

Tax Pro
Module 1
Section 1

FINANCIAL 10 COMMANDMENTS



#1 – LIVE WITH IN YOUR MEANS

Don't Buy Stuff you Cannot afford

#2 – UNDERSTAND GOOD AND BAD DEBT

**Know the difference between
Reductive and Productive Debt**

#3 – STAY OUT OF REDUCTIVE DEBT

- **Understand and be able to explain the “Debt Snowball”**
- **Implement it for Yourself if Necessary**

#4 – DON'T EVER RAID YOUR RETIREMENT

Don't use Retirement for:

- Children's education
- Debt
- Medical bills

- 13% of Americans over 60 have no retirement savings.

- As of 2022, 42% of Americans have less than \$1,000 in savings.

- The average American savings account balance is **\$4,500**.

** Federal Reserve of St. Louis*

Use Retirement **FOR** Retirement!

#5 – STUDENT DEBT CRISIS

Student debt has more than doubled over the last two decades. As of September 2022, about forty-eight million U.S. borrowers collectively owed more than \$1.6 trillion in federal student loans. Additional private loans bring that total to above \$1.7 trillion, surpassing auto loans and credit card debt. October 20, 2022

**Federal Reserve Bank of St. Louis*

**IF You or Children need to go into Student debt.
The limit is the average 1st year salary for the
degree you are seeking.**

#6 – DEVELOP A HABIT OF SAVING

The Big 4:

- “Match and Out” if available
- Max out Your Roth Every Year
- Fund Your HSA when possible
- Catch the vision of investing

#7 – BE FINANCIALLY STABLE BEFORE INVESTING

**You Don't need to be financially STRONG
to start investing, but at least be STABLE.**

Example: We don't buy rentals when we are up to our ears in consumer debt.

#8 – DON'T QUIT YOUR DAY-JOB

- **Have the basics 'covered' before taking a risk**
- **Don't stress out your business expecting too much too soon**
- **Let Your business mature financially before expecting to live off it**

#9 – CONTINUE YOUR EDUCATION

Consistently be:

- Attending Workshops
- Reading Good Books
- Joining clubs, associations, & groups to network and learn from one another

**But don't get stuck in consumption mode either.
Successful clients find a 'balance' of consuming
education and taking action!**

#10 – UNDERSTAND THE IMPORTANCE OF MINDSET

“Money Mindset” is the concept of properly understanding your personal approach to money.

For example:

- Viewing money and business with a long-term perspective
- Understanding your value proposition
- Approaching money with abundance and not scarcity