

Get Your Money Right



SMARTPATH

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Agenda

A Little Background

The Strategy: Fuel & The 7 Tank System

5 Key Money Actions

Parting Shots



EMORY
UNIVERSITY

Kurt Salmon ✨

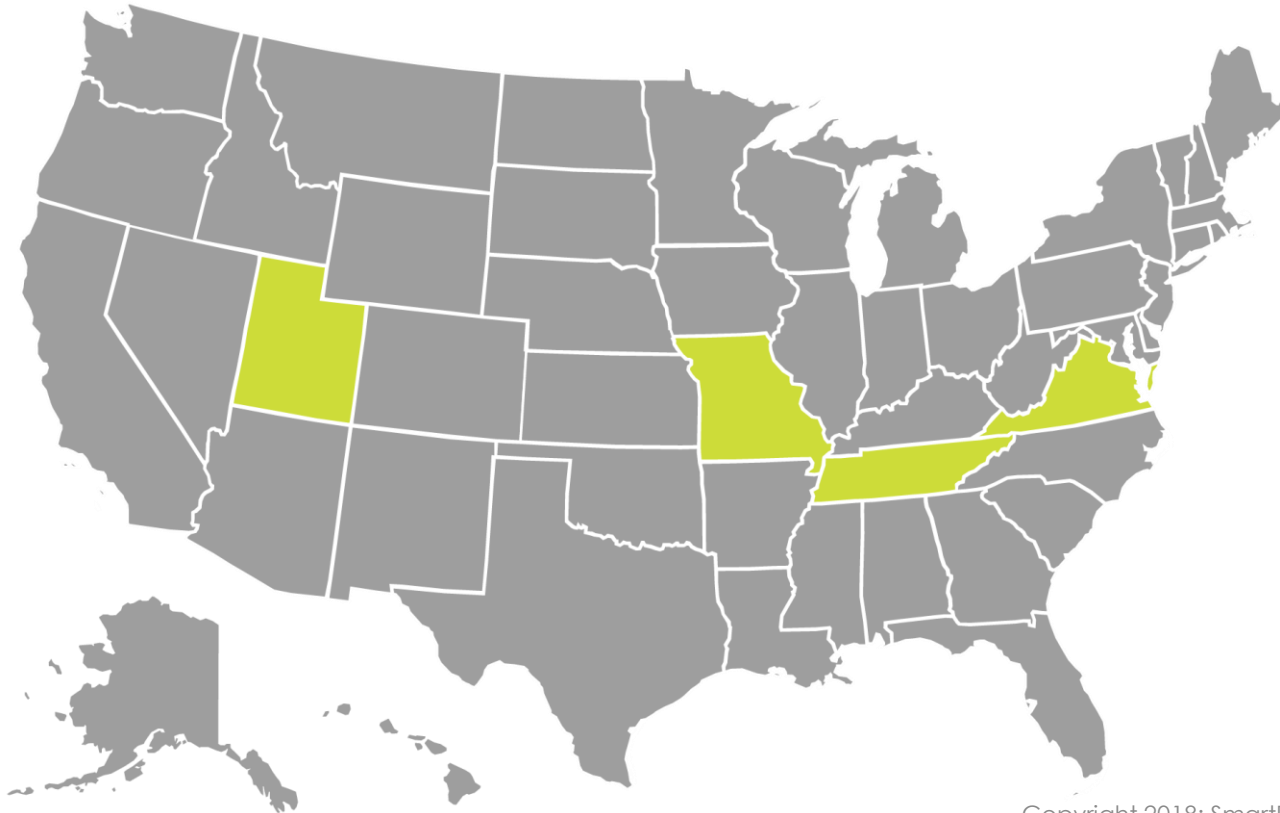


HARVARD
BUSINESS SCHOOL

BAIN & COMPANY 

Then we
hit the
recession

4 of 50 states require financial education



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CLAM BISQUE
SPLIT PEA
FRENCH ONION
MUSHROOM BARLEY
TOMATO RICE

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Less than 18% of financial advisors serve clients
NO SOUP FOR YOU!
with less than \$250,000 of investable assets

tbs.com

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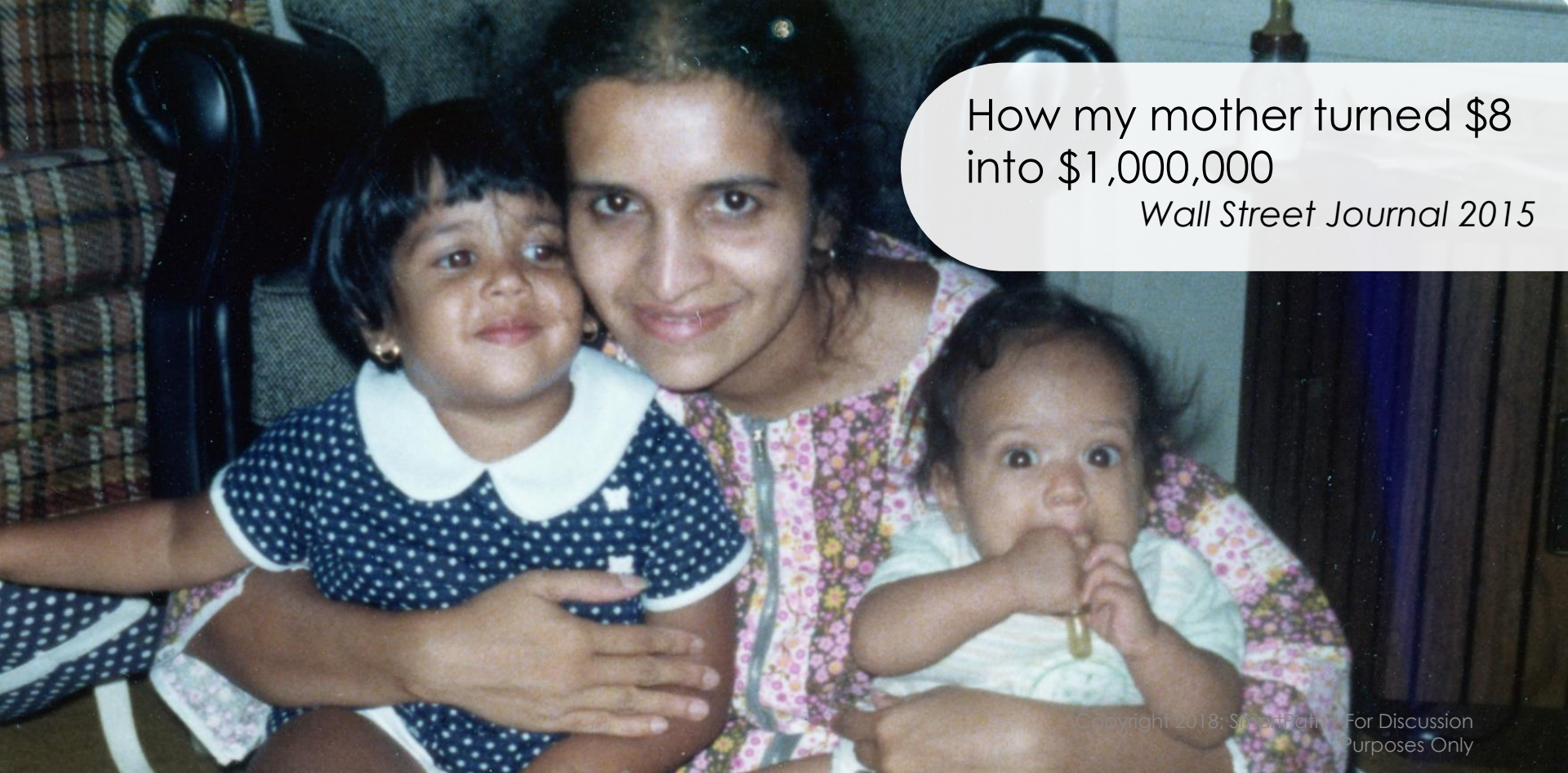
Kurt Salmon 



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How my mother turned \$8
into \$1,000,000

Wall Street Journal 2015

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Eddy Employee

40 years old

Married (38) with 4 year old daughter

Combined household income \$75,000

Monthly take home pay \$4,450/month

Fuel for past 3 months (\$200, -\$450, \$100)

700 credit score

DEBT

401(k) Loan	\$3,000
Credit card debt	\$5,200
Federal Student	\$21,000
Mortgage	\$175,000 valued at \$185,000
Car	\$32,000 84 payments remaining

SAVINGS

Retirement	\$31,000 contributing 6%
Savings Account	\$1,105.32

What would you recommend to Eddy?

What is the most important number in Eddy's financial life?



Take home pay
- Expenses

Financial FUEL

FUEL for Last 3 Months

October: \$200

November: -\$450

December: \$100



He's spent \$150 more than he's made in the last 3 months



7 x 4 Challenge

- 1 Go all cash / debit
- 2 Project daily for 1 week
- 3 Repeat for 1 month

DEBT








401(k) Loan	\$3,000	BAD DEBT
Credit card debt	\$5,200	
Federal Student	\$21,000	NOT SO BAD
Mortgage	\$175,000 valued at \$182,000	
Car	\$32,000 84 monthly payments remaining	

SAVINGS

Retirement	\$31,000 contributing 6%	RETIREMENT
Savings Account	\$1,105.32	NON RETIREMENT



Eddy Employee

	Retirement Match	6%
	1-Month Emergency Fund	\$1,105 of \$3,000
	Payoff Bad Debt	\$0 of \$8,200
	3-6 Month Emergency Fund	\$0 of \$15,000
	20% Gross to Retirement	
	College Savings*	
	Bucket List*	

Timeline depends on FUEL

Tank 2: Build 1 Month Emergency Fund

Quick Estimate

$$\frac{\text{Total Amount}}{\text{FUEL}} = \text{Months}$$

Eddy

$$\frac{\$2,000}{\$200} = 10 \text{ Months}$$

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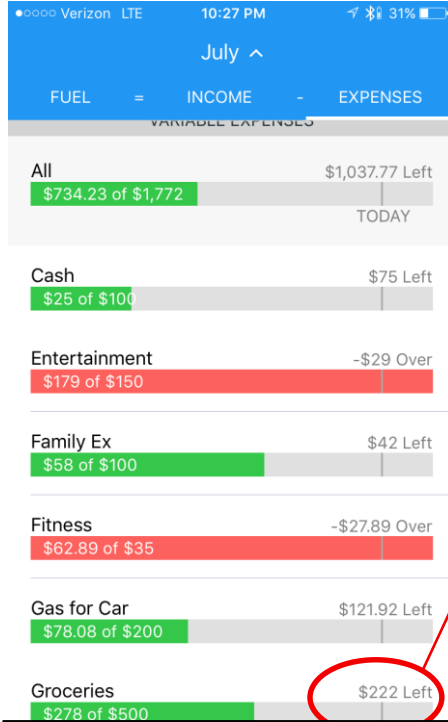
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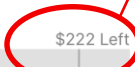
#1: Track with Purpose



Active budgeting is about knowing 'what's left' to stay on track



Example: Groceries on the 7th of the month



You need data to make decisions



YNAB.



digit

Track weekly; debit/cash only

	Transaction	Amount	Balance
1/24	Beginning		\$205
1/25	Lunch (\$10) Gas for car (\$20)	(\$10)	\$195
1/25	Gas for car	(\$20)	\$175
1/26	Payday	+\$800	\$975
	...1/31		\$350

↑ Income

- Work overtime
- Sell stuff
- Uber?
- Invoice to your kids

↓ Expenses

- Cable (internet only)
- Cell phone (\$60/month/adult)
- Eating out
- Vacation (Airbnb)

Financial sacrifices are temporary.
Financial freedom is forever.

#2: Pick one debt to paydown

- 1 Pay all payments on time
- 2 Select **1 debt** to add fuel and payoff
- 3 When finished, roll that payment and fuel to the next debt

Who goes first?

Card Name	Outstanding Balance	Interest Rate	Min Payment	
VISA	\$800	22.50%	\$ 24	
AMEX	\$2,200	29.90%	\$ 66	Highest Int. Rate
Home Depot	\$450	12.90%	\$ 15	Lowest Balance
Target	\$550	8.90%	\$ 17	
Total	\$ 4,000		\$ 122	

Pick one. Execute.

Bad Debt

- Credit card
- Tax debt
- Medical debt
- Retirement plan loan
- Private student loans
- High interest loans (title, payday, etc.)
- Mob debt



Payoff in Tank #3

Not So Bad Debt

- Mortgage
- Auto (<8% interest)
- Federal Student Loans (<50% of gross income)



Make Payments

#3: Know your retirement gap or surplus



 ***Don't run out***

Retirement Income

—

Retirement Expenses

>

\$0

Social Security (ssa.gov)

Pension

**4% of retirement savings
(per year)**

Passive income

Housing (paid off?)

Utilities

Debt (paid off?)

Transportation

Medical

Food/Entertainment

Insurance: Financial impact if [insert bad thing] aka Replacement cost

- Plan
- Life
- Disability
- Long term care
- Home/Auto/Health
- Identity

Estate: Documents that tell people what you want if [insert bad thing]

- Letter of Instruction
- Will
- Advanced Healthcare Directives
- Power of Attorney

#5: Get on the same page

Collective
Goals

Individual
Freedom



Shared Control

BEFORE

Item	Amount
Mortgage	\$1,500
Utilities	\$250
Cell Phone	\$150
Groceries	\$500
Bills / Debt	\$225
Entertainment	\$400
Clothing	\$200
Eating Out	\$300



AFTER

Item	Amount
Mortgage	\$1,500
Utilities	\$250
Cell Phone	\$150
Groceries	\$500
Bills / Debt	\$225
Maria	\$450
Chris	\$450

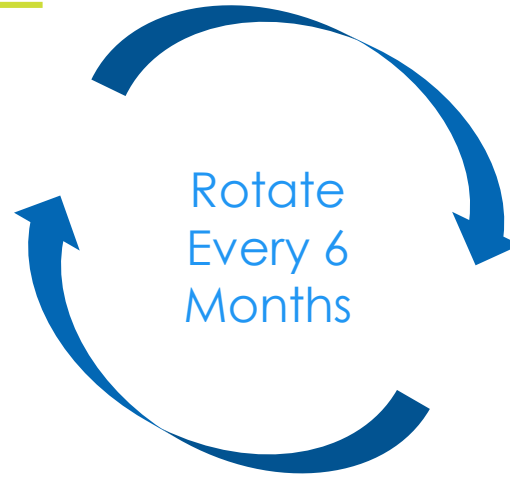
Discretionary budgets for each other

CFO

Pay bills

Set budget

Control bank accounts



CEO

Research key purchases

Review key documents (e.g.,
credit report)

Review SDIE

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- 1 All financial choices are temporary
- 2 Decisions fall on a spectrum
- 3 Predictability > Optimization
- 4 What gets measured, gets improved



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THANK YOU