes capital preservation and risk minimization through a diversified and balanced portfolio of low risk investments such as government and high quality corporate bonds, large cap and dividend-paying stocks, and cash vehicles such as CDs and money market funds.

contingent: To subject to chance, a gamble. Also, occurring or existing only if (certain other circumstances) are the case; dependent on.

credit: Money lent or made available under a credit arrangement so that a customer can obtain goods or services before payment, based on the trust that payment will be made in the future.

critical thinking: The objective analysis and evaluation of an issue in order to form a judgment.

debit: A payment made or owed.

debt: Something owed, requiring payback.

diversify: An investment mix based on your goals, risk tolerance, financial situation, and timeline; being diversified means to hold different types of stocks, bonds, and other investments.

dollar cost averaging: A method of accumulation. Instead of investing assets in a lump sum, investors works their way into a position by slowly buying smaller amounts over a longer period of time. This spreads the cost basis out over several years, providing insulation against changes in market price.

FEMA: Federal Emergency Management Agency. They come out when things are bad to provide assistance to the community. Also they draw up the federal geological maps which determine insurance rates and in some cases the requirement for buying FEMA related insurance.

financial independence: Occurs when there is enough saved to support you for the rest of your life without needing to work for money.

financial leak: Outgoing money better spent saved for retirement or purchasing a meaningful functional item.

Gross National Product: GNP is an economic statistic that is equal to GDP (Gross Domestic Product) plus any income earned by residents from overseas investments minus income earned within the domestic economy by overseas residents. It's literally the cup of Starbucks coffee you bought today.

indemnify: To compensate (someone) for harm or loss.

IRA: There are two type of tax-advantaged IRA savings accounts that the US Government sponsors - most have a savings limit -

- Traditional (income is not taxed now when you set it aside in savings, but taxed when you withdraw)
- Roth (you pay the income tax now, but when you withdraw it is tax-free)

leverage: The use of loaned money (an investment) that expects a profit to be made larger that the money borrowed.

mindset: The established set of attitudes held by someone; can be changed, much like habits.

pay for term, invest the difference: Primerica phrase to use the funds you would be paying in a cash value policy. Term insurance is pure insurance. Eventually the savings will eclipse the value of a term policy.

prospectus: A financial offering in writing of a prospective investment. Not a complete picture on a company. Only a selected snapshot created to interest you. It's marketing.

qualified: Tax-advantaged, meaning tax-free one way usually on the contribution or savings payment.

sales load: A percentage charged either at the time of purchasing or exiting a mutual fund. Fees go directly to management of the fund.

Sam's Rules of Money©: A collection of fifteen guides to financial independence.

security: The state of being free from danger or threat.

Square.com: A financial services firm that aggregates processing of credit cards.

value: What someone is willing to pay for a good, service, contract or asset.

W-2 Income: Taxable money earned where the Social Security and Federal and State Taxes are withheld from the income.

Biography

Sam Pinfold is a Bookkeeper, Printer and Professional Driver by trade. He has a keen passion to help others who do not have education or experience for handling their own Personal Finances – so necessary in this world for survival, and positive living. This propelled him to write Sam's Rules of Money© as part of his Success Series.

Sam has many skills and interests. He enjoys running his bookkeping business known as Accurate Bookkeeping And Business Services in the San Francisco Bay Area. He loves to help and is currently working on a book to help people deal with grief.

Sam teaches and writes on a variety of topics, always with the driving motivation to help others. Some of his many areas of interest are grief counseling, science fiction writing and proper smart phone and Craigslist use for personal productivity gains.

When there is time for relaxing Sam likes to visit the beach near his home to play Frisbee with family and friends.

Sam's Rules of Money was created because there is no adequate formal education that provides practical advice on the use, care and acquisition of money.

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Financial security creates peace of mind, and good decisions emerge