

FIVE STEPS TO FINANCIAL SUCCESS

The goal of personal financial planning is to help you accumulate more money to spend on whatever your priorities might be whether it's early retirement, college education, major purchases, increased living standards or any other priorities important to you.



STEP 1 *Look for ways to increase your income*

- Invest in education, training, and personal development to increase your earning power
- Consider alternatives that may increase returns on invested assets

STEP 2 *Look for ways to decrease outgo*

- Reduce discretionary spending
- Restructure debt to lower interest rates
- Adopt methods to reduce taxes
- Adopt methods to reduce insurance costs

STEP 3 *Protect against catastrophic loss*

- Insure your income against loss due to death or disability
- Insure your property against loss due to fire, theft, storms, or accidents
- Insure against liability losses due to negligence or error

STEP 4 *Plan ahead for major purchases*

- Borrow only to purchase items of lasting value such as a home, auto, or college education
- Save up and pay cash for general living expenses, such as vacations, clothing, gifts and entertainment

STEP 5 *Establish a disciplined investment program*

- Establish both short and long term savings and long-term investments
- Diversify and properly allocate according to your risk propensity