

HOW TO SIMPLIFY YOUR FINANCIAL LIFE

BY JON G. SANCHEZ



“If you cannot work together, then you cannot succeed together!”

- Jon Sanchez



COMING TOGETHER. SHARING TOGETHER. WORKING TOGETHER. SUCCEEDING TOGETHER.

When you discuss your financial life with someone, how do you feel? Do you feel overwhelmed by all the investment options available? Has the condition of the economy discouraged you from opening your bank statements? Are you avoiding the stack of bills that are sitting on the corner of your desk? Your answers to these questions will help determine if your financial life is preventing you from living a stress-free one.

Money has long been a source of stress and anxiety for many people. But, there is a starting point to get your financial life organized. With a disciplined and focused approach to simplifying your financial life, you will stay motivated when markets swing. You will see a significant change in your attitude, while keeping your eye on long-term destinations and relieving a tremendous amount of stress for a more enjoyable lifestyle.

If your goal is to retire on time, you will need to continuously keep track of your finances and take control of your financial life. Your finances can wear on you mentally and physically, but that stress will melt away if you apply the following 12-step program on a regular basis. Start taking the time today to organize your finances, and you'll be pleasantly surprised!

Let's start simplifying your financial life!

Sanchez Wealth Management, LLC

730 Sandhill Road, Suite 110

Reno, NV 89521

775.800.1801

www.sanchezwealthmanagement.com

Jon Sanchez is a registered representative offering securities and advisory services through Independent Financial Group, LLC (IFG), a registered broker-dealer and investment advisor. Member FINRA/SIPC. OSJ Branch: 12671 High Bluff Drive, Suite 200, San Diego, CA 92130. Sanchez Wealth Management, LLC and IFG are not affiliated entities. CA Insurance Lic. #0772626.



1. CREATE A PLAN

Success in life requires that we make a plan and set goals in order to achieve this success. Otherwise, how can you reach a destination without a roadmap? Spend a little time on your own, in a quiet place, and think about the direction you would like to go. Picture your life, and ultimately, how you would like to retire. Then, take the time to write out your entire vision.

Once you finish your vision, you will need to create a roadmap to get to your vision. Here is where goal setting takes place! It is important to set both short-term and long-term goals throughout various points in your life. Long-Term goals establish your destination, while short-term goals act as checkpoints along the way.

2. ASSETS

Using a strategy to organize your assets helps diversify your portfolio and enhance the overall performance of your assets. For example, develop separate areas, or buckets, in which to allocate your assets accordingly. Some of these buckets include:

- 1) Emergency Cash Bucket
- 2) Conservative Risk Bucket
- 3) Moderate Risk Bucket
- 4) Aggressive Risk Bucket

In my opinion, one of the most important buckets is the Emergency Cash Bucket. You should maintain a liquid account that contains between 3 to 6 months of living expenses. I have used this strategy for the past eighteen years and it has always served me well. In an economy where people are losing their jobs, or taking pay cuts to keep their job, an emergency cash bucket is a crucial thing to have.

In order to decide the amount of holdings to place into your conservative, moderate and aggressive risk buckets, you will need to evaluate your comfort level and the amount of time you have until retirement. Be sure to weigh these two factors as you set aside assets in each bucket. Your Financial Advisor can help you to determine how much of your assets should be placed into each of these areas.

3. LIABILITIES

When looking at your liabilities, you will need to separate your short-term liabilities from your long-term liabilities. Open separate checking accounts for each type of liability, using one for your monthly bills and one for your larger expenses. By organizing each type of expense, you can easily keep track of your existing payments.

EACH OF US HAS DIFFERENT AREAS OF OUR FINANCIAL LIVES WE WISH TO GAIN BETTER CONTROL OVER. TAKE THIS LIST, CUSTOMIZE IT, AND MAKE IT YOURS TO TAKE CONTROL.



Teamwork divides the task and doubles the success.

4. RESPONSIBILITIES

If you are married, or have a significant other, split the responsibilities of your financial life between the two of you. One should pay the bills, and the other should monitor the family investments. Assigning responsibilities to each person will not only cut down the workload, but it will also bring each of you into the financial picture. Both of you are responsible for your financial future.

How many times have you heard the stereotypical story about the wife who runs off and spends all the money before her husband's paycheck is deposited into the bank? Or the story about the husband who can't leave the electronics store without a new toy? When you share the responsibility of your finances, each person is aware of what the budget consists of and whether or not you are reaching your retirement goals.

It is also helpful to set up basic spending rules for the shopaholic wife or electronic savvy husband. Some examples of spending rules include: any purchase over \$500 has to be jointly discussed prior to purchase, part of the budget will be strictly devoted to shopping, all major purchases for the home or with automobiles must be discussed prior to purchase, etc. Whatever the rules may be, both parties must agree with them in order to share the responsibility of following them.

5. DEVELOP A RECORDKEEPING SYSTEM

Nobody likes paying bills, but if you have a solid payment system, the process can be quick and painless. I prefer to use the "Touch It Once" system. The system is simple and consists of setting up three billing trays. The first is for incoming mail, the second is for reading material, and the third is for bills that need to be paid. When you can easily locate your bills, you are able to keep track of what payments are outstanding and when they are due.

"Don't simply retire from something, have something to retire to."

- Harry Emerson Fosdick

Why Do I Need a Financial Advisor?

- ✓ Helps your family preserve and protect the wealth you have created
- ✓ Prepared to answer any questions you have
- ✓ Communicates your retirement goals through a proactive portfolio
- ✓ Educated and studies the market factors that can affect your portfolio
- ✓ Invests based on facts, not emotion
- ✓ Licensed Professionals

In order to effectively balance your checkbook, you need to access all of your receipts from a known location before you sit down to take on the task.

However, some find this very challenging because they are a part of a family household. I find that designating an envelope to hold my receipts, and an envelope to hold my wife's receipts, is a trouble-free way to collect incoming receipts. I put my wife's envelope in the kitchen near her purse to store her receipts. Then, I keep an envelope on my desk to store my receipts. Until it is time to balance the checkbook, the receipts are collected and kept in an organized way, making them easier to locate when needed.

6. CREATE A FINANCIAL NOTEBOOK

The Financial Notebook is a great organizational tool that will help your household keep track of the family investments and important documents. Place your will, life insurance and estate planning documents in the notebook. Then, make additional tabs for each one of your investment accounts. Organization is the key to making your finances simple.

A copy of this notebook should be given to the executor of your will. Don't forget, your will needs to be reviewed and updated once per year.

7. CREATE AN ORGANIZED OFFICE

This step tends to be difficult for many people to follow because their lives are too busy. In this day and age, we are all running short on time and wishing we had more time to spend with our family or do the things we find most relaxing. Therefore, one of the best reasons to have an organized home office is to save time. Having an organized home office allows us to locate things quickly, while working efficiently on various office tasks.

According to a recent Federal Reserve Survey of Consumer Finances, ***less than 4% of 50-something households reported a negative net worth.*** While trying to pay down debt, continue to build wealth and cut financial ties with your adult children, making crucial retirement planning decisions during this decade of your life will help you better map out your options.

8. CREATE A SCHEDULE TO MONITOR YOUR PAYMENTS

People who fail to plan, plan to fail. This old adage rings true when you fail to monitor your investments and your budget. By setting a schedule to look at your money each week, for example, each Tuesday, you will know exactly where your budget stands. After creating a financial plan for you to follow, as I instructed in Step 1 of my program, you will know where you need to go. Having a map toward your destination, and monitoring it on a regular basis, should reduce the stress and anxiety that monetary situations can bring.



9. CREATE YOUR OWN FINANCIAL STATEMENTS

Bills and investment statements share one thing in common. They are monetary reports that illustrate your past and present financial standings.

You will need to create your own financial statements that will show you all the necessary information in one place. Your financial statement should include a profit and loss statement, as well as a balance sheet that displays your net worth. Remember to update your numbers monthly in order to stay updated on your financial progress. Then, you can make changes as needed so your budget continues to match up with your financial goals.

10. SCHEDULE REGULAR MEETINGS WITH YOUR SPOUSE

As essential part to this overall plan to simplify your financial life is to have a regularly scheduled meeting with your spouse to review your financial life, goals and progress. It is as important as regular date nights and working on your relationship. These discussions are not the most fun and exciting things in the world, and are why couples avoid them.

**Let's Connect! Follow us @jonsanchezshow, "Like us,"
Connect with us - for even more
Financial Planning Tips and Strategies.**



*Continue Your
Financial Education*

Tune in every weeknight to **The Jon Sanchez Show**, 5pm-6pm on NewsTalk 780 KOH.



Did you miss the morning market activity report?
Download the app for your smart phone or get it on demand



SANCHEZ
WEALTH MANAGEMENT, LLC

730 Sandhill Road, Suite 110
Reno, NV 89521
775.800.1801
www.sanchezwealthmanagement.com

Jon Sanchez is a registered representative offering securities and advisory services through Independent Financial Group, LLC (IFG), a registered broker-dealer and investment advisor. Member FINRA/SIPC. OSJ Branch: 12671 High Bluff Drive, Suite 200, San Diego, CA 92130. Sanchez Wealth Management, LLC and IFG are not affiliated entities. CA Insurance Lic. #0772626.

Having regular discussions allows both of you to share the responsibility of financial duties. Your overall plan will be regularly monitored, while making these meetings less painless and much more productive. You will be able to stay on the same page with one another and work together to reach your financial goals!

11. SCHEDULE QUARTERLY MEETINGS WITH YOUR FINANCIAL PROFESSIONALS

Two very important people to keep on your financial team are your accountant and your financial advisor. Similar to the regular meetings you hold with your significant other, you also need to hold meetings with these two professionals. In order to stay on the same page, while aiming to meet your financial goals, you need to continuously discuss your current and future financial situations.

12. CREATE A DEADLINE TO HAVE TAX INFO READY

Nothing can be more stressful than tax time. Usually, you are running around and frantically searching for all the necessary documents. In the midst of your chaos, hopes rise to be able to file your taxes with your accountant on time. Accountants have one of the most recognized deadlines in the U.S., and April 15 never fails to trigger an alarm in everyone's mind. Therefore, this well-known fact is a constant reminder to have all your essential tax information in your accountant's hands well in advance. Your scheduled deadline helps keep you and your accountant sane during tax season, in addition to receiving tax benefits such as filing jointly, children, education, etc. Being fully prepared to file your taxes will assure all your information is present and correct, then, you will feel ready to pay the amount of taxes owed when you file. This amount may be much less than you expected to be available to you.

“Certainty? In this world nothing is certain, but death and taxes.”
- Benjamin Franklin