

Managing Your™ Money

By

Andrew Crawford ACMA

Do you have too much month at the end of your money?

The Natural Laws of Success

The Law of Belief

This is the most powerful of all laws and is present in all aspects of your life. It happens whether or not you are ignorant of its existence.

This law states that whatever you truly believe, with feeling, from your heart will become your reality. It is the essence of all success and all failure.

Stop thinking negative thoughts and replace them with positive thoughts. Stop thinking “I can’t” and think “I can”.

The Law of Giving

Along with the law of Belief, this is perhaps, the most powerful of all natural laws. It states that in order to receive you must **give** first.

Examples to demonstrate this.

- It is impossible to start a business unless you invest some time, effort and money in it to get it started.
- It is impossible to receive interest on your money unless you first invest it.
- It is impossible to reap unless you first sow.

Where to put your money

- Put your money in a high interest deposit account

What is happening to your money?

- Check bank statements on a monthly basis
- Check your credit card statements on a monthly basis
- If possible, pay off your credit card bill each month
- Review your direct debits and standing orders each year, cancel those you don't use
- Do not spend more than you earn

What can I do with my money?

- Live within your means
- Do not spend what you can't afford
- Save 10% of your income
- Give 10% to charities
- Get your assets insured
- If possible, save 6 months living expenses

How much do I need to earn?

- Know how much you earn and where you spend your money
- Know how much you are worth

Know what you want.

As simple as this may seem, far too many people enter into business with a very poor idea of what they want to get! Extensive research has shown that people with a very clear and specific objective typically end up with a superior result to people who start a poorly considered objective.

How can you hit a target if you can't see it?

You've got to Give to Get

Business is about trading. It is about you giving me some of what I want in return for you getting some of what you want. People often make the mistake of thinking that making concessions is a sign of weakness. The wise business person knows that you have to give to get.

The secret is to only give when you are getting something in return. Always make sure you get something of equal or greater value for every concession you make. This is good business practice and leads to incredibly profitable outcomes for everyone involved.

Trade low cost for high value

When you are trading it is good practice to identify goods/services that cost you little to give, but are valued highly by your client/customer. In the same way look for concessions that you will return great value to you but that cost the other person little.

For example, it costs someone next to nothing to email details of valuable books to their customer database. This is low cost to them, but the returns in terms of additional book sales can be tremendous.

There are many opportunities to trade low cost concessions for high value returns if you keep your eyes and ears open.

Credit

- Interest FREE credit
- Don't pay now pay later

Budgets

Use a budget planner wherever you can as this helps to plan future costs.

Assets/Liabilities

Assets put money **IN** your pocket, Liabilities take money **OUT** of your pocket

Investing Your Money

- ISA
- Car
- Property
- Shares
- Land

The Power of Compound Interest

One of the most powerful forces on this earth is known as 'Compound Interest'

This is when your interest earns interest so your money is working for you!

Making The Most of Your Money

Albert Einstein recognised this principle to be the greatest inventions of man. This principle was based on the power of **Compound Interest**.

Compound Interest works while you sleep. It enables you to allow money to make money for you instead of you working to make money.

Example: The Power of Compound Interest on Your Savings

If you put away £6 a day every day, the power of compound interest would multiply this sum over the period of investment.

Illustration: Saving £6 a day every day for 25 years

Year	A	B	C Compound Capital	D Interest 20%	E Compound Capital (B+C+D)
1	180	2160	0	432	2592
2	180	2160	2592	950	5,702
3	180	2160	5,702	1,572	9,435
4	180	2160	9,435	2,319	13,914
5	180	2160	13,914	3,215	19,289
6	180	2160	19,289	4,290	25,738
7	180	2160	25,738	5,580	33,478
8	180	2160	33,478	7,128	42,766
9	180	2160	42,766	8,985	53,911
10	180	2160	53,911	11,214	67,285
11	180	2160	67,285	13,889	83,334
12	180	2160	83,334	17,099	102,593
13	180	2160	102,593	20,951	125,703
14	180	2160	125,703	25,573	153,436
15	180	2160	153,436	31,119	186,715
16	180	2160	186,715	37,775	226,650
17	180	2160	226,650	45,762	274,572
18	180	2160	274,572	55,346	332,078
19	180	2160	332,078	66,848	401,086
20	180	2160	401,086	80,649	483,895
21	180	2160	483,895	97,211	583,266
22	180	2160	583,266	117,085	702,512
23	180	2160	702,512	140,934	845,606
24	180	2160	845,606	169,553	1,017,319
25	180	2160	1,017,319	203,896	1,223,375

The cost of delaying for one year could cost you £206,056

e.g. 25 years savings £1,223,375
24 years savings £1,017,319

Cost of 1 year delay £206,056

I have used 20% interest for illustrative purposes only, however it is the principal that I wanted to get across to you.

Beat the Credit Companies by changing the Rules

Credit cards are one of the best inventions to man and the credit companies do all they can to hide this simple fact from you.

Have you heard of 'Payment Holidays'? ... Exactly, it is one of the **cons** from credit companies.

As long as you pay back what you owe each month, credit cards become profit builders as the cash in your account stays there for 30 days more, earning you account interest ENTIRELY at the expense of your credit company.

To play this game properly, select credit cards that have no annual fee and give you at least 21 days interest free credit.

The credit card companies will hate you, it is time to change the rules.

Best Use of credit cards

If you have to use a credit card, when you use it write out a cheque to the credit card company at the same time.

Using debt to clear debt

The key is to manage debt so that the overall burden is not increased. By borrowing more money that equals the sum of the existing debt but at a lower interest rate, means that both issues are tackled – the debt is reduced by paying a lower rate of interest, as well as paying less money per month.

Debt and the cause of debt

Impulse buying fed by peer pressure and easy credit facilities
Not tracking your expenditure
Paying more than you need to
Not accounting for the money you spend

Tip: From today, if you can't pay cash don't buy it

Creating your own additional product/service

You must be able to create new and innovative products and services in order to progress. You can either create one yourself or get others to create one for you.

- E-books
- Software
- Letting out a room in your house
- Reduce your spending on going out

We have a 7 day FREE ecourse that will help you with this.

“Imagination is more important than facts” **Albert Einstein**

“Imagination rules the world” **Napoleon Bonaparte**

“Whatever the mind can conceive and believe, it can achieve”.... **Napoleon Hill**

Recommended Reading

Rich Dad Poor Dad – Robert Kiyosaki
The Richest Man in Babylon – George S Clason
Think and Grow Rich – Napoleon Hill
The Midas Method – Stuart Goldsmith

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