FIT Money

7 Steps to Get Your Financial Life in Shape

Julia Carlson

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Here's What's Inside…

Fit Money™

I found my passion for business and finance at a very young age. One of my earliest memories about money was with my grandpa. He was a math teacher who also loved economics, and he enjoyed talking about stocks. I was always very intrigued about these conversations. After listening to him, I would go to my dad and ask him, "What does he mean by all this?" Thankfully, my parents are open about money and they shared with me a lot of what to this day is the foundation for my financial mindsets. When I got my very first job, my dad helped me set up my first IRA, and I was eager to save money and invest. Don't get me wrong I loved to spend money too!

In high school, I had an amazing business teacher. I was involved in Distributive Education Clubs of America (DECA), which is a business club where we created our own business concepts complete with a business plan and went to competitions to pitch our ideas. I couldn't get enough of learning about entrepreneurship and how to use money as a tool.

Throughout high school, I was also active in sports. Striving for greater results on the field has always been part of my life. I discovered from sports in high school the joy being active brings to one's life.

My life took an unexpected turn at the age of 18 when I met my future husband, Chris. I packed up and moved into an apartment in Waldport, Oregon which is a town of 2,000 people. It was quite a shock to move from the Greater Seattle area to a small town, but I was determined to make the best of it. I went to work at the local bank as a teller. The investment advisor would visit our branch one day a week. I remember following him around, asking him all sorts of questions about his job. It fascinated me. As soon as I could, I transitioned from teller over to the investment department where I found my passion.

I loved everything about it. I jumped at the chance to go out on my own where I could marry my passion for finance with an entrepreneurial spirit. While I loved the work I was doing, I was juggling raising three kids and a full-time business. What I noticed was running a successful business is great, however, my life had gotten very busy. My health and fitness, as a result, took a back seat.

To break out of the rut I was in, I decided to set a big audacious goal. I had always been interested in these fitness figure body building competitions. They always inspired me, and I would think, “I wonder if I could ever do that, I want to try it.” So shortly after my son, Jake was born, I hired a coach and decided to start training for my first fitness competition.

It was about a year-long period in which I trained for this show. I became very focused in the discipline of working out, eating right. What I found is that same focus started to show up in all other aspects of my life. My business doubled that year. My spiritual life and closeness with God felt heightened. My relationships improved; it made me more attentive to my kids. When you're just focused like that in one area, it shows up in other aspects of your life. I competed in four different competitions (over the next five years.) What I found was, every time I did a competition, during that training period, my business would grow. It was amazing what would show up in other aspects of my life.

I would have thought my business would suffer for having to spend the extra time in the gym and all the other aspects of training at a high level, but in fact, the opposite happened.

One day, it occurred to me I could blend the passion I have for helping people pursue their financial goals with my passion for living a fit and healthy lifestyle. The idea behind "Fit Money"™ was born.

You see, there is a direct correlation between dieting and your physical wellness and getting your money and your financial life in shape. What I want to do in this book is help you get your financial life in shape. I want you to get healthy with your money. I want you to let go of the fear around your finances. I want you to stop

some of the bad habits which have been holding you back, and start winning with your money.

I hope this book educates you on how to let go of the fear and frustrations of not knowing what to do with your money and inspires you to get your finances in their best shape!

To Your Success!

Julia M. Carlson

Why we Struggle Being Fit with Money

It's hard to be a busy mom while running a successful business. If I weren't hardwired this way and learned these principles at an early age, it would be difficult for me to make wise decisions in the hectic, chaotic life I'm sure you can relate to. As women, we take on many roles, especially in the middle stages of life. We are wives, mothers, sisters, daughters, aunties and friends. We are employees, business owners, and community leaders. There are so many different roles we lead; it can be overwhelming. We're busy reacting to the activities of daily life, just trying to keep up and keep everyone on top of what they need to be doing and the house running as it should. I know life goes by quickly and there's always something else not checked off on the to-do list. It's really hard to stop and think in the middle of all the chaos, "I'm going to start planning and making wiser decisions with my money. I'm going to get my financial house in order."

Often, that task is daunting, and we don't even know where to start, so we end up putting off a decision until "we have more time" or "we have more clarity on what we should tackle first." It's like deciding which diet to go on. There are so many different types to choose from. There is Paleo, vegan, low-fat and high-fat, Weight Watchers, Keto, and One Meal a Day. There are

all these various ways we can approach losing weight, but what is the right one for us? We have no idea, and so deciding between the choices we're given is the very thing which paralyzes us from moving forward. It's the same thing with our finances. There are a lot of different systems you can use. There are more than 10,000 different investment options to choose from. There are numerous types of accounts to open. How does one even know how to get everything on track and where we should start?

It is easier just to keep doing what you've always done. This is human behavior. My hope is I can give you bite-sized steps to help you figure this out and be proactive about your money. The biggest leverage you have with financial success is time. We need time on our side to win with money. Winning with money is a marathon, not a sprint, and you must give yourself the gift of time and consistency of doing the behaviors which support your goals. Just like crash dieting, it doesn't work in the long run. Starting and stopping wreaks havoc on our self-esteem and confidence both in losing weight and building a strong financial future.

Financial Freedom

Financial freedom means different things for each of us. It's important to identify what this means for you. To me, financial freedom is the ability to make choices and decisions for myself and my loved ones based on what we want to do, not based on what money will afford us to do. It's striving to be free from the worry and stress about money. It's a sense of confidence that our future is planned out and we can live the lifestyle we want today. I run a business, and I also have three kids. I did not want to make a choice when it came to one or the other.

I choose to not be home with my kid's full time, but they understand Mama is working hard and helping create freedom for our family. When I am working hard, and I have full days, they know that work is so we can go on vacations and we can do the things they are passionate about. They can have that horse. They can take part in activities they otherwise wouldn't be able to. Financial freedom is being able to take the time to enjoy life today. Financial freedom is much more than freedom with money. It's freedom with your time as well. Understanding financial freedom leads us to act on our financial status instead of constantly thinking about it all the time. Believing in the importance of financial freedom has created so many positive changes in my life; not only financially, but in relationships; mentally, emotionally, physically, and spiritually.

Financial freedom gives me the mindset to live life with more intention to appreciate the little things and live with gratitude. It's a sense of empowerment, and this is my hope for you. I have been working with clients for more than 20 years, and I've seen what this striving for a better financial future can do with my clients. Once you get your finances in shape and on track, a lot of other areas in life fall into place too. The following steps will help you move towards pursuing your financial freedom.

Let me share an example with you. Shelly was my very first friend when I moved to Oregon, and I admired her tremendously. She was an entrepreneur who ran a thriving hair salon. We didn't discuss finances much in the early days, but we would over the next 20 years. As she was running her business, I started and was running my business. We worked out together. We would go on runs, we would do exercise classes, and we would talk about the struggles of being a business owner. As I developed my expertise in personal finance, she was able to share with me a little bit more about her feelings. It shocked me when I learned she was constantly worried and stressed over money.

She struggled to get ahead as a small business owner. She had overhead, employees, products to buy, and unexpected costs that would come up. At one point in her career her Salon burned down! After 30 years of running this business, she knew she was not going to get ahead. She

was feeling stuck. Her passion (which I knew because we shared this passion) was health and fitness. She decided to start a second business as a health and fitness coach. She was grinding it out running two businesses. It took about four years for her coaching business to make enough money so she was able to sell her salon and went full time with the business she loved. She now makes six figures helping other women get healthy. She has also been able to pay off her revolving debt and car loan. Shelly and her husband also remodeled their home with cash. This is the first time in her adult life she has no car payments. Now she's consistently saving for her future and she is practicing all seven steps. Shelly is well on her way to being fit with her money.

The Seven Steps to Get Your Financial Life in Shape

Step One: Desire, Determination, and Discipline

During one of my fitness competitions, I hired a coach whose team was called 3D which stood for Desire, Determination, and Discipline. To excel at a fitness competition, all three parts of the formula had to be in effect. You can't win if you don't have the desire, but having the desire isn't enough. Same goes with discipline; being disciplined won't get you to the finish line if you aren't determined and have the desire. You will burn out long before you reach your goals.

Let's look at these in more detail. Desire is a strong wish or wanting to have something. Before any change happens, you must have a deep desire to change. Maybe your life is not going as you want it to and you get to the place where you say, "Enough is enough. I'm going to change," and that fuels your desire.

When it comes to desire and changing behavior it's important to understand and find your "why" behind the desire. You want to have leverage on yourself for when you feel like stopping or when you want to go shopping and spend money. What's going to keep you calm when the market's down, and you're scared of losing

money but you know this is what you have to do to reach your long-term goals. Desire is that internal question, “Why do I need to make these changes?” Desire is a mindset. I have created a worksheet for you on **FitMoneyBook.com.** Please visit to download this free tool to help you.

Determination is that dedication and acknowledgment of the commitment you’ve made to yourself. It’s the firmness of purpose in your desire. I’m going to walk you through setting both a short-term goal and some long-term goals. Your determination is what will force you to keep going on that commitment. Determination is about being intentional with your behaviors, follow the steps and take personal responsibility; no excuses. It’s often “fake it ‘til you make it.” Sometimes you don’t want to do it, but you just keep doing it because you know that it’s right. It’s like going on a diet and having that determination to keep eating the right foods, even though you want the chocolate.

Determination gives us focus. When we set a 90-day goal it requires you to focus on those 90 days with purpose. The hardest part of the 90 days is getting started, and that’s going to take some discipline, which is the third part of the formula.

Discipline is those actions you know you need to take, and those actions then create momentum. One of the secrets to financial success is creating momentum and staying consistent. What I found

is it usually takes a week or two to gain that momentum of this new way of tracking your finances. It takes great power to get a train moving on track, but once it's up to speed, it doesn't take nearly as much energy to keep it going. Discipline is very similar. It's hard at first, but it gets easier over time. Once you get that momentum, the secret is to keep it going. If you struggle with staying focused, you can find helpful resources available on my website at **FitMoneyBook.com**. Don't be surprised if discipline gives you a sense of freedom.

Step Two: Healthy Money Mindset

"Abundance scopes from abundance
and abundance remains."
- Anne Sexton

Have you ever started a new diet? What is the first step after picking out your plan? Most likely you will be asked for your starting point, right? You have to step on the scale, weigh in and take measurements. Maybe even take a before photo. (Yikes!) This can be very scary and fearful and my guess is a lot of people won't even start because they don't want to face it. They feel better staying in their comfort zone. I have found the same is true with finances. You may feel you need to do something but you don't know where to start. We get stuck in our own thoughts. Do you feel overwhelmed by where to start or fearful that you won't be able to set foot in your favorite store again? Concerned that you will be forced to a strict budget where there is no freedom. Let me assure you these are normal feelings, but once you face the fear, bring awareness and move through it will set you free!

Most of us have a money script or self-talk about money in our head that is either conscious or subconscious. It's important to be aware of what this is and how we're talking to ourselves about money. If we're not aware of where we're beginning or what we're saying to ourselves, it can lead to self-sabotage. How many of us have

gone into Target or a similar store for one thing and come out with a cart full of stuff we don't need? It's retail therapy, which is like overeating. You never want to overeat, but when we don't have awareness, that's what happens. This step is about bringing awareness to your situation and then living with that awareness daily. It is bringing intentionality to the aspects in life you want to work on. Where your energy flows your attention goes. Focus your energy on following the steps and pursuing your financial goals!

Part of being successful means making improvements in your results, and what you track improves. When it comes to your finances, we will need to track your progress. Just like someone who is trying to break a sports record or lose weight, we must know and track our numbers. When you are starting a diet, the first thing you have to do is step on a scale, look down and know where you are starting.

To become more aware with your money, the first exercise I want to take you through is completing your Fit Money™ Scale or in financial terms your net worth statement. On my website **FitMoneyBook.com**, there is a downloadable tool to assist you with this exercise. The rules for this exercise are as follows, no beating yourself up while you are completing it. I don't want anyone to think badly about where they're at today because we all have a starting point and we're going to make huge progress for the future from here.

Your past does not equal your future. We all get a fresh start every single day. I am hoping you will decide today is yours.

Once you have the tool, start on the left-hand side listing your assets. Your assets are what you own. This could be money in the bank, your car, your home, rental property, a business you own, investment accounts, if you have a 401k, any other retirement accounts, stocks and bonds. I have listed the most commonly reported assets to get you started, if you don't have these, no problem, just put in zero.

Next, we need to identify your liabilities. Your liabilities are anything you owe debt on. This would be a mortgage on your home or a home equity line of credit. This also includes consumer debt like auto loans, toy loans, medical bills, credit cards, store credit cards and student loans. Please write down and identify all debt owed on the right side of the worksheet. Again, I have listed the most common liabilities.

This may sound scary, but I find most people are relieved when they go through this process and have it all on one piece of paper. It's your Fit Money™ scale, and will become your check in with your finances to see how your progress is coming along. Complete this quarterly just to make sure your financial goals are on track for the year. There is something satisfying about finally knowing where things stand versus the

uneasiness most people experience when they don't have a clue about where things are.

Once you complete the list. You will have one column for your assets and one column for your liabilities. Your net worth then is the total of your assets minus your liabilities. You'll notice on the worksheet. I also have a place for liquid net worth. What this means is your money at the bank, your investment accounts, anything you could liquidate and get cash for relatively quickly. Do not include your real estate or car in this area. It is good to keep track of this separately to ensure you are building liquid assets. This exercise will bring awareness and is a good step to understanding what your financial picture looks like today. It could be negative and that is ok, just acknowledge it and move forward.

As you went through this exercise, how was it? Was it easy or hard? Did you get stuck or feel overwhelmed? Did you not want to face it for fear of the results? Were you intimidated? Did you think about closing this book and putting it on a shelf because you don't want to do it? These are all normal thoughts and feelings. Part of this process to get your financial life in shape is doing the work to push through your fears and face it. If you did this, congrats! Bringing awareness to your subconscious thoughts and doing the work allows you to now move on to step three.

Step Three: Relationships and Money

When I met my husband, his sister was managing his finances. After we were married, I took over. It wasn't until 12 years into our relationship that we started talking about money and setting financial goals together. We read *Total Money Makeover* by Dave Ramsey, and it changed our financial situation. Even though I had been a financial advisor for ten years at this point, this book changed how we (my husband and I) helped ourselves with our finances. It also changed the way I helped my clients in personal finance.

I recommend this book. This got my husband and me more intentional with our money and telling it, the money, what to do each month. It also brought my husband and me into an alignment as I felt supported and not alone doing it all. What I'm finding is women are taking on more and more of the financial role of the family, especially the month-to-month bill paying and budgeting. Whether you are single or married, the key to success is accountability with your finances. When you endeavor to change your financial situation, it's imperative that if you are in a relationship, you're both on the same page. Accountability and a support system is part of any successful program. It's a proven component to make it work. A lot of popular diets have this built into their model. When you are starting a

new plan whether it is to get healthy and lose weight or getting your financial life in shape you need the support of your partner and an accountability coach. If you are single I recommend finding a friend to do this with. Please connect with me on social media and I may be able to help you connect with someone!

Money is a tool. It's not good or bad. A lot of times, we give it power and we shouldn't. We get to decide how to use it. I have heard that money is the leading cause of stress in relationships and one of the leading causes of divorce. Why are we allowing money to ruin our relationships? It's hard to change your money habits without the support of both spouses.

For the couples, typically one of you is going to be more inclined to deal with the money. The other partner might not want anything to do with it or enjoy spending the money, or does not want to talk about money at all. It's important to do what your strengths are, but each spouse needs to be committed to the plan. I would encourage you to have a financial date like my husband, and I do. The purpose of the date is to go over our finances. Because I'm the money girl and enjoy it, I create our Fit Money™ Navigator report each month by myself. I pay all of the bills each month, but then Chris and I come together, and I am accountable to him to show what has happened this month. I print out our Fit Money™ Navigator and we review it together.

What this does is makes him aware of what's happening with our money: how much kids cost, how much pets cost, how much we're saving, etc. I will teach you the Fit Money™ Navigator in step five and this will become more clear, but it's important you're on the same page, and you're able to be open and honest and communicate about money with your spouse. If you are the partner in charge of the money and bills you should not expect them do it all with you, but your partner needs to give you time to share on the financial date at least once a month. This will help you not feel alone and get a sense of alignment. It also gives your partner the chance to ask questions and be in the know.

Quarterly, we do an expanded version financial date, often it's on a weekend away to check in with not only our financial goals but our life plan. This is where we review our Fit Money™ Scale discussed in the last chapter and see how we are progressing on our financial goals. Once a year, we do a reset together, setting financial goals for the coming year. I like to do this around January. We review how we did for the last year and set our year end Fit Money™ Scale goal for the new year. Some of our year long financial goals are: How much debt do we want to pay off this year? Do we want to save a certain amount for a vacation? Do we want to save a certain amount for a retirement? How much for college education for the kids? We have monthly financial dates where we discuss the Fit Money™

Navigator, our quarterly financial reviews are used with the Fit Money™ Scale, and then annual financial goal setting sessions together. Even though I'm the one doing the day-to-day budgeting and bills, he's still involved in knowing what's happening, and so I feel supported and we are both in alignment. I can't remember the last time we had a fight about money! That said, we do have good spirited discussions as this framework allows for the conversations to happen before it escalates into an argument.

Now for the single ladies! You can do this. I would encourage you to find a friend who wants to do this with you. This can be a lot of fun! Having an accountability partner where you can get together once a month, share each other's Fit Money™ Navigator, give feedback and encouragement, and you can even do the quarterly and the annual sessions too. My hope is we are going to create an online community with social media where you can find a friend or partner if you don't have someone in mind. Often time a stranger may be a good fit talking about money! You can get a lot of momentum when you're doing it within a group. Think of it as a group exercise class. They're there to keep you accountable, keep you coming back, express your frustrations, and celebrate your successes.

Step Four: Proper Protection

Let's face it; no one wants to think about dying, let alone making plans for when you die. I often ask the question of a new client, "What have you done for estate planning, or do you have life insurance?" Nine times out of 10, I get either "no," or, "I don't know," or, "I have a will, but I haven't looked at it for ten years." I have personally worked with numerous widows in my career as a financial advisor. Some have no plans in place, where others have everything in order. I want to urge you to be proactive in this step and protect yourself and your loved ones. At a time of loss, it is hard enough to go through the grief and loss of someone you love, but just think that if this is your spouse and you lost them and their income at the same time.

I've seen widows go from making six figures to living on social security income. All of their bills and their debt are the same as before. The stress and worry can be overwhelming. A good place to start is to have a basic estate plan that includes these four components:

Power of Attorney (or POA)
This is a written authorization to represent or act on another's behalf on financial and private affairs. If you owned a small business, this would allow another person to come in and help with business matters or any other legal matters.

The person authorizing the other to act is the grantor. If I'm giving my husband a power of attorney, that means I'm giving him authority to act on my behalf. A POA is only good if both parties are living and it voids upon death. If you have a power of attorney on your spouse and they die, it is no longer valid.

Healthcare Directive:
This is a legal document created which allows you to appoint someone to make healthcare decisions for you if you are unable to. These forms can typically be found at your local hospital.

If you're injured or are in the hospital and you are not able to make decisions for yourself, you should appoint someone ahead of time to make those decisions for you, otherwise, someone else who you don't know will be making these decisions for you. This should be someone you trust to remain calm and think clearly in a life-threatening situation.

A Valid Will:
A will is used to leave instructions about what should happen to your property after you die. It can also be used for naming an executor, which is someone who is in charge of your estate when you die. A will is used to name guardians for your minor children and their property. It also allows you to provide for your pet or what you

want to have happen with your pet*. It decides how debts and taxes are to be paid. You shouldn't try to use a will to put conditions on your gifts. What this means is, if you have kids and you want to say, "You can't have money until you finish college." This cannot be done with a will.

You also should not use a will to leave your instructions for final arrangements, meaning your wishes for your burial or cremation. This is something that needs to be taken care of right away. Often, wills are not found until long after the funeral.

I've also seen people try to leave property to their pets in their wills. Pets can't own property, so that would be invalid. If you want to do something a will won't accomplish, a trust might be appropriate.

It's prudent to review your Estate Plan/Will every three years with an Estate Planning Attorney unless you have a triggering event. Triggering events include a move to a new state or country, marriage, divorce, births or deaths. I recommend meeting with your attorney in these scenarios.

* This information is not intended to be a substitute for individualized legal advice. Please consult your legal advisor regarding your specific situation.

Life insurance:
A good general rule of thumb is to get insurance coverage of 10 times your income. In most cases, I prefer term insurance and typically 20 years if you have young children. This means you will have coverage for 20 years, and then it terminates. Yes, if you live past the 20 years, you don't get any money back, but if you're healthy, the premiums are inexpensive. Consider it like your health or car insurance. Hopefully, you don't need it, but your family will be happy if you do. *

* This material contains only general descriptions and is not a solicitation to sell any insurance product or security, nor is it intended as any financial or tax advice. For information about specific insurance needs or situations, contact your insurance agent. State insurance laws and insurance underwriting rules may affect available coverage and its costs. Guarantees are based on the claims paying ability of the issuing company. Visit your state's insurance department for more information.

Step Five: Fit Money™ Navigator

"A budget is telling your money where to go instead of wondering where it went."
- Dave Ramsey

People have a very negative feeling about the word "budget." I think it depends on how you were raised and what your money script is around budgeting. No one likes to be forced to be on a budget. With that awareness in mind, we all have to start by knowing where our money goes each month. It's amazing to me when clients become intentional with their money, and they sit down and write out where their money goes. At the end of the month, there's an extra $2,000 they cannot identify where it was spent. You can save and make a lot of progress by creating a cash flow report or budget.

I subscribe to the zero-budget plan. I learned this from Dave Ramsey and have created my version of an online tool you can download which is called Fit Money™ Navigator. The Fit Money™ Navigator will guide you in tracking your cashflow each month. At the beginning of each month take time to sit down and figure out how much income you expect to receive for that month and then all your expected bills. With my online tool, you can create a simple one-page report to navigate your monthly cashflow. If you are unsure of income or expenses use your best guess of what your income will be and then

guess what your expenses will be. The object is to set your intention before the month happens and spend all of your income on that piece of paper first. For example, if you have $5,000 coming in, I want you to allocate $5,000 in your budget. The goal is to have no extra money at the end of the month. The Fit Money™ Navigator lists the most common categories and items like mortgage or rent, utilities, food, clothing, savings, pets, kids. I have kids as the category, and then I have Katelyn, Jasmine, Jake as sub-categories, this helps me keep track of costs for each child.

A lot of times when you're first starting out, you have no idea where your money's going every month. The first month or two, it's going to be tricky to keep track of everything. What I would recommend is use the Notes App on your smartphone. Any time you spend a penny, put it in your notes and once a week transfer the information to your Fit Money™ Navigator. You could also save the receipts for everything, but a lot of times if we pay cash for something, we don't keep the receipt. I want you to keep track of every penny you're spending, and you're going to assign it a category. My husband and I do something called fun money. When he deposits his paycheck, he gets cashback and I get cash out as well. We're each allowed $250 "fun money" each month that we do not have to be accountable for.

It still needs to be tracked on your budget as a line item. For example, "Fun money, Julia," "Fun

money, Chris." If we need to spend more than our fun money and it's not in the budget then a financial date or session is called with your partner to discuss it prior to spending the money. The idea of the Fit Money™ Navigator is to start telling your money where to go instead of your money telling you where it went.

A question I get asked often is, "What if I only earn commissions or I own my own business, and sometimes I make $8,000, and other times I make $2,500?" What I would recommend is if you are a sole proprietor business, you should have your business account that is separate from your personal banking accounts. That account should give you a minimum amount each month. When you get your income from your business or your commission put it in your business account and then your business account should give you a paycheck each month. It's a good idea to build up your business bank account balance to a few months of the minimum amount before giving yourself more each month, that way you can cover an unforeseen low month. That should be a minimum amount that is consistent. Let's say it's $2,000. You should allocate every dollar of that $2,000. Then if you have another $1,000 that comes in that month, you should know ahead of time where the extra money gets allocated. Your budget should be based on your minimum income because you're going to have to pay the mortgage or rent every month. Then you could almost have a phase two of your

budget where you decide, “If I get paid more, this is where the money is going.”

Often, if you’re in a commission situation, a common scenario is spending your commissions on credit cards before the money lands in your bank account. Then you’re always trying to catch up. The idea of the Fit Money™ Navigator is once we have our money assigned each month and know what we can spend, the goal is to stay within that each month. We’re going to move on to step six, which will help us attack that. These steps go hand in hand.

Step Six: Overcome the Debt Binge

The best time to get out of debt and overcome the debt binge is now! This step can change your financial future forever. You don't want to start investing for the future if you have consumer debt. Consumer debt includes credit cards, auto loans, toy loans, those sneaky store credit cards that you keep getting talked into because of the amount of money you'll save (Just say NO!), medical bills, pretty much all debt except your mortgage. Most consumer debt is revolving debt that I want to get you inspired to pay off and not stay in this rat race. By following this step, you will create a plan to eliminate this debt once and for all. This is a step that will bring you liberation and freedom.

Looking at your Fit Money™ Navigator from step five, how much of your monthly income is going toward these debt payments? I want this amount freed up so you can make real progress toward building a strong financial future. Time to break out your credit card statements, your auto loan information and please visit my website to download the tool for this section.

On your Overcome the Debt Binge worksheet, list your debts from smallest to biggest balance in the first column. You're going to write the debt name and then the balances from the smallest balance you owe all the way up to the biggest balance. Next to that, list the minimum payment

you have to pay each month on everything. Not the payment you're making, but the minimum payment. Often, when I work with clients, they pay an extra amount on each of their debts. What I'm going to instruct you to do is make minimum payments on everything, and then looking at your Fit Money™ Navigator tracker identify how much extra you have to allocate for your debt elimination plan. There is a line item that's going to say debt elimination. This should be where your extra money is allocated to each month if you have debt, to eliminate that debt once and for all! This extra amount you have each month will be applied to the smallest debt or debt number one on your list.

Once you pay off your smallest debt, then you will take the payment you were applying to number one, and you're going to apply that to number two. Then once you get debt two paid off, you're going to apply all of that payment to debt three and so on. The goal is to start with the smallest debts first. We do this even if it's not the highest interest rate because there is something in your mind and spirit that activates when you can start attacking and getting debts paid off. I want you to feel this and create the momentum and confidence that you can be debt free!

Let me answer the million-dollar question, can you use credit cards? I love Nordstrom points as much as you do, or free airline tickets. We use credit cards for the points and perks. We need to learn to use them wisely and with

empowerment. You must stay in control. If you're carrying a balance on credit cards your losing. Of course they would gladly give you a free airline ticket because of how much money they're making on you. I don't think credit cards are bad, but they're bad if they're out of control. What I would encourage you to do is to stop using credit cards until you get everything paid off. Then once you have them paid off, if you want to charge things you would normally be using your debit card for, that's okay IF you commit to having it all paid off each month and NEVER carry a balance. The charges on the card must also be allocated individually in your Fit Money™ Navigator and be part of your planned budget. The other thing I want to say is I know we all love Amazon and online shopping. It's very easy to overspend when you're spending online, I recommend adding Amazon as a separate expense each month to keep track of it.

Online purchases are something for which I would recommend using a credit card. I have one credit card I use for all my online purchases, this will help you stay secure. If your credit card is stolen or if you encounter identity theft, it will keep your checking account safe. I would recommend not using a debit card online. If you are unsure of your debt balances or even who you owe money to, it's ok but let's figure this information out. Go to **FreeCreditReport.com** and download a free copy of your credit report. Everyone can do this once a year. I would

encourage everyone to do this because it not only gives you your debt information, but it also helps you keep identity theft at bay.

Step Seven: Plan and Invest For Your Future

My industry tends to confuse the general public, but I'm hoping to simplify it here. To start, you have to understand the difference between equity and debt. Equity is ownership. For example, if you bought your home for $350,000 and you put $60,000 down, and your mortgage is $290,000, you would have $60,000 in equity or ownership in your home, and your debt or liability would be $290,000. Stock is ownership in a company. Stocks are also called equities.* For example, Nike is a publicly traded company. If you owned shares of Nike, you would have ownership in Nike. A bond is a debt of a company or government. Nike Corporation can also issue bonds, so if you buy their bonds, Nike promises to pay you back what they borrowed from you plus interest. The United States government issues all types of bonds†, and in exchange for that they give you interest.

* Equity investing involves risk including loss of principal.
† Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. Promises of Payment are backed by the paying ability of the issuer. This is not a recommendation to buy or sell any investment mentioned.

A mutual fund is a company that brings together money from many people (mutually funded) and then that mutual fund goes out and buys the stocks or bonds. The investors are not individually going and buying the stock or bond. Each investor, everyone who puts money into the fund, owns shares of that fund, which represents a part of the holdings.

A mutual fund allows us, as individual investors, much more exposure to a lot of different stocks, instead of buying them all individually. If I had $10,000 to invest and I buy a mutual fund, I'm going to buy a lot more companies as opposed to going and buying just one company. An exchange traded fund (ETF) is an investment fund striving to track the performance of a particular market index or industry. An ETF allows investors to purchase individual shares which can be bought and sold, like regular stocks on a stock exchange.*

How do markets work?

When I refer to the market, I'm referring to

* An investment in Exchange Traded Funds (ETF's), structured as a mutual fund or unit investment trust, involves the risk of losing money and should be considered as part of an overall program, not a complete investment program. An investment in ETFs involves addition risks such as not diversified, price volatility, competitive industry pressure, international political and economic developments, possible trading halts, and index tracking errors.

stocks that are lumped together to create an index.

The most common index is the S&P 500, which is essentially the 500 largest US-based companies. For example, companies like Facebook, Apple, Google, are all stocks included in the S&P 500. The S&P 500 can be tracked together in one index, and you can monitor this instead of watching individual stocks. When you're watching the news or viewing things online, this is typically what they're reporting on. They'll say something like, "The S&P 500 was up or down X today." The market goes up and down every business day. It's just like our weight, ladies. We fluctuate day-to-day, and we really shouldn't get too worried about it. The markets can be like watching the scale when you are yo-yo dieting or waiting to bust through a plateau.

If you watch it daily, it can be frustrating as opposed to just doing what you know is right. Eat right, exercise, and you know you will lose weight eventually. When you are investing for the long term, staying invested, staying the course is always the best option. Trying to decide when to invest, when to buy, when to sell is a losing game.

When starting to invest, you'll want to start with your time horizon or when you will need the money you're setting aside. Think about three different stages when you're saving money:

Short-term:
This would be up to three years. When you're saving money for the short term, you want to save your money at the bank. Consider using a money market or savings account.

This could be money you're saving for a home purchase or a vacation next year. You don't want to risk this money. You want to make sure it's there when you need it, and your bank guarantees that.*

Mid-term:
This would be three years up until you turn 59 and a half. When you think of the mid-term, this is money that is for a purpose **before** retirement. It's not your retirement nest egg; it's before retirement. A type of account to consider using is called a "taxable investment account." If you use this type of account, you're not penalized for taking the money out before 59 and a half. Typically, we would encourage a moderate risk tolerance for this account.

Long term:
This is your retirement nest egg; money for after age 59 and a half. This is where you want your most aggressive or growth type of investments

* Money market deposit accounts are protected by the Federal Deposit Insurance Corporation (FDIC) when opened at a bank that is a member of the FDIC. Guarantees are based on the paying ability of the insurer.

because, typically, you have time before you'll need this money. It's investing for the long term, and you should be choosing investments with a long history of success.* If you're investing for the mid or long term, you should be willing to take some risk in your investment portfolio, but you always want to think about how you can minimize risk.

One strategy to minimize risk in your investment portfolio is by diversifying your investments.† I never recommend investing in one stock or even one asset class with your money. What I mean by asset class would be just the financials, or technology stocks or healthcare stocks.‡ You should consider a diversified mix of investments that take your savings goals and risk tolerance into consideration. Another helpful strategy to minimize risk is to make sure your investment portfolio is routinely being reviewed and rebalanced§. Over time, your once-perfect asset allocation, selected for your investment goals and risk tolerance, will gradually shift out of

* Past performance is no guarantee of future results.
† There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.
‡ Stock investing involves risk including loss of principal and past performance is no guarantee of future results.
§ Rebalancing a portfolio may cause investors to incur tax liabilities and/or transaction costs and does not assure a profit or protect against a loss.

balance as different asset classes earn a different rate of return. This is a good thing and why you need to be diversified. For example, if you owned large US-based companies and you also owned International companies, and the US did well for five years and Internationally did not do as well, you would have more US-based companies in your pie in five years. You'd have a bigger piece of the pie than you want. You want to rebalance your portfolio systematically. Rebalancing is the process of buying and selling portions of your portfolio to set the allocation of each asset class back to its original state. Think of it as a tune up on your car. It is designed to keep your risk levels in check and minimize your risk at the same time.

When you're saving for retirement, there are several different types of accounts you can open. A Traditional IRA* is an account you set up individually to which you can contribute throughout the year, and you get a deduction on your taxes if you qualify.

* Traditional IRA Disclosure: Please consult legal or tax professionals for specific information regarding your individual situation. Generally, once you reach age 70½, you must begin taking required minimum distributions from a traditional IRA. Contributions are subject to current income tax due at withdrawal. Withdrawals prior to age 59 ½ may result in a d 10% IRS penalty tax in addition to current income tax.

A Roth IRA* is also an individual account you set up which includes after-tax dollars you put into the account. You do not get a tax deduction for contributions, but it grows tax-free. Roth IRAs are super powerful, and I would encourage everyone, if you're eligible, to invest in a Roth IRA. If you're self-employed, you can set up a self-employed retirement plan. This allows you to put money aside for your future and get a tax deduction for the current year. Employer sponsored plans would be your 401(k)s, 403(b)s; your plans at work. I encourage you to participate in these, especially up to the point where they match your contribution. Most commonly, if you put in 6% of your paycheck, your employer will match 3%. It's an easy way to automatically invest for your future!

* ROTH IRA Disclosure: The Roth IRA offers tax deferral on any earnings in the account. Withdrawals from the account may be tax free, as long as they are considered qualified. Limitations and restrictions may apply. Withdrawals prior to age 59½ or prior to the account being opened for five years, whichever is later, may result in a 10% IRS penalty tax. Future tax laws can change at any time and may impact the benefits of Roth IRAs. Their tax treatment may change

How to start?
Just get started. I would encourage you to set up an account that's most appropriate for you and automate it. What I mean by that is whether it's systematically coming out of your paycheck or systematically coming out of your checking account each month, get in the habit of saving. This should be allocated on your Fit Money™ Navigator. It's easy once you have it all automatically set up to invest.

It's also a great way to invest because you are dollar cost averaging* into the market.

What I mean by that is the market goes up and down every day. When you're investing the same amount each month, sometimes your money will go farther. It's like going to your favorite store when everything is on sale. You get more for less. When the market's down, I get excited because I know the money I'm investing each month is buying more. Then when it's high, you don't buy as much, so over time, you have a lower cost basis, which can potentially make more money in the long run.

* Dollar cost averaging involves continuous investment in securities regardless of fluctuation in price levels of such securities. An investor should consider their ability to continue purchasing through fluctuating price levels. Such a plan does not assure a profit and does not protect against loss in declining markets.

Should You Work with an Advisor?

I hope you become empowered by the education you've learned in this book. I think understanding and knowing just the basics are essential to getting your financial life in shape. I do encourage people to work with advisors, as I think it really gives you the extra edge and incentive. Just like I needed a coach to be successful in bodybuilding, I think we all need coaches to be better at what we want to get better at. It just makes sense to have someone help you along your path. They can provide experienced advice, accountability, coaching and guidance. I know with my clients, I talk to them about how to save money on their taxes and what type of accounts they should be opening. Oftentimes, it goes way beyond just looking at your financial picture. It's what do you want your financial freedom picture to be? How can we strive to make that happen?

A good financial advisor will help you in all these different areas. You want someone who is going to walk alongside you during your financial journey, not just sell a product. I would raise caution and have you be aware of who you're working with. You want to work with someone who wants to empower you, who wants you to understand your investments. You should be able to explain what you're investing in. If you can't or if it's too complicated, I would say that's

a red flag. When you're investing on your own and don't have professional guidance it's easy to let your emotions of greed and fear take over your decisions. The doubt and negative self-talk start ruining your decisions about money and investments. When the market goes down, I've seen people panic and start selling their investments to avoid the losses. Then when the market recovers, which historically it has, they miss out on making that money back. A financial advisor can help you avoid those knee-jerk reactions, or from making silly mistakes with your money.

The three primary ways financial advisors get paid are from hourly consulting, earning a commission based on investments purchased, or an advisory fee for managing your portfolio and acting as your fiduciary.

With the first approach, the advisor provides comprehensive financial coaching to help you pursue your financial goals. They can help you with planning for wealth accumulation, retirement, tax reduction, legacy transfer, as well as give comprehensive advice on many other life events. Hourly consulting is designed to give you customized solutions designed to empower you and help you have financial readiness in life. These coaching sessions are paid through an hourly consulting fee.

Another way advisors get paid is through offering investments that pay a commission. This

can be a one-time cost or an ongoing cost, based on the investment you choose. This is a structure used when less complex and personalized financial solutions are needed for your situation.

The third service financial advisors offer is developing a personalized portfolio and continually monitoring your investments. This service creates a fiduciary relationship which means we have a "duty to care" and must continually monitor your investment portfolio and your changing financial situation. For fiduciaries, the first meeting only begins the journey of a relationship with the advisor. You will hold on-going meetings with your advisor and they will be there to walk with you through all of life's changes. You pay for this service with an annual advisory/management fee. I wholeheartedly support this way of doing business because I want to have a vested interest in the success of my clients.

Here's How to Get Your Financial Life in Shape

Don't procrastinate! Make your financial future your priority and start today so you can reap the benefits of all your hard work and planning.

I or one of my team of professional financial advisors would be happy to help you get your financial life in shape. There are three ways I can help you moving forward.

> **Option #1**: Please visit my website at **FitMoneyBook.com** and download the free tools I have discussed in this book.
>
> **Option #2**: Use the site to take your learning further with additional tools, educational resources and learning opportunities where you can dive deeper into each step. Here you will find videos and how-to tutorials giving you extra help and support.
>
> **Option #3**: Hire us to walk beside you in your financial journey and pursue Financial Freedom. You will get the personal assistance and support from a professional financial advisor while going through the seven steps. If you're ready to start investing for your future, I would be honored if you visited my website at: **Financialfreedomwmg.com/fitmoney**

Take charge of your finances and get your financial life in shape. It's easier than you think!

"The past does not equal the future!"
-Anthony Robbins

About the Author

Julia is the Founder of Financial Freedom Wealth Management Group, LLC. She has been practicing financial planning for more than 18 years and specializes in helping people who are either retired or close to retirement.

Julia is recognized as being especially knowledgeable on topics relating to tax strategies for retirement and distribution planning. She is also Certified Exit planner (CExP) through the Business Enterprise Institute (BEI). This certification recognizes her qualifications to provide comprehensive exit planning services to business owners.

Julia is an Investment Advisor Representative and Registered Principal with LPL Financial, and has her Series 24, 7, 63, 66 Securities registrations held with LPL Financial, as well as her Life and Health Insurance license.

In 2008, Julia became a SmartVestor Pro (formerly Endorsed Local Provider) for nationally syndicated radio talk show host Dave Ramsey. She leads our SmartVestor Pro team for southwest Washington and most of Oregon.

In addition to being a Woman's Choice Award Financial Advisor*, in 2014–2017, Julia became an InvestmentNews 40 Under 40† honoree in 2014. Her company has been named "Best Financial Advisors" in Lincoln County by Newport News-Times readers based on popular vote in 2015 and 2016. Furthermore, Julia provides her knowledge in a financial column in the Newport News-Times and actively participates in her community as a Rotary and Chamber member. Julia works from our office in the beautiful coastal community of Newport

* The recipients The Women's Choice Award Financial Advisor Program is based on 17 objective criteria associated with providing quality service to women clients such as credentials, experience, and a favorable regulatory history, among other factors. Financial advisors do not pay a fee to be considered or placed on the final list of Women's Choice Award® Financial Advisors, though they may have paid a basic program fee to cover the cost of comprehensive review and client survey.

2014 - 2017
WOMEN'S CHOICE AWARD®
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† The recipients of the 40 under 40 award are chosen by the editors of Investment News from a pool of nominees based on the criteria of accomplishment, contribution, leadership, and promise.

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40 UNDER 40

where she resides with her husband and their three children.

Securities and Advisory Services offered through LPL Financial, a Registered Investment Advisor. Member FINRA/SIPC.

Dave Ramsey's SmartVestor Pro is a directory of investment professionals. Neither Dave Ramsey nor SmartVestor are affiliates of Financial Freedom Wealth Management Group or LPL.

Here's How to Get Your Financial Life In Shape…

You know you want a secure financial future. The challenging part is knowing where to begin. You're busy and overwhelmed with activities for today. How can you think about the future, let alone create a plan for it?

Are you ready to get your Financial Life In Shape? The 7 steps discussed in this book will take the fear out of your finances and empower you to act and pursue Financial Freedom.

I can help you get your financial life in shape.

Option #1: Please visit my website at **FitMoneyBook.com** and download the free tools I have discussed in this book.

Option #2: Use the site to take your learning further with additional tools, educational resources and learning opportunities where you can dive deeper into each step. Here you will find videos and how-to tutorials giving you extra help and support.

Option #3: Hire us to walk beside you in your financial journey and pursue Financial Freedom. You will get the personal assistance and support from a professional financial advisor while going through the seven steps. If you're ready to start investing for your future, I would be honored if you visited my website at: **Financialfreedomwmg.com/fitmoney**

Take charge of your finances and get your financial life in shape. It's easier than you think!

About Author
Julia M. Carlson
www.juliamcarlson.com

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