

HOW TO "PAY YOURSELF FIRST"

First and foremost, you must commit to the idea that you come **first** and your bills come **next**. If you can't peel off at least 15% of your gross income off the top and still have enough money to pay your bills, you need to look at your spending habits. Something will have to change.

In my 31+ years, I have yet to see anyone who can't do that without killing their lifestyle.

Computer software like Money and Quicken helps, however, anyone can sit down with a legal pad and look at their checkbook register and bank statements to see where their money goes. I will help you do this. You are not alone!

Please be honest with yourself.

The easiest way to make sure the money gets put away is to have it automatically taken out of your sight and therefore off your mind so it doesn't burn a hole in your pocket. Payroll deductions work well as do Automatic payments from a checking account.

I will show you how to stash that money away so it is guaranteed to grow and will be available when it is needed.

How would you feel knowing that you could pay a couple of year's worth of living expenses from your nest egg without working a day?

Here's a story that will help you better understand how I work.

His Wife Didn't Know

Joe and Jan attended my very first dinner seminar a few years ago. Joe asked me a few questions and Jan seemed to enjoy her dinner but had nothing to say. I actually wondered if Joe had forced her to come or whether they were there just for the free dinner.

Joe filled out our seminar evaluation form, asking me to call him the following Wednesday to talk on the phone. He downloaded our Special Report from www.findoutmorenow.com, password AE75 and promised to have it read for our phone call.

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He also said that Jan would look at the report and be on the call too.

Well, next Wednesday came and only Joe was on the phone with me. He told me that Jan just could not deal with making the changes she thought she would have to make to do this. He had looked over the materials from the seminar but Jan did not. She was just not able to deal with the fact that they had been doing a few things wrong all their lives and needed to change them to succeed financially.

Yes, I hear things like that a lot. But what he told me next I do not hear very often.

Joe said that he was not going to allow Jan's problems to "screw up this chance to set things right financially for both of them." He felt sure they could save that magic 15% without screwing up their lifestyle. Joe took care of the bills and was very sincere, so I felt he was really committed.

Usually, I will not work with a couple unless all parties are involved in the process. However, I made an exception here.

I asked him to get me copies of their financial documents, like bank statements, 401k statements, last year's tax return, etc. **I work under the same privacy laws as your doctor or dentist, so confidentiality and privacy are always maintained.** We set up another meeting on the telephone for the following Wednesday. He said I could call him at work.

Joe faxed me his statements and the first two pages of his latest tax return the day before I was to call him.

I helped him go through the process of finding out how they spent their money. Then we talked all about their financial worries, goals, personal philosophy and all the other stuff people usually never talk about to anyone except their spouse. **It was very important to me to find out everything I could about them and not just the dollars and cents.**

Well, anyway, it was a great meeting. I learned an awful lot about them so I could figure out how to help them the most.

As you might have guessed by now, Joe was the family saver and Jan was the family spender. It's funny how one spouse almost always seems to fill each roll.

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They had several issues they needed to deal with:

- Less than 2 months of liquid savings for emergencies
- Over 2/3 of their total assets were in 401k and IRA plans invested in the stock market where it could be lost at any time.
- Two car loans requiring a total monthly payment almost equal to one of Joe's biweekly paychecks every month.
- Over \$150,000 of equity in their home that they could not tap into in case of emergency.

We then set up a phone meeting for the following Thursday when I would have all the numbers crunched and a few possible solutions figured out.

The training I completed to become a Certified Bank On Yourself Advisor covered in detail with how to deal with situations like this, so I was optimistic that I could find a few possible ways to fix things.

Here's what I came up with:

- By restructuring their debt, Joe and Jan could cut their monthly outlays by almost **\$600 per month** and **reduce their income taxes by \$1,000 per year at the same time.**
- By diverting unmatched 401k contribution into something easier to get at, they could increase their emergency savings by almost \$700 per month.
- They would be able to finance their own new cars instead of using a bank in about 5 years.
- By following this plan for the next 12 years Joe would be able to accumulate enough money to get a tax free monthly income of about \$700 for the rest of his life at age 70.

Joe was really excited about what I showed him. He was amazed that he could do all this and still be able to pay all his bills and maintain his lifestyle. He said, "I wish I knew about this 20 years ago." He set things up so the money would automatically be paid in from his checking account every month on the same day, which he chose.

REMEMBER. I USUALLY DON'T WORK WITH ONLY ONE SPOUSE. MOST OF THE TIME, A SITUATION LIKE THIS WILL BLOW UP ON ME.

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HOWEVER, I WAS WILLING TO TAKE A CHANCE IN THIS CASE. I'M GLAD I DID!

Well, when Joe came into the office for his first 6 month check-up, guess who was with him?

A couple of months after we had finished setting up Joe's plan, he sat down and laid it all out for Jan. Of course, she was mad at him (and me too!) at first, but later admitted that Joe had done the right thing.

As I write this, Joe and Jan have now had their plan going now for almost 5 years. They are well on their way to financial security. Next year, Joe plans to buy Jan a new car using their Bank On Yourself plans. I look forward to helping him do that!

Obviously, not every story has a happy ending like this one did. However, for those of you who are willing to make a few changes and commit to doing things a little differently, the happy endings will greatly outnumber the unhappy ones.

Note: The details of these stories have been changed to maintain confidentiality, and some compilations are used to accomplish anonymity.

UPDATES

Rhi had knee surgery three weeks ago and is progressing, although she cannot drive yet. Our webinar on the 15th had a few technical problems at the start but otherwise went well. We will be doing webinars on the 27th and 29th of March at 7pm. Please contact Gail for details. I am sorry that we did not get this out sooner. Thank you for your understanding.

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