

A person in a dark suit, white shirt, and blue patterned tie is holding a large stack of US dollar bills. The bills are fanned out, showing the portrait of Benjamin Franklin on a \$100 bill. The background is a solid blue color. A semi-transparent dark grey box is overlaid on the center of the image, containing the title and subtitle text.

5- STEPS TO **BULLET PROOF** YOUR **BUDGET**

A Cheatsheet for debt elimination and
financial freedom!

Step 1: *Get Clear*

Be clear about WHY you're budgeting and what your outcome is.

Successful utilization of a budget requires discipline, and good discipline starts with being clear about the outcome, the motivation for doing it, and the steps that will be required to get there.

Simple Steps:

1. Start with the End in Mind: Write 2-3 goals you'd like to achieve in the next year.

2. Focus on Specifics; the more specific and detailed, the more effective this will be. The better you can visualize and plan for the outcome you want, the easier it will be to accomplish.

3. Why is it important to do? In order for a goal to have driving force behind it, to shift from a "nice to have" to a "must", it has to be compelling. If the goal is lackluster, then it would be given up at the first hurdle faced.

4. Why NOW? People make decisions to avoid pain or to move towards pleasure and most will let comfort, and complacency get in the way of their progress. The secret to growing beyond comfort and fear is ensuring that the goals you set aren't just compelling, but that they have a deadline, to give them a sense of urgency.

Step 2: *Get Prepared*

Whether you create a digital spreadsheet or prefer to work on paper, it is crucial to organize your finances first in order to streamline and bullet-proof your budget:

The path towards financial freedom can be a complicated journey, wrought with dead-ends, if there's no map or GPS . A bulletproof budget is a critical element to help navigate that path. Much like a navigation system, it's impossible to chart a clear path if there's a destination but no point of origin (starting point). Success with a bulletproof budget depends on knowing the current state. One simple way to know the starting point, is making a list of all the data that is known

Sample Checklist:

- Know your income
 - Paycheck, after taxes
 - Other sources of income
- Make a list of all your financial accounts
 - Savings
 - Checking
 - Retirement
 - Loans
 - Credit Cards
- Make a list of all your recurrent bills (Pull up old bank/credit card statements to find recurring expenses)
 - Rent/mortgage
 - Car
 - Insurance
 - Car
 - Home/Renters
 - Health
 - Life
 - Utilities
 - Power
 - Water
 - Gas
 - Internet/Cable
 - Subscriptions
 - (le. Streaming services)

Step 4: *Get it Together*

Once all finances are organized and in one place, AND day-to-day spending is being tracked, pulling together a comprehensive budget is a breeze!

Checklist:

1. List all income sources
 1. Look at “take home” pay on paystubs
 1. This is what is left after taxes/ deductions
2. List out all expenses
3. Account for Savings/retirement/emergency fund
 1. Pay yourself FIRST
 1. Savings
 2. Retirement
 3. Emergency fund
 4. Splurge
4. Quantify your most important goals
 1. Chunk down: ie. Break down big goals into manageable pieces
5. Account for future spending (ie. Birthday gifts, Christmas, anniversary)

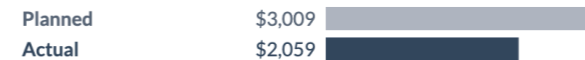
Sample Budget:

Monthly Budget

Starting balance: \$9,600



Expenses



Income



Expenses

	Planned	Actual	Diff.
Totals	\$3,009	\$2,059	+\$950
Deductions			
Retirement	\$150	\$0	+\$150
Emergency Fund	\$150	\$0	+\$150
Savings	\$50	\$0	+\$50
Home			
Rent/Mortgage	\$2,059	\$2,059	\$0
Insurance: Renter's/Homeowner	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Internet/Cable/Phone	\$0	\$0	\$0
Cell Phones	\$0	\$0	\$0
Food			
Groceries	\$600	\$0	+\$600
Dining Out	\$0	\$0	\$0
Transportation			
Car loan	\$0	\$0	\$0
Gas for car	\$0	\$0	\$0
Car Maintenance	\$0	\$0	\$0
Insurance: Car	\$0	\$0	\$0
Other (ie. tolls, parking)	\$0	\$0	\$0
Health			
Insurance: Health	\$0	\$0	\$0
Medicine	\$0	\$0	\$0
Other (ie. Doctor appointments)	\$0	\$0	\$0
Family			
Child Care	\$0	\$0	\$0
Clothing/Shoes	\$0	\$0	\$0
Entertainment	\$0	\$0	\$0
Child Care	\$0	\$0	\$0
Subscriptions	\$0	\$0	\$0
Finance			
Credit Card Payment	\$0	\$0	\$0

Income

	Planned	Actual	Diff.
Totals	\$1,455	\$3,500	+\$2,045
Savings	\$0	\$0	\$0
Paycheck	\$1,450	\$3,500	+\$2,050
Bonus	\$5	\$0	-\$5
Interest	\$0	\$0	\$0
Other	\$0	\$0	\$0
Custom category	\$0	\$0	\$0

Step 5: *Get it Right!*

Optimizing and regular recalibration and optimizing of a budget is what makes sure it STAYS Bulletproof.

1. Automate everything possible:
 1. Set automatic drafts for savings and retirement
 2. Set up auto pay for bills (to prevent late payments)
2. “Trim the Fat”: Once a budget is fully written out, it becomes easier to see where unnecessary small expenses can be cut out. (\$10/day saved is \$3,650 in a year!)
3. Accountability Checks: Check in weekly and monthly to verify everything is on track, or if income/expenses/ etc. need to be adjusted. (Small adjustments caught early on save BIG headaches later)
4. Celebrate ALL wins: Build in regular milestones and celebrate big and small wins, to keep the momentum going

CONGRATULATIONS!

By getting downloading this guide AND making it this far, you're already ahead of a great majority of people! You've taken the first step, which is usually the most difficult. Where will your next step take you?

Special Invitation:

Go to my personal Facebook profile: <https://www.facebook.com/marlon.martinez3/>

Join our Facebook page: www.facebook.com/groups/knowyourmoney/

Once there, send me a direct message letting me know you want to talk. We'll conduct a free strategy session where we'll uncover if I can help you, and if I cannot, my promise to you is I will work diligently to find people or resources who can.