THE JOURNEY

The Journey

An African American Woman's Road Map to Independence

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FOREWORD

According to the Center for American Progress, over 84% of African American women are primary, sole, or co-breadwinners. Unfortunately, many of these African American women—through no fault of their own—lack the financial literacy and information needed to lead abundant and joyful lives. I used to be one of these women.

My journey begins in 1933, thirty years prior to my birth. That was the year that my father, Albert Johnson, immigrated to the United States from the Bahamas in search of the elusive American dream. He arrived with nothing more than a six-grade education and a machine-like work ethic. Despite working four jobs for forty years and producing two Ivy League educated attorneys and one Hall of Fame Wrestling Coach, my father died without any insurance and penniless. A saga heard far too often in the Black community.

I first learned how money worked about 20 years ago, and quite by accident. I say "by accident" because I was never formally taught how to build and protect wealth at any school

I attended. I was angry at first. I kept asking myself, "how could it be that despite having three degrees, I have no idea how to manage my money or credit?" I would get even angrier when I would think about how hard my father worked only to leave his children without an inheritance. As a man truly committed to his family and to God, I believe my father would have done better if he had only known better. My anger eventually transformed into a commitment to learning how to grow and protect generational wealth and to sharing that knowledge with people who looked like me. It's in this spirit that I share this book with you.

Success is not a straight line and neither is your journey to financial independence. This book guides African American women through the complexities of creating financial independence with easy, expertise, and above all else, with love for who we uniquely are. It is a must-read book for all African American women, who aspire to obtain the wisdom and roadmap necessary to transform their and their family's financial destiny. I didn't have this book decades ago when my journey began—but now, you do. So read on and let your journey to financial independence begin.

Gloria Johnson Goins

ACKNOWLEDGMENTS

I am excited to recognize and acknowledge the most important person in my life, Wanda Jackson Young. There is neither doubt nor hesitancy in stating that this book would not be possible without you. Your encouragement, your modeling of many of the principles, and your unconditional love for me in spite of me, has allowed this as well as many of my other dreams to come true. You have weathered starts and stops, fumbles, trips, and falls and even stolen notes and various other storms; and here 28 going on 29 years and counting, you are still by my side. It is your love and my desire to give it back to you that gets me up every morning.

I want to acknowledge my children, Troi and Tyson. I am so proud and blessed to be your dad. The way you both are stewarding your gifts, talents, and treasure keeps me on my toes and accountable and continuously looking to improve. And to my parents, thank you for modeling Christlikeness in your marriage and parenting. Dad for your quiet strength, integrity, and work ethic. Ma, for always being there and speaking up and out for me when I was too innocent to know any better.

Case in point, when you stopped every parent from leaving the auditorium after the 4th grade play to voice your keen observation that four black boys in the class were cast as the four horses in the Cinderella play (one of many instances)… maybe not a coincidence.

I also want to thank my six siblings for your steadfast love and support.

Doug, Jen, Rica…Words cannot express my gratitude for your patience, professionalism, and persistence in getting and keeping me on task to bring this project to conclusion. Thank You, Thank You, Thank You!!!

I must also acknowledge Tyesha Nelson, my administrative assistant for her dedication and loyalty to me and our firm, *Destiny Financial Group*.

In conclusion, I want to thank all of my clients, past and present, for the opportunity to partner with you in your financial journey. Without you, I would not be looking back on over 30 years as a financial services professional and over 20 years as wealth advisor and financial planner. I will continue to do my best in guiding you on this journey.

BONUS

Wow, I'm really glad you've gotten my book. I'm so pleased to hear that it reached your hands.

Thank you for spending time looking over the information and thoroughly reviewing its contents with an open mind.

As a gift, I would like to offer you something special. Download it now: *https://troyayoung.com/resource*

INTRODUCTION

“What happened with me would not have happened ***without her.”***

These are the words of the self-made billionaire, Warren Buffet. With all the successes he’s earned over the years, he’s giving another person, ***a woman,*** all the credit. Who do you think it is?

According to him, the most important decision he has ever made had nothing to do with investments. He said, “There have been two turning points in my life: One when I came out of the womb and one when I met Susie.” Susie was his first wife who passed in 2004.

The 87-year-old billionaire has emphasized this in a 2017 conversation with Bill Gates at Columbia University. “You want to associate with people who are the kind of person you’d like to be. You’ll move in that direction,” he said. “And the most important person by far in that respect is *your spouse*. I can’t overemphasize how important that is.”

I can attest to this.

"Go take that risk," Wanda said without a trace of hesitation. I was on the fence about starting my own business and she encouraged me to take the leap despite my apprehensions and fears.

"But I need to get everything in line — investments, portfolio, an office, our safety net in case it didn't work..." I said, believing that I cannot get started without sorting all of these and more.

Wanda ... my beautiful wife. She has excelled in her career while supporting mine. I met her at a party. Two years later, we were married. In some ways, we are total opposites. I'm the guy writing lists, but she would say, "Why do we need lists?"

With her belief and support, I started my business. When I only made $21,000 in the first year coming off a salary, she paid our bills, gave birth to our second child, and bought us a house.

Without a doubt, I chose the right spouse. And I am blessed that she chose me. It's thanks to her that I am here today backed by twenty-one years in the investment advisory business and 15 of those being off the "plantation."

I realized I had a great deal of advice to share and what better way to communicate than to write it all down? This book is for Black women who, like my wife, are working extraordinarily hard. But it is also for everyone else. The best way to repair a society is to empower women. Women carry the world on their shoulders and share their success with the entire family. By helping Black women with their finances, I'm aiming to hit a wider target and lift up all of us.

This book is organized into three sections: planning, building, and legacy. I walk each of my clients through their financial plan individually. We explore career, family, volunteerism, religion, whatever is important to that person. That's how we create a plan. Once the plan is in place, building wealth can take many different forms from budgeting to investments to entrepreneurialism. When you have earned retirement, it's time to start thinking about longevity and estate planning. Each stage has its joys and setbacks, and there are a hundred different ways to achieve what is most meaningful to you.

I would like to introduce the five L's of living well: lifestyle, liquidity, longevity, legacy, and love. Your lifestyle is the foundation for your future; everything rests on your work and spending habits. Liquidity determines which types of assets you are comfortable holding in what amounts you would need to easily convert to cash. Longevity is the goal — being able to make sure your money supports you for a lifetime, and legacy is your ultimate gift to loved ones and/or your favorite charities. Love is the thread that weaves them all together and connects you to other people and your Creator.

Your financial development is like a journey. As you go through life celebrating jobs and children, caring for or mourning parents and building and establishing marriages, you are continually faced with financial decisions. Do you open a savings account? Do you make contributions to your employer's sponsored 401k or pay off the car loan?

With each decision you are taking a step down a road that will eventually lead you far into the distance. But where does that road go? You have the ability to take control of your own journey, to choose your destination, and work towards it. This book is a road map spread out on a coffee table between you and a friend who has been there before. Not only will it show you all the twists and turns, but it can explain where you are likely to encounter traffic and which restaurants to hit up along the way. I have helped hundreds of clients navigate the sometimes rocky roads of their own personal financial journeys, and I'm willing to help you, too.

So many of my clients are highly educated Black women who have achieved success in life but became their own worst enemies when dealing with personal finance. I would like to share some common strategies that could help you avoid those mistakes. There is no substitute for individualized planning, but this book should give you a place to start, some questions to ask, and hopefully some answers as well.

HOW MY JOURNEY STARTED

My grandmother on my mom's side did hair and raised two girls as a single mother. My grandfather on my dad's side did landscaping in Palm Beach, pulled limbs, and cut trees. So, I inherited a bit of the entrepreneurial spirit on both sides.

I grew up in a predominately Black community. My parents are still married. My father is not college educated; however, he has a work ethic like no other. He retired from Pratt & Whitney where he worked as a technician and never called in sick or was late for work. My mom graduated from Howard University and also has a master's degree from Florida Atlantic University. She became a high school/technical school guidance counselor and was instrumental in my choice of finance as a career.

My first part-time job was at Sears. I remember walking through the mall and seeing older employees, people who should have been able to retire. I wondered why they did that, why they had to continue working at their age.

I followed my mom to Howard University, majored in accounting, and went to work in retail banking right out of school. Seven years after marrying Wanda, we were living in Tampa. I was introduced to a guy who was working at Smith Barney. You know the commercials, their tagline is: "We make money the old-fashioned way…we earn it." He and I became friends and he got me an interview and a new job as an investment advisor.

I got licensed. I took all my tests in 1998 and went into production in February of 1999. That same month, our daughter was born. When the dotcom bubble burst, people who had been in the investment business for thirty or forty years told me that was the worst they had ever seen. But we survived.

I left Smith Barney because I wasn't afforded the opportunity to move up. I had a friend, who is now my pastor, who encouraged me to go into business for myself (get off the plantation). He had done it, left the corporate world.

"Troy," my friend said over coffee, "you sell the same annuity, and you may get 4% of the commission on your quote. But Smith Barney will only give you 35–40% of that 4%. As an independent financial advisor, I can get 7% commission and keep up to 80 or 90% of that."

I started doing the math. Some of my clients were business owners and I saw how well they were doing. They just had the guts to do it. So, I decided to go out on a limb. And I prayed. I thought about my grandmother and grandfather who were entrepreneurs. Of course, Wanda had my back, and with her salary as a safety net, I was able to take that risk. I had built my book of business and took my client list with me.

Twenty years later, I have helped hundreds of people achieve their own goals. It's time to put all that experience to use, helping *you* begin your own journey. Some things you will need to consider are your intended destination, essential tools, the uniqueness of your journey, commitment, taking time to enjoy yourself, detours, roadblocks and delays, souvenirs, lessons learned, and how to help others. I have stories to share about each topic, stories of other women who have been there. Finally, I have tips from successful investors and financial advisors that will give you an advantage no matter your personal goal. Your first tip, from my own personal experience: if you don't get the financial reward you are looking for, try something different.

SECTION 1

PLANNING YOUR FINANCIAL JOURNEY

CHAPTER 1

DESTINATION INTENTION

Planning your financial journey is no simple thing. If you think about going on vacation, even for a week, you have to pack clothes, shoes, and toiletries, you have to buy tickets and make reservations, you have to request time off, notify friends and family, gas up the car… you get the idea. Preparing for a journey that you will be on for the rest of your life is even more extensive.

That's where I come in. I have created an 11-step plan that will help guide you from start to finish. And the very first step is to get organized.

Troy A. Young's 11-Step Plan
https://troyayoung.com/resources

IT STARTS WITH ORGANIZATION

Being organized is so often the difference between the best and worst financial decisions you will ever make. It means much more than remembering where you put your keys, it is a lifestyle that takes care to grow. I start my days by reading emails, then making phone calls, then diving into the weeds of whichever financial plan is on my desk. Some people write lists, others keep calendars. However you do it, organization is key to arriving at your financial destination on time and ready to relax. And it starts with the right money habits.

Many of our habits come from our parents. My parents worked very hard and modeled a lifestyle that was very responsible. Wanda's mom, my mother-in-law, was a single parent. She was educated and strong but struggled. She didn't believe in debt.

"She was one of those people who said, if you can't pay cash, you don't need it." Wanda told me, "I grew up in one of those environments where there were a lot of strong African American women around me. My mom and my aunts, they were very successful women. So, when I got married, I had a nice little nest egg saved up."

Wanda learned saving habits from her mother and started young. That alone has opened doors for her and for us that might not have been possible otherwise. As a financial advisor, I've seen in my clients the exact opposite of how we handle money in our household. Many of my clients had money flowing well in the beginning but one or two bad financial decisions sabotaged their chance for a stress-free future.

In the next story, you'll see what happens when a person has no defined destination, lacks planning, and relies heavily on her single source of income believing she can work forever. It's one of the worst financial decisions I have ever seen, and it illustrates how lack of organization can jeopardize one's financial future.

Debra was VP of Operations for a Fortune 500 company. At fifty years old, she had managed to put aside $300,000 in savings in a 401k. It was hard for her because she liked to spend. As her salary increased, so did her lifestyle. The $300,000 was entirely through payroll deductions and an employer match. She was basically living paycheck to paycheck, even though she had climbed the corporate ladder.

One morning she grabbed coffee at the gourmet shop on the first floor and caught the elevator to the tenth floor where her office overlooked the city. The sky was blue that day, and she could see all the way to the river. She took a moment to appreciate the city through the floor to ceiling glass wall, then opened her laptop to begin her work.

The first email was from HR. "Please meet us in the boardroom at 9:30 am."

Debra's heart sank. Her company had recently undergone a merger, and the new owners were shaking things up. This couldn't be good.

She called Kevin, the General Manager of Sales. "Kevin."

"Hey Debra."

"Did you get an email from HR this morning?"

"Nope." It took him a minute to understand, and then he said softly, "What do you think it's about?"

"I don't know," she said. "I have to go."

She hung up the phone and with numb fingers began cleaning out her desk drawer. When 9:30 came, she left her $6 coffee on the desk, took her purse, and rode the elevator to the twelfth floor.

HR was friendly. She welcomed Debra into the boardroom with a smile, waving her arm toward a seat at the head of the table. Debra's boss, the COO, sat waiting for her. They shook hands, and the man smiled though she could see hints of anxiety in his face. He wanted to get this over with.

Debra listened as they explained that she was being laid off. They offered her a severance package, which she took. They were kind enough to let her back into her office, with an escort of course, to pick up the box she had packed. She tried not to make eye contact with any of her co-workers as she was marched through the building, cardboard box in her arms.

At ten o'clock in the morning, with nothing to do, Debra bought her favorite bottle of wine, and spent the next five hours shopping online. After a week of sleeping in, of calling her girlfriends and her family to tell them the news, she began to look for another job. She went through her contacts, sent emails, made phone calls, and updated her resume. When she landed that next job, she decided to celebrate by buying her dream car. It was a white Porsche Panamera Hybrid with all leather seats, Apple CarPlay, built in navigation, and voice control. She took the down payment directly from her 401k and added a monthly car payment of $1,000 to her expenses. But the new job didn't last.

Debra was in her office one day, a more historical building downtown without the sweeping view, and she began to feel dizzy. All of a sudden she was nauseous and sweating and having trouble processing the world around her.

"I think maybe I've got the flu," she told her assistant. "I'm going to go home and lie down."

Without wanting to overreact or ask for help, she drove herself home in her brand-new car. Taking over-the-counter flu medication, she settled into bed and soon fell asleep. She made a doctor's appointment for herself the next day and was shocked to discover she had survived a heart attack.

"Heart attack symptoms are different for women than they are for men," the doctor said. "It was really dangerous driving home."

The doctor put her on blood thinners and scheduled a follow-up appointment. Debra got permission to go on short-term disability, and as her health issues continued, never went back to work. As of the writing of this book, Debra has about $75,000 left in her retirement fund out of the original $300,000. She has spent the rest, is not currently employed, and her monthly expenses are through the roof.

You might wonder, where is Debra now? After making several poor financial decisions, Debra is struggling to make ends meet. She recovered from her illness and was able to make an appointment with her financial advisor. The goal will be to re-establish an income stream that will not affect her retirement fund. After that, we will need to begin the process of saving again. You cannot treat your retirement fund as money you have access to. It is deliberately hard to get to, and with good reason.

One of the best financial stories came from a client's father. In the 1990s, at age 60, this man was able to retire with over a million dollars in his retirement fund. He was not a company leader and throughout his career he only made an average of $55,000 per year. How did he do it? He used one simple technique that anyone can use: organization. I'll tell you exactly how in a minute.

In order to get organized, these **five** financial subjects should serve as your foundation.

1. ***Investing*** – the primary method you will use to accumulate wealth and steer it towards your goal. Most people are intimidated by investing thinking it's only for the wealthy but with the help of a financial advisor, anyone who can set aside a decent amount to start a small investment can do this.
2. ***Budgeting*** – it will give you an overall picture of your financial health, provide a good level of control over your spending, and allow you to allocate your money appropriately to what's truly important.
3. ***Emergency funds*** – these are necessary to preserve your savings. A person or a household should have three to six months of expenses as emergency funds. But the onset of the pandemic showed us that having as much as one year of expenses is ideal because a great portion of the working population instantaneously lost their jobs as lockdowns were imposed across the globe. For those without emergency funds to dip into, it's double jeopardy – riding through the pandemic while unemployed.
4. ***Insurance*** – it will provide assistance with all of life's crises. These days, life insurance comes with an option to invest. Unlike the older forms of insurance, they are

withdrawable during the insured's lifetime. In a way, they serve as emergency funds, savings, and investments all at the same time. For those with very little knowledge in investing, getting life insurance with investment options is something I highly recommend. The sooner you get it, the lower the premium, the greater the returns in the long run.

5. ***Legacy*** —this is what you leave behind after taking care of the four above. It is important to the health and well-being of your children and even your grandchildren. Legacy also teaches the generation after you to wise up in their money matters after seeing and consequently following your example.

To be able to leave a legacy, it's important to understand that the first four should not be taken as mutually exclusive. Budgeting involves allocating your money appropriately where you have enough for your day-to-day expenses while also building or maintaining your savings and emergency funds. Insurance, emergency funds, and investments can overlap because most insurance policies today have investment options which earn money that will serve as your emergency funds and savings. It is for this reason that, in this chapter, we will focus on investing.

Before we delve into the technicalities of investing, there is a more basic question to ask yourself. You can't begin your journey without knowing where you want to go.

One of the first questions I ask a new client is: ***what is your idea of a future?***

Maybe you have this vague idea of what retirement looks like, or a dollar figure you think you need to live on. But what do you *want* to do? Financial planning starts with identifying your destination.

Here are a few questions to help you pinpoint what successful retirement will look like:

- What brings you the greatest joy?
- What does being stress-free mean to you?
- Which family members are you closest to?
- What activities do you enjoy?
- Is there a particular location that calls to you?
- Do you want to travel? If so, where?

If you ever went on vacation and thought, "this is where I would like to retire," where was that place? If you have grandchildren you would like to be closer to, or a wild desire to see all fifty states, that should be a part of your destination. Maybe you just want to stay home and know that you can comfortably afford the mortgage payments.

Being stress-free means different things to different people. For some, it is an amount of money needed to cover necessities and moderate indulgences. For others, it means yoga and brisk walks on autumn mornings.

What does stress-free mean to you?

For me, a primary goal of financial planning is a stress-free retirement. When you plan for your retirement, you would want to think not just of yourself but of the people you would want to take with you. Before we identify who will be joining you, let's look at how crucial family dynamics and sentiments are when making decisions involving money.

SENTIMENTAL VALUE → LOSING VALUE

Unlike Wanda, who learned her money habits from her mother on how to be frugal, Carolyn learned a different lesson from her parents. Carolyn is 40, not married, and has no children. All her life she lived in the same house, a house that her parents bought when they were still alive. Her father had cancer when she was in her teens, and she watched as the family burned through most of their savings. He passed away before Carolyn graduated from high school, and she identifies that house as holding all her childhood memories.

Carolyn went away to college, leaving her mom and her two little sisters alone. Every time Carolyn came home to visit, she would find new shopping bags in corners of the home.

“Mom, what is this?” Carolyn said as she pulled a brand-new dress from a Macy’s bag.

“It’s for church,” her mom said.

“But you haven’t even taken it out of the bag,” Carolyn said.

“I’ll get around to it,” her mom sighed.

“What’s going on with Mom?” Carolyn asked her younger sister when they were alone.

Carolyn’s sister shrugged.

“I’m worried about Mom,” Carolyn said. “When did she start buying all these things? Where does she get the money?”

“Credit cards,” her sister replied. “She said I could get one as soon as I graduate high school.”

Carolyn’s mom was dealing with depression and fatigue. She suffered a stroke five years later, after helping all the girls apply for credit cards. Carolyn was working as a project manager two states away. She became the executor of her mother’s estate and realized just how bad the financial situation had been. There would be no inheritance after the bills were paid, and the house that symbolized Carolyn’s childhood was in danger of being foreclosed.

Against all common sense, Carolyn cashed out her 401k to save the house. But the liens were so great and the repairs so extensive, Carolyn withdrew more and more. In the end, she couldn’t make the payments, and she lost the house anyway. By trying to hang on to her childhood, she ended up losing both her retirement and her childhood home.

Stories like that show how powerful early financial lessons can be. But they also prove that no one is alone on their journey. There are people you would want to take with you. Who are they?

WHO WILL BE JOINING YOU?

Family members are other travelers who may share your journey. Parents, children, and siblings each bring their own rewards and present their own challenges. Parents are a source of inspiration and basic financial knowledge. They may have supported you financially and now require your support in return. As we saw with Carolyn, parents might model poor financial decisions. They may also leave a substantial legacy, opening up possibilities and providing security.

Children require significant financial resources from pregnancy to college and beyond. They can also become business partners, caretakers, and inheritors of your wealth. Your own financial journey is woven tightly together with your family's. Even brothers and sisters, aunts and uncles and cousins can provide support or demand support from you.

You might not have someone to share your journey with, but even the strongest and smartest person will need someone to watch their back occasionally. That's the value of a good financial advisor. While you are busy paying attention to the road ahead, growing your career and helping your family, an advisor can watch the weather and check TrafficWatch, making sure market conditions are favorable and that your investments are truly diversified.

There is another group of people in your life that has the power to build or burn bridges for you: your friends. And the ones you want to take with you are those who can help open doors for you inasmuch as you are willing to do them favors when they need it. It starts with building a sincere foundation of friendship without expecting anything in return. You don't want to appear like you are merely using them for your own benefit. But it has been proven time and again that there is power in numbers so if you are to surround yourself with friends, choose the right ones.

RELATIONSHIP AND NETWORK AS SOCIAL CURRENCIES

I can't count the number of deals that gained traction between me and my friends on the golf course. Social capital is a powerful tool that can catapult you up the ladder of success.

Back when I was in the banking world (and the banking world was a bit smaller), I managed the branch on the first floor of a corporate office. The CFO came down to find me one day, just to talk.

"Troy," he said. "When you get to my level, it's all about relationships."

What he meant was that at the executive level, all the degrees and successful closings cease to differentiate between candidates. Relationships, who you *know*, will separate you from the crowd. Networking is key, and it can be a difficult skill for some people. The trick is to put yourself into situations where networking occurs *organically*. It could be:

- Sporting events
- Fundraising dinners
- Church
- Community organizations
- Women's groups
- Entrepreneur's forums
- Nonprofit boards

This list is not exhaustive and it's not possible to list them all. I'm merely giving suggestions wherein I, myself, have benefited from companionship, continuous learning, and business opportunities as a result of my association with some of these groups.

If a colleague invites you to a sporting event or a nonprofit fundraising dinner, accept. It may be time spent away from your family or your favorite TV show, but it will be worth it. Church is a great place to network. Stay after the service and talk to people. You never know who might be looking for their next VP of sales. Community organizations, women's groups, entrepreneurs' forums, nonprofit boards — all of these provide an opportunity to meet new people. More importantly, you want to meet the *right* people. Include yourself in projects that demand intelligence, education, and ambition.

Today, social media can provide a wider scope to meet new people and you still have the option to meet in person. While connecting in person may be ideal, meeting a person online is a good start. Some business relationships flourish by virtual meetings alone and this is perfectly okay. Many business deals today started with a 15-minute Zoom call.

However, networking might be easier for your white colleagues than it is for you. "Black women aren't on the golf course," Wanda said. "We don't have the same networks." White coworkers often socialize, meeting up with each other after work for dinner, weddings, and holiday parties. It's easy to feel left out, but it's not necessary to force yourself into completely uncomfortable situations.

I hear from single mothers that they have no one else to depend on, that they have to do everything themselves. You may not have the time or energy to devote to learning how to golf, but that doesn't mean that you should let yourself neglect networking. Take your family to church or join a new church. Join the PTA at your child's school or enroll them in a sport like soccer where you can stand on the sidelines and network with other parents.

What if no one depends on you?

These last few pages I've been talking about people who will join you on your journey, but what if you have no one?

Being alone means you don't have to compromise yourself or your free time. Being alone means the only goals you need to strive for are your own. Being alone does *not* mean that you should let yourself off the hook from networking. Nonprofit fundraisers and boards are a great way to meet diverse professionals who may be able to help you grow. You could take up golf and focus on the game until you begin meeting people.

If you are alone, having supports in place like insurance, investments, and mental health counselors become even more important.

It's become clear that in order to get your finances in check, you will need some level of support whether or not you are alone. Let's explore your options.

AN INTRODUCTION TO INVESTING

Investing is more than just saving money. Savings are funds put aside for use in the short term, liquid assets that can be used at a moment's notice. Investing is focused on long-term success; it is putting your money to work buying and holding other assets such as stocks, bonds, or property. Savings can be useful for emergency funds or for putting a down payment on a house. Investments are vehicles that will launch your financial journey and carry you safely to your destination. While most savings accounts are eligible to earn interest, that figure is dismal in comparison to most investments.

Risk is inherent in every investment. Ultimately, every investor would want to manage inflation risk. Through investing, you could manage the risk of losing purchasing power as cost of living goes up (which happens aggressively year after year). The way by which you could strengthen or lose your purchasing power depends on the risks associated with your types of investment.

There are some risks that can be mitigated. For example, a risk specific to one company can be managed by holding a variety of investments. Disney stock carries the risk of an unsuccessful motion picture. You could diversify (see disclosure) your holdings: have some Disney stock and also some Bank of America stock or Pfizer stock. In this way, by collecting a basket of diverse investments, you can help manage the risk or impact to your portfolio against a downturn in any one company.

DISCLOSURE

Diversification

Diversification does not guarantee a profit or protect against a loss in a declining market. It is a method used to help manage investment risk.

There are also risks that cannot be mitigated. War, natural disaster, and pandemics affect the entire financial market. Most companies are likely to suffer setbacks. In this case, safer investments might be longer term bonds, capable of weathering the storm. Government bonds are considered to be risk-free investments, based on the assumption that the government would never default on its obligations. If we want to take an optimistic view of the federal government, we can assume that this is true.

Mutual funds (see disclosure) provide a simple way to diversify your investments. Typically invested in stocks and bonds, mutual funds are managed by a professional who selects a variety of companies on your behalf. Mutual funds are often less expensive than purchasing stock in each individual company they offer. Many 401k plans are invested in mutual funds as a simple way to offer the most diversity to their employees.

DISCLOSURE

Mutual Funds

Mutual Funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing in Mutual Funds. The prospectus, which contains this and other information about the investment company, can be obtained directly from the Fund Company or your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Investing may seem daunting, but you don't have to do it alone. A financial advisor will help you build a portfolio that works for you. There are a number of decisions that you must make upfront, and none of them without help. Identifying your destination is the first step; this is essential to purchasing the correct investments that will meet your timeline and level of risk. I have a few more tips before we get started with your investments.

THE MIDDLE/BOTTOM SCENARIO

Here's my next tip, and I'm sure you've heard it before: expect the best, plan for the worst.

You can discuss potential scenarios with your financial advisor, but you need to have a minimum of savings set aside for emergencies. As I have earlier suggested, your emergency funds must be between three to six months of your expenses; but we have seen that one year of your expenses is ideal in the time of the pandemic. You are in a safer position if you had managed to purchase a policy or two that has investment components in it (which I highly recommend). With insurance, you can develop a plan and stop worrying about where to get your funds if you lost your job or became ill for a while. If you are ever in need, the insurance will provide a safety net.

I would go even further than "expect the best," and suggest that you shoot for a *middle/bottom scenario*. You are in the *middle* position if your income is just enough to cover your expenses, but you have previously built some savings and emergency funds. For as long as there's no unusually huge expense, you are okay.

But what if your car breaks down?

Well, it's time to dip into your savings. It must be time to buy your dream car!

Don't.

Doing so will put you in the *bottom* position. Making a huge withdrawal from your savings will be risky; you won't be able to bring it back up to the previous number because you don't have excess from your regular income to put in your savings. But I don't say don't buy a new car. For practicality reasons, you will need a new one…but not your dream car. Take some money out of your savings to buy a new car but don't touch what you have set aside for emergencies; there are more critical events where you will need to use your emergency funds. Spend only what you can afford and buy a reliable car that will do what you need it to do without exhausting all your savings. We can take this scenario further and use what I call the if/then thinking.

IF/THEN THINKING

An easy way to break down difficult decisions is to engage in a bit of if/then thinking. Consider a decision facing you at the moment. Now consider several different actions you might take. For each action, imagine what might happen as a result. It might help to have a pen and paper handy to jot down some notes.

Let's take the example of buying a new car. Your alternatives could be your dream car, a reliable car, or an inexpensive car. If you purchase your dream car, it will make you happy; you could show it off to friends and family and everyone would know how successful you have become. It would also cost a fortune, and you might have to tighten your belt in other areas. Are you willing to give up dinner out every Friday, new shoes, or ordering off of Amazon?

If you purchase an inexpensive car, that might free up a great deal of money on the front end. You would be able to continue with your lifestyle and get from point A to point B for the first year or so. It might also cost you a fortune in repair bills if the previous owner had not taken proper care of it. It might also hurt your pride to be seen driving around in an ugly car.

Between the two extremes, you might buy a reliable car. You wouldn't be able to show it off to family and friends, but you could be reasonably sure it wouldn't break down in the near future. You might be able to find a model that shows off your personality, and it wouldn't break the bank. You could come up with some more pros and cons that fit your situation. Maybe it is important in your line of work to have a flashy car. Maybe you live in the city and a car is not important.

Whatever decision you face, imagine a middle/bottom scenario. You get the dream car and lose your job. Now you are job hunting and trying to save money. Does the dream car fit into that lifestyle? You get the inexpensive car and are invited to play golf with the boss. Now you run the risk of people from work seeing you climb into the driver's seat. Is that something you can live with? You choose not to get a car and suddenly your carpool buddy gets transferred to a different city. Can you afford Uber for the rest of the year?

In this way, whichever decision you make, you can feel confident that you have planned for the worst. With any luck, the worst will never happen.

ACTIVITY

Consider one of these three hypothetical situations, and make a decision that works for your financial journey:

1. Your daughter is getting married.
2. You want to take a vacation.
3. You win $50,000 in the lottery.

Your financial journey is leading you somewhere. Earlier in this chapter, you considered where you would like to end up. But is that your destiny or your destination? I believe it is both. You decide what your financial future looks like and take steps towards making that a reality. Religious leader A.R. Bernard says: “God puts his promises in our reach, not in our hands.” This means that we must take action to preserve our assets, not just spend time relaxing and trust in faith to deliver us to our destination. Yes, retirement may be your destiny, but you must put in the work to see that it happens.

So, what happened to the dad who managed to put away a million dollars on a meager salary? How did he do it?

He invested early. He started with a $20,000 inheritance from his grandmother at age 18. He invested it into a mutual fund with a 7% rate of return. At age 40, he contacted a financial advisor and transferred his savings to more aggressive funds. When he retired at age 60, he had more than a million dollars in combined assets.

Such a dramatic investment plan requires organizing, planning and sacrifice, but don't worry if you didn't begin saving at age 18. There are still many ways to reach your destination, starting by defining what success really looks like to you.

CHAPTER 2

ESSENTIAL TOOLS

In the last chapter we talked about your destination or your *destiny*. Now it's time to talk about the road ahead of you. Google maps will show you several different routes you can take and give you information such as tolls, highways, and total drive time. You need that kind of information for your financial journey in order to decide which route to take. Maybe future security keeps you awake at night, and you are willing to set aside a large chunk of your paycheck. Maybe you are a small business owner and investing in inventory means there's not much left over for savings. There are many different ways to arrive successfully at a fully funded retirement, even a legacy for your children and grandchildren. No two people will take the same road.

PIVOT OR ASK FOR A GUIDE

Investment is not only the purchase of stocks and bonds. You can invest in your future through education and positive life choices. The following is a story of a young woman who changed the course of her journey by investing in herself.

Naomi studied culinary arts right out of high school. She did a work-study trip in France where she learned from some of the greatest chefs in the world. She studied wine tasting, pastry baking, and how to make the perfect rue without breaking the sauce. At twenty years old, she got her first job in the restaurant industry, and it was a nightmare. Forced to work long hours on an assembly line, she was one of half a dozen chefs in a mid-scale family restaurant in the suburbs. The customers were rude, her boss was difficult, and her coworkers did nothing but complain.

She lasted six months before successfully applying for a transfer to a corporate cafeteria downtown. There, the pay was better, the hours were better, but the customers were the same. It seemed she could never do anything right. It took her three years to work her way up to middle management, and by that time, she had had enough.

She had her sights set on a more upscale restaurant. She reasoned that customers must be more appreciative the more expensive and technical the preparation of their dinner was. She applied for a job managing a kitchen in one of the five-star restaurants downtown.

"You're not really qualified for this job," the hiring manager said. "We're looking for someone with five to seven years' experience running a five-star kitchen."

"The cafeteria in the corporate center served more than five hundred customers every day for lunch," Naomi argued. "All of the dishes were prepared to standards and the chefs all had culinary degrees. I managed the kitchen for one year, and before then I was doing inventory checks, staff schedules, and daily paperwork."

The hiring manager held up a hand. "Would you be willing to start as an assistant manager?"

"Yes," Naomi agreed.

"Great. We'll let you know by the end of the week."

Naomi got the job and began the next phase of her culinary career. Despite her high hopes, this new position disappointed her as well. She came face to face with the night shift again, and it turned out that the high-end customers were no more appreciative than the five-year-olds at the family establishment.

"I quit," Naomi told her mom one night on the phone.

"You can't quit, honey," her mom said.

"I'm miserable," Naomi moaned.

"What about going back to school?" her mother asked. "You always did like computers."

"That's true," Naomi said. She remembered designing silly little computer games on her old Macintosh as a child. Coding was on the opposite end of the creative spectrum from cooking, and it would allow her to work independently. Most importantly, there would be no irate customers. As soon as she hung up with her mom, Naomi began researching game design classes.

"Oh, we're always looking for more women in the field," one college counselor told her. "You can make plenty of money. It's a very lucrative career."

"Great," Naomi said.

She cut her hours down to part time, moved back in with her parents and went to school. The game design curriculum was just what she was looking for; she had a natural aptitude. Right out of college she was able to get a job with a leading firm in their design department. She quit her job at the restaurant and never looked back.

Naomi took a pivot. Now, ten years later, she has been able to achieve many of the financial milestones that would have been out of her reach if she had stayed on her previous path. This story illustrates the fact that it is never too late to adjust your course. If a previous decision isn't working for you anymore, it's time to make a change. You are the captain of your ship; you chart the course, and you are free to make course corrections if you encounter a storm.

Savvy investors know that there are risks to every decision. Sometimes it is best to weather the storm. What you need is a tour guide, someone who knows the terrain. This is a time when you need the expertise of a financial advisor who can help you face these major life decisions. Like famous athletes Serena Williams and Simone Biles, we all need coaches and managers. A financial advisor can serve the same purpose in your financial life. They may know that you are likely to encounter rocks along a certain coastline, or that one hiking trail is mostly uphill. To put the tour guide metaphor in real world terms, a financial advisor will be able to warn you about the possible challenges involved with major financial decisions. In Naomi's case, a financial advisor might have helped her devise a plan to afford her second degree earlier. Having a tour guide can save you time, money, and a substantial amount of heartache.

There are other types of tour guides for your journey, in addition to financial advisors:

- ***CPAs*** can help with taxes.
- ***Attorneys*** may also provide some much-needed guidance along the road. They are necessary for such financial documents as wills and trusts.
- ***Insurance agents*** are gatekeepers for insurance plans that provides some level of protection in case of emergency. Insurance must be individually tailored to you and your circumstances. A good financial advisor can offer you insurance products as well.

I am not an attorney, but I have been fortunate enough to work with several highly qualified counselors. This is not an exhaustive list. Most attorneys I work with practice in the state of Georgia. If you are looking for an attorney, this list may provide you with the information you need.

List of Attorneys
https://troyayoung.com/resources

GROW WHERE YOU ARE PLANTED

By enlisting the help of an attorney, financial advisor and CPA, you are building a team that will help you cross the finish line. But what about all the rules imposed on you from the outside? Often it doesn't seem like we have control of our own milestones. If you work for a company, they may set the timeline for when you are able to get that promotion, how much you earn, and when you are able to retire. If you go into business for yourself, market forces may dictate many of your choices. If you want to retire at 59 instead of 70, that will take some aggressive strategies on your part. However, there are ways to steer your own ship, even within the confines of traditional employment.

Tamika worked for a nonprofit. She had a 403(b) instead of a 401k, but her employer matched up to 3% of her salary so she was in the habit of making the maximum deposit out of each paycheck. Her job had her bouncing from one community center to another, making connections and generating interest in a city-wide anti-poverty effort.

As a little girl, Tamika had been highly aware of the negative media images Black girls were forced to contend with. It seemed like every vision of "beauty" displayed in magazines or on children's television was of blond, slender white girls. Growing up, she had to fight for her own self-esteem, to accept herself as beautiful. Instead of dreaming about her wedding or her future husband, Tamika spent her childhood dreaming up her own nonprofit. She would create a space, maybe a café, where Black girls could go and learn to combat the harmful media stereotypes. A bachelor's degree in sociology led to work within a major statewide nonprofit, but not yet her own organization.

"The way I see it, I have two choices," Tamika told her husband one night at the dinner table. "I can stay with Helping Families Out of Poverty, or I can branch off on my own."

James nodded, listening.

"Helping Families has the retirement plan and match," Tamika said. "They also have a 100% reimbursement program for college, so I could basically get my master's for free. They already have a network and connections with organizations all over the city."

"But you're not doing what you want to do," James pointed out.

Tamika decided to talk to a financial advisor. She brought her latest 403(b) report, her paystub, and information about all of her expenses and liabilities.

"Have you thought about *intra*preneurship?" her advisor asked.

"No," Tamika shook her head, "What's that?"

"It's like entrepreneurship, only you don't leave the company. You create a new product or service or department and work within your larger organization. You could use all the resources that Helping Families has available, and still reach your target audience."

Tamika thought about it, discussed it with her husband, and decided to stay with Helping Families. She drafted a proposal to take to the CEO and got permission to start applying for grants. The CEO loved it and thought it would be a good fit in their youth department. As the new project took off, Tamika was able to hire staff to serve under her. Her dream was realized with a personal safety net provided by an established company. She has grown where she was planted.

This is just one example of taking control of the situation and working within an established company to achieve your own goals. If your goal is to retire by 59, talk to your financial advisor. You can make use of your employer's 401k matches, salary deferment, or other benefits to make your dream a reality.

WIN THE GAME IN THE THIRD QUARTER

> Your financial journey also depends on the destination you chose for yourself. If your goal is to retire in luxury, or to create your own foundation, you will need to chart a different course than the person who is comfortable living below her means and content with raising grandkids. A first-class trip to Italy will cost you more money than a road trip to Florida. Both destinations have something to offer, but if you want to see Rome, you are going to need more fuel.

As we saw in the chapter one example with the dad who managed to save one million dollars for retirement, the earlier you start saving, the better. When you are young, you have more time and can afford to invest in high-risk options. If you are older, you no longer have the luxury of time. Your financial advisor will be able to help manage the risk as much as possible by diversifying your holdings, but if you want a quick return on investments, your portfolio is not going to look the same as it did in your twenties.

There is a time to go all in on your investments, a "sweet spot" that will ensure your safe arrival at your destination. When Michael Jordan was with the Bulls, they went all out in the third quarter, securing enough of a lead to win the game. When the fourth quarter arrived, they could relax somewhat, knowing they were ahead. In real life, this would be when you are 40 to 60 years old. It is during this time that you want to step on the gas, meet with your financial advisor; do what needs to be done so you can relax in the fourth quarter.

Exactly what does need to get done for you to win the game in the third quarter?

- ***Create financial projections.*** Your financial advisor will be able to project your position based on savings, investments, and income. You should know exactly how much money you have and how much more you need to reach your destination. This will help you visualize your current holdings and allow you to invest with a specific goal.
- ***Increase income.*** There are a variety of ways to increase your net worth: part time work, ask for a raise, Gigwork and now is the time to educate yourself. If you need to adjust the risk tolerance on your portfolio, or speak with your employer about deferred payment, now is the time.
- ***Decrease expenses.*** There may have been a time in life when another pair of shoes or a purse seemed harmless. In the third quarter, you must evaluate every purchase

against your final goal. Use a budget for your monthly expenses and stick to it.

- ***Pay off debt.*** Now is the time to use the debt relief strategies to get out from under credit card bills or student loan payments. There is more on debt payment in Chapter 4.
- ***Make sure insurance is in place.*** With the right insurance in place, you can be sure to weather any financial storm that might come your way. Investigating insurance now will give you peace of mind and allow you to relax in that fourth quarter.

Let's talk a little more about insurance.

GET INSURED: DON'T PLAY THE GAME OF CHANCE

Insurance is more than just a lump sum of money your spouse will receive when you die. It is more than a bureaucracy that sends you explanation of benefits after each doctor's visit. To take the journey metaphor further, you might want to consider insurance like AAA. If you are on a road trip, the value of AAA is someone you can call no matter what stretch of road you are on, who can give you a tow, or offer repairs. Insurance comes into play when accidents occur, to help you get back on the road without long-term financial losses. You may have employer sponsored health insurance, but that should not stop you from investigating other forms of insurance.

You worked hard to build your wealth, so don't let the unforeseen dismantle everything you've created. Some different types of insurance are:

- ***Supplemental insurance*** will cover expenses beyond medical care if you become sick or suffer from an accident. Aflac is a well-known type of supplemental insurance.
- ***Property insurance***, including renter's insurance will help protect your home and your possessions in the event of theft or natural disaster.
- ***Directors and Officers Insurance (D&O)*** is designed to help protect individuals from corporate lawsuits.
- ***Health insurance*** connects patients to doctors, hospitals, and other medical providers.
- ***Life insurance*** provides a way to help protect your family in the event of death. It is also an asset that can be invested and drawn upon in times of crisis.
- ***Long-term care insurance*** will help protect your assets from the financial strain of long-term care. The cost of long-term care is actually more expensive than the cost of paying out a life insurance policy in most cases!
- ***Disability Insurance*** is an insurance plan that pays some of a person's income when he or she is disabled from an illness or injury and cannot work. The two main types of disability insurance are short-term disability (STD) and long-term disability (LTD).

Many other types of insurance are available depending on your specific situation. It would be a good idea to talk to an expert, someone like your financial advisor if they also specialize in insurance.

ACTIVITY

Make a list of questions you have regarding insurance. Maybe you had a bad customer experience with an automobile policy, or maybe you want to know exactly what is covered under your homeowner's insurance. A good financial advisor will be able to help you with this list.

That's right: a good financial advisor is also licensed to provide insurance. Most of the big investment firms do not provide this service, but I do. I highly recommend a financial advisor who can do both.

There are three broad areas of insurance:

- Life
- Health
- Property and casualty (P&C)

Some Life agents try to use Life Insurance as an investment tool. Whole Life Insurance builds cash value above the payout and administrative costs associated with the plan. It grows tax-free as long as you don't withdraw the principle so it can accumulate quickly. Whole Life is an investment that you may want to look into as part of your overall portfolio. Some Financial Advisors are not Life agents, so they don't use Life strategically. Property and casualty agents tend to have a lane to themselves through larger companies such as State Farm and Allstate. They are less likely to focus on insurance as an investment and less likely to look at your overall financial picture.

As the old saying goes, "If all you have is a hammer, then everything looks like a nail." You need a tour guide with a variety of tools in his or her belt, not only stocks and bonds. I can help you get started.

Troy A. Young, CFP®, Founder & President,
Destiny Financial Group
https://www.destinyfg.com/team/troy-a-young

I had a friend once who was asking some questions about his finances. He expressed some interest in working with me as an advisor, so I set up a few phone conversations to see if I could help him. He had some health issues and was uninsured at the time. He sent over the enrollment paperwork for me to take a look at. I gave him my feedback and told him as soon as he was able to complete the forms, I could help him get insured. I never heard from him again.

I did not feel comfortable calling to check in on my friend. He is an adult, capable of following through on his own responsibilities. The problem was urgent, yet there was something standing in the way. I cannot begin to speculate nor is it my place to act as his advisor before he asked me to. We all need insurance. Whatever is going on in your life, take the time to make sure you and your family are protected.

ANALYZE YOUR RISK TOLERANCE

DISCLOSURE

Risk Tolerance

Risk tolerance is an investor's general ability to withstand risk inherent in investing. The risk tolerance questionnaire is designed to determine your risk tolerance and is judged based on three factors: time horizon, long-term goals and expectations, and short-term risk attitudes. The adviser uses their own experience and subjective evaluation of your answers to help determine your risk tolerance.

Now that you have investigated insurance, discovered your destination or *destiny*, and considered possible risks or distractions along the way, you might imagine your financial journey is safe. While we do everything possible to manage risk, it is important to remember that nothing we do can render our investments completely safe. The trick is to find a level of risk you are comfortable with, and we have tools to help you do that.

I take my clients through a process to analyze their own personal risk tolerance. With the help of specially designed risk tolerance software called *Riskalyze*, we can now build a portfolio that drives at a speed at which you are comfortable.

DISCLOSURE

“Riskalayze”

The Six Month 95% Probability Range is calculated from the standard deviation of the portfolio (via covariance matrix), and represents a hypothetical statistical probability, but there is no guarantee any investments would perform within the range. There is a 5% probability of greater losses. The underlying data is updated regularly, and the results may vary with each use and over time. IMPORTANT: The projections or other information generated by Riskalyze regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. These figures may exclude commissions, sales charges or fees which, if included would have had a negative effect on the annual returns. Investing is subject to risk and loss of principal. There is no assurance or certainty that any investment strategy will be successful in meeting its objectives.

Not to dwell on the horrible realities of risk, but I'd like to share a quick story that illustrates how the best laid plans can sometimes go astray. I had a client, we'll call her Rosa, who worked at Xerox her whole life. When she retired, she had enough money invested to support her comfortably for twenty years, and long-term care insurance just in case. Rosa had one adult daughter who had yet to start a family of her own. Rosa's little sister had one son who had practically grown up in Rosa's home, and who became even closer when his mom passed away.

"Marcus, when are you coming over?" Rosa sat at her kitchen table, on the phone.

"Are you making lasagna?" he teased.

"I can," she said.

"Then I'll be over tonight," he said.

Marcus lived in the same city and visited his aunt at least once a week. Rosa's daughter lived in New York and came home for Thanksgiving and Christmas. Rosa spent some time in her garden, tried learning French, caught up on her reading, and went to the gym every day. Once she splurged and went on a week-long tour of Europe with her church. But mostly, she settled into a day-to-day routine that did not involve work or deadlines. The tragedy was that it didn't last.

Rosa passed away just two years after she retired, long before she had a chance to do everything she wanted. Since I had been her financial advisor, I reached out to those loved ones who had been her beneficiaries. Her daughter and her nephew each received a sizeable inheritance. Rosa's daughter had her own financial advisor, and as far as I know, responsibly invested her sum. Marcus, on the other hand, was a different story.

I managed to convince Marcus to come to my office for a consultation. He was a young man, 32 at the time. He worked in a hardware store, cutting lumber for customers, and seemed to have no higher ambition. He listened politely as I explained the mechanics of investments, and how I was sure we could arrange for a confident retirement if he took a long-term view of his finances. That day, he agreed to my plan, but two months later, without consulting me, he withdrew the entire amount of his inheritance. I haven't heard from him since.

Rosa spent her entire life diligently investing, and yet was denied the opportunity to enjoy her funds. When she passed, her nephew wasn't ready for that type of inheritance, and was unable to manage the sum wisely. This, unfortunately, is a type of risk that must be considered. Are your own beneficiaries ready to assume the responsibility of your legacy?

Consider Elijah. I helped him purchase his first restaurant franchise back in the 1990s. Since then, his holdings have grown to include twelve brick-and-mortar businesses and a thriving distribution network that places products in local grocery stores.

"I, uh, I need to talk to you about something," Elijah said to me on the golf course one day. "It's my son. He's having a real hard time. His mother and I are doing everything that we can. It got so bad, we sent him to a treatment program, but he…checked himself out and disappeared."

"He has a drug problem?" I guessed.

"Yes," Elijah confirmed. "You know, at some point…it's not like you love them any less, but you have to protect your own heart."

We finished the game that day, and I went back to my office to work on Elijah's legacy. Two short years later, Elijah passed away, yet a bit of forethought rescued his son from the tragedy of a massive inheritance. What did Elijah and I do to protect both his only child and help preserve his fortune? I'll reveal that later in the book.

This type of risk, the question of whether your beneficiaries are ready for the responsibility, must be considered. But while you are still building wealth, there are risk factors too. The *Riskalyze* software uses a series of questions to narrow down its understanding of your risk tolerance to a comfortable level.

For example, here is an illustration of the way *Riskalyze* works. There are several questions, each of which drills down into exact numbers such as:

- If you have a thousand dollars today and you had an investment opportunity with a potential 20% rate of return and 20% risk of loss, how does that make you feel?
- Are you willing to lose $200 if the reward might be an additional $200?

Each question is set on a sliding scale, so you, as the client, can play with the dial until you find a risk/reward situation that makes you comfortable. At the end of this questionnaire, we get a number that corresponds to your personal risk tolerance. I can then compare that number to your current investments to see if they line up. Sometimes, I find that the client's portfolio does not match their risk tolerance. For example:

- Your *Riskalyze* number comes back as 55 (and you can imagine that in terms of a speed limit). If the speed limit you're comfortable driving is 55, yet your investments are stepping on the gas at 70 or 75, then we need to slow them down.
- If you're comfortable going 70, but your investments are lagging behind at 55, we can speed them up to where you have the potential for greater returns.

If you would like to get your own risk analysis done, click here:

Riskalyze
https://troyayoung.com/resources

Your risk tolerance can and should change over the course of your life. When you are younger, you have more time and can afford to be more risk averse. At a slower speed, you can still make it to your destination. Think of this as waking up early in the morning before a road trip. If you skip breakfast and head out before the sunrise, you can be sure to avoid rush hour traffic. But if you're the kind of person who likes to have a leisurely breakfast, hop in the shower, and save packing until the very last minute, you might have to drive faster to get there in time.

Conversely, as a young person, you might have a greater risk tolerance. The perceived rewards of a certain investment strategy might be worth it when you are still climbing the corporate ladder. Later in your journey, speed might *feel* more reckless, even though you need higher returns to achieve your goal.

Imagine you are on a plane, headed for your dream destination. There are milestones we can recognize in every journey:

1. ***Take off*** is when you begin investing, possibly by deferring money into an employer-sponsored 401k.
2. You reach ***altitude*** when you have a financial plan in place. At this point, you can manage your risk and cruise through the sky, making minor adjustments to your career.
3. ***Turbulence*** occurs in the form of temptations: that big screen TV, or an investment in your best friend's Bitcoin operation. Avoid what temptations you can, ride through those bumps in the road you can't avoid such as market corrections and the occasional crash.
4. When you reach your destination, and the pilot switches on the fasten seatbelt sign, you are no longer free to move about the cabin. At some point, you have to be responsible, ***buckle up,*** and prepare to take your plane in for a landing.

Using the plane ride analogy, there are a few documents that can assist you in making a smooth landing**.** *Trusts and wills* can help ensure that your wishes are carried out and protect your estate from family members who might not share your vision. Rosa had a will and she made sure to leave an inheritance for Marcus, but we were not able to encourage him to save that money. Elijah had a better plan and through his will, was able to protect his son and his legacy from the nightmare of drug dependency. More about that later.

ASSETS

As you are flying through the sky, your assets begin to accumulate. Some assets, like cash, may provide fuel to keep your plane in the air. Other assets such as precious metals (see disclosure), hedge funds (see disclosure) and real estate, may function more like luggage, traveling with you to your ideal destination. Assets provide one half of the basic financial equation: Assets — Liabilities = Net Worth. They are the heavyweight, diminished only by your debt. It means whatever's left of your assets after deducting liabilities is your *net worth*. The accumulation of assets is often a goal in and of itself.

DISCLOSURE

Precious metals as commodities

Investments in commodities may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

Hedge Funds

Hedge Funds are unregistered private investment partnerships, funds or pools that may invest and trade in many different markets, strategies and instruments (including securities, non-securities and derivatives) and are NOT subject to the same regulatory requirements as mutual funds, including mutual fund requirements to provide certain periodic and standardized pricing and valuation information to investors. Hedge Funds represent speculative investments and involve a high degree of risk. An investor could lose all or a substantial portion of his/her investment. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment.

It may be helpful to have a description of the different types of assets, so you can determine what is in your personal cargo hold.

- ***Cash.*** This means both cash in hand, paper bills, and also cash in the bank in a checking or savings account. The most liquid of assets, cash is money that can be spent at a moment's notice.
- ***Investments.*** Exchange traded funds(ETF's), REIT's, Business Development Companies, commodities, Hedge Funds, Alternatives, Stocks, bonds, variable annuities (see disclosure), mutual funds, and any type of investment whether long term or short term belongs in this category.
- ***Properties.*** House and lot, condominium, vehicles, furniture, and most tangible assets with life cycles longer than one year.

- ***Intangible assets.*** This category includes patents, trademarks, and copyrights.

There are other assets that apply strictly to businesses such as inventory, plants, and equipment.

DISCLOSURE

Variable annuities

Please consider the investment objectives, risks, charges, and expenses carefully before investing in Variable Annuities. The prospectus, which contains this and other information about the variable annuity contract and the underlying investment options, can be obtained from the insurance company or your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

The investment return and principal value of the variable annuity investment options are not guaranteed. Variable annuity sub-accounts fluctuate with changes in market conditions. The principal may be worth more or less than the original amount invested when the annuity is surrendered.

CHAPTER 3

YOUR UNIQUE JOURNEY

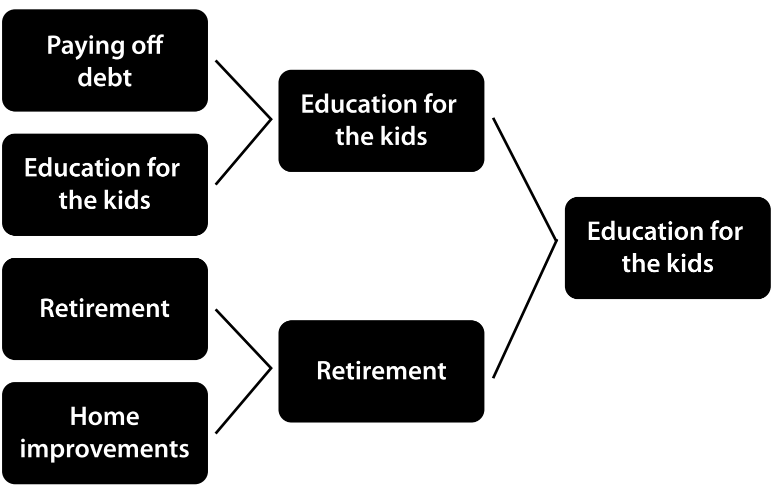
Now that you've discovered your destination or *destiny*, and taken stock of your essential tools and assets, it should become clear that your journey is unlike anyone else's journey. Everything you put into your financial basket needs to represent your unique situation. The investments that will carry you to your goal must be tailored to your own personal risk tolerance. They must build the retirement home that *you* want and include the family members and friends that *you* choose. There is another unique aspect to investing and building a financial future. Closely tied to your destination, your priorities are also worth an in-depth look.

YOUR PRIORITIES ARE UNIQUE TO YOU

One of the activities I walk my clients through on our first or second meeting is designed to identify their priorities. This is how you know you have a unique journey that you cannot easily compare to other people, because at this point, you'll see how your needs and what was needed of you vary greatly from the next person. For every aspect of life, there is an advocate who claims their passion should be your passion. Education is the most important to teachers; clean teeth are paramount for dentists.

What is most important to you?

I have developed a way to help clients weed through all the conflicting information and narrow in on their own priorities using the decision tree. You set two items against each other like “paying off debt” and “education for the kids.” After selecting your personal priority, that item moves up the grid. For example:



Once you determine your number one priority, we go through the process again to identify your second priority, all the way down to “nice to have” items such as a new cell phone or a family vacation. There is no independent financial decision or a “one-size-fits-all” answer. Your priorities will be different than your friend's, different than your spouse's, and most likely different than they were ten years ago. A lot of these priorities will overlap and change throughout your lifetime as your circumstances and financial situation changes. Focus on your priorities now, with the understanding that you can revisit them anytime.

ACTIVITY

Using this type of decision tree, rank the following items in order of your personal preference at this time in your life. There will be two to three (or even more) items as your top priorities all at the same time. Some of them will overlap throughout your lifetime so you should consider these little details because there are no independent financial decisions where you can easily say one item is a greater priority than the others.

- Education (for kids or yourself)
- Retirement
- Home value/beautiful home
- Dream car
- Travel
- Cash in the bank
- Paying off debt
- Taking care of relatives

Identifying your priorities is just as important as charting your destination. It gives you clarity and focus on the most important and urgent obligations without being overwhelmed by everything you must accomplish down the road. For example, if you're a parent, your children's tuition fees might be high up on the list of your financial obligations likely followed by mortgage payments for your home. Knowing your priorities can help you focus on your ***current*** most important obligations without losing sight on your long-term financial needs. For a person living alone with no dependents, the story is different. This only makes it clear never to compare your journey to another.

Armed with the tools we have discussed so far — your priorities, your risk tolerance, and your *destiny* — we can begin to take steps towards developing an investment strategy.

RISK VS. REWARD AND BEYOND (INTANGIBLE REWARDS)

Risk and reward are two key investment concepts. When you earn money at a traditional job, you are given a certain salary for work completed or promised. Investment can grow your income, but it can also lead to financial losses. There is more to investment than the simple risk and reward equation. There is greed and fear and intangible benefits that make the whole activity worthwhile.

Behavioral Finance is a new field of study. It theorizes that personal influences and biases can affect investments, even causing dramatic changes in stock prices. It is important to be aware of your own internal biases so as not to make unwise investment decisions. For example, you might have a personal bias against Apple computers because the customer service at the Apple store frustrates you every time you need a repair. This bias may or may not be accurate, but it has little bearing on the value of Apple stock. Or does it? If enough customers share this bias, it can in fact drive down the value of that company. This is the basis of Behavioral Finance.

Warren Buffett theorized that the market is controlled by emotions. Greed and fear, he says, are the two polar forces that affect investments on a world-wide scale.

- Fear comes into play when investors react to worldwide or company specific events. For example, when COVID-19 was discovered in China and Italy, the market reacted in fear. Stock prices dropped, and investors worried that lockdowns would disrupt supply chains and customer purchases.
- Greed is the opposite force, encouraging people to buy. Investors want to make money, and in a healthy market, greed serves as an incentive to maximize profits for everyone. In fact, in terms of investing in the stock market, Buffett claimed that the trick was to be greedy when everyone else was fearful. In other words, when the market is down, that is the time to buy.

Another way to think about "greed and fear" is "risk vs. reward." Everyone is afraid of risk to some degree, although there are those who are more comfortable with a higher level of risk. Factors that add risk to an investment are time, overall market forces, and company specific issues.

Sometimes things that happen on a national or international scale affect the market. For example:

- Natural disasters
- Political activity
- Wars
- Disease

No one can mitigate this type of risk, and no one can predict natural disasters. The market does attempt to predict events like wars or adverse political activities, and you will often see stock prices rise or fall in anticipation of worldwide changes.

There is an easy way you can see a macro view of the financial health of the economy. You can go to this website:

CNR Speedometers[sm]
https://troyayoung.com/resources

Here, you will see a breakdown of the various sectors including monetary policy, consumer sentiment, labor market, housing, and interest rates. Each indicator is pictured as a speedometer. They are color coded red, yellow, and green, with green being positive, yellow neutral, and red negative. At a glance, you can see whether the housing market is trending positive, how the leading indexes are doing, and the nature of the current geopolitical risk. Take a moment to click on the link above and investigate for yourself. It is a good tool for investors of any level and will give you an advantage when making investment decisions.

Company specific issues can also involve risk. For example, Disney stock carries the risk of a major motion picture failure. This type of risk can be managed by diversifying your holdings. But be careful that your portfolio is truly diversified. Too many of the same type of stock, for example, all motion picture companies, would not serve to manage your risk.

Simply put, the greater the risk, the greater the potential for reward. Some examples of this theory in real life are:

- **Bonds.** The longer the bond life, the higher the interest. Bonds mature at different rates. By investing in bonds with longer maturity dates, you can lock in a greater payout. However, long term bonds' principles are more sensitive to interest rate changes by government agencies.
- **Stocks.** The riskier the individual company stock, the higher the potential returns. Greed, in this sense, would tend to encourage risky investments. But fear holds us back and encourages us to make safer choices. The trick to investing comfortably is to navigate a path between the two.
- **Insurance.** If an insurance company feels that you are a greater risk, your premiums will be higher. A young person with no health issues will pay a lesser premium on a variety of insurance products.

In an entirely different scenario, the following story will give us a perspective of the concept of risk vs. reward and it does not involve stocks or bonds. It involves a fair amount of investment which was primarily driven by emotions – because when it comes to investment where a family member is involved, there is more to it than just financial returns. This story is unique on its own in terms of actual returns and you'll see why in a moment.

Candace and Tyrone met at a roller skating rink when their high schools held a joint Christmas party. They started talking, even though Candace's parents didn't want her to have anything to do with boys until she was well over twenty. They got married when they were eighteen, and Candace worked to put Tyrone through college. Once Tyrone landed a job with a good company, Candace went back to school. She was three years into a four-year degree when she learned she was pregnant with their first child. Candace made arrangements with the school to accelerate her classes so she could finish before the baby was born. She was delivering her final thesis paper in Macro Economics when her water broke. She left the paper in its manila folder and drove to the hospital.

Tyrone got the call and met her in the maternity ward. Her first words to him, through clenched teeth, were: "My paper."

As might be expected, the professor accepted Candace's paper late and she was able to graduate with her class. She and Tyrone had two more babies before she finally went back to earn her MBA. By the time all three children were in school, both Candace and Tyrone were climbing the corporate ladder, each in their own departments.

"In our will, we wanted to divide the estate equally among our children," Candace said. "But one of our children, Hunter, wanted to open a business, and needed capital to do it."

Hunter was the middle child. He developed the entrepreneurial bug early on, holding bake sales outside their home on summer afternoons. He picked up money helping neighbors with their chores and got a job in a sub shop as soon as he was old enough. Some poor decisions in high school led Hunter to skip college in favor of a nomadic life. He traveled around the country, sometimes touching base with his parents, sometimes not. After almost ten years, Hunter returned to Atlanta and moved back home.

"He wanted to start his own business, and he wanted to purchase a franchise," Candace explained. "He did his research and discovered that a cleaning franchise would be low cost to begin with." Candace and Tyrone discussed the matter with their financial advisor and decided to give Hunter a portion of his inheritance while they were still alive. "It would make such a difference in his life, to have the ability to open his own business," Candace said. "And we had planned for the money to go to him anyway."

In this case, investing in Hunter's business was a risk for his parents, but the potential rewards were even greater. By updating their will, Candace and Tyrone were able to give their son support when he needed it and preserve the funds that would go to his sister and brother, eventually.

This brings up the concept of returns beyond tangible assets. Not only did Candace and Tyrone give their child money, but they provided a new life for him. They gave him stability, focus, responsibility, *and* a revenue source. As parents, they gave themselves the gift of fewer sleepless nights, wondering if their child is okay. They gave themselves the joy of having Hunter close to home and the promise of a future with the entire family.

You are the greatest return you can earn. Beyond money, beyond wealth, beyond houses and cars, and precious metals, your emotional and mental well-being are the greatest rewards. For parents, this often extends to their children. Even if you are single, you must spend some time focused on your own mental health. It does no good to accumulate things if what you want is unconditional love or peace of mind. A healthy bank account is a poor substitute for a chaotic mental disposition. Don't think of returns as just financial in nature. In the case of Candace and Tyrone, they gained much more than that.

When you charted your destination, did you take intangible assets into account? Did you envision a trip to Europe, but fail to mention that you would be traveling alone? Did you want to accumulate more than a million dollars, but agree to sacrifice the good things in life to get there?

ACTIVITY

Let's go back to your destination, and add the answers to these questions:

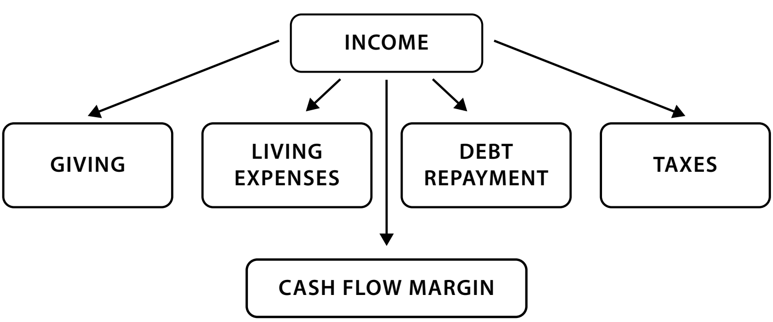
1. Who will be with you? (include fur babies)
2. What brings you joy? (specific activities)
3. What material possessions are most important?
4. What have you always wanted to do but never done?
5. What achievement are you most proud of?

DON'T TRADE OFF WHAT'S IMPORTANT

You might not think that the earlier questions are relevant to your overall financial picture, but they are. No matter how unique your story is, there is one thing in common amongst all financial stories — work — because that's how you make money (at least for the large majority of the world's population). If work is the fuel that drives your journey, then in a real sense, it is the most important aspect of our lives.

On your journey, work is the bloodline, it is the gas going into your car. That gas will take you as far as it can, but it must be constantly replenished in order for the car to complete the journey. To refuel, you must pull over at the nearest gas station, pull the gas pump, and fill your tank. You might take a moment for a quick trip to the toilet or purchase a pack of gum at the convenience store. That's how life is. Work on its own cannot sustain us. We need more than just income. We need joy, passion, and relationships. They give us strength to work. *Love* gives us the energy to get up every day, leave our home, and earn that gas. Without passion, without pride, it would become harder and harder to face the daily grind. Indeed, many people confront such an energy drain and find that a course correction is needed.

Lifestyle plays an important part in your finances. Your income flows from your bank account to each of four different destinations: giving, living expenses, debt payment, and taxes. What is left is your cash flow margin. The decisions you make about how to allocate your dollars say a lot about your personal priorities.



Here are some questions you might ask yourself about your lifestyle:

- Are you willing to give up job satisfaction in favor of luxurious living? It's always a question of what you are willing to trade off without losing some semblance of balance.
- What brings you joy? Will you find joy living a life of luxury but constantly under overwhelming stress?
- When you get to a point of burnout just to sustain your lifestyle, will you strive to find something else to fuel you in order to keep going? If you can (and you must) find meaning in something other than work, that too can serve to provide energy for fuel. For example, if you want to live the "Salt Life" and spend all day at the beach, it might not matter what you do between vacations, as long as that work supports your lifestyle.
- Does your lifestyle interfere with your long-term goals? It's important to remember your other goals including retirement and emergency savings and not sacrifice your future. Expensive habits can cause financial ruin just as easily as they can entertain you when the money tap is running freely.

YOUR UNIQUE JOURNEY CAN LEAVE A LEGACY

So, you have your own destination, your own goals, and your own risk/reward tolerance, but as we saw with Candace and Tyrone, sometimes family steers your journey in a different direction. However, you have choices that you may not even be aware of. Your unique journey does not need to follow the traditional path. With financial planning, you can make your finances work for you and your family.

I worked with a couple who I'll call Dr. Livingston and Dr. Abel. Dr. Lanelle Abel was an optometrist, and her husband was a cardiologist. They spent most of their time at work, never had children, and lived well below their means. They invested in a comfortable home and purchased new cars every ten years. Dr. Abel's mother suffered a prolonged illness, and some money was spent on her treatment in a residential facility. But aside from these expenses, most of the couple's combined salary went to their estate.

Now they are in their seventies, both retired, with millions in savings and investments. They have additional supports in place including long-term care insurance, so they have little to worry about financially. We talked about their legacy.

"Our family doesn't really know the extent of our fortune," Dr. Abel confided in me.

"What do they know?" I asked.

"Well, they know we were both professionals, and they know we don't have children, so they may suspect that we have some money saved up," she laughed. "But ten million dollars? No, they have no idea."

"Have you considered creating a trust, or choosing a charity as a beneficiary?" I asked.

They eventually settled on a sizable inheritance for each of their nieces and nephews, with the remainder bequeathed to their alma matters. No matter what your family looks like, with a healthy dose of planning, you can customize your finances to include them all. Or, if you are single, there are ways to ensure your memory is cherished through support of a favorite school or nonprofit.

Your legacy can include:

- Education for your children and grandchildren
- Property including homes and vacation time shares
- Businesses. You can hand down your business to your children or grandchildren and allow them to continue your work.
- Trademarks and patents
- Assets including cars, clothing, and precious gems
- Endowments for your favorite charity
- Donations to the church
- Scholarships for college bound youth
- Art exhibits (if you are an artist or patron of a museum)
- Loved ones
- Charity
- Taxes (Uncle Sam)

The list of potential good works that your legacy can produce is endless. Speak with your financial advisor about the possibilities.

PADDLING UPSTREAM

There are as many different ways to earn a living as there are people in the world, but we can generalize to say you can work for yourself or work for someone else.

When you work for someone else, many of your options are defined by your employer. You might not be able to schedule vacation when you want to, and you might not even be able to live in the city of your choice. As far as fuel for your journey, employers can provide a steadier paycheck than many entrepreneurs or contract workers find.

There are other benefits to working for a company, including:

- Insurance
- Retirement
- Educational reimbursements
- Paid time off
- Networking
- Bonuses and extras like gym memberships or discounts
- Stock and stock options (see disclosure)

DISCLOSURE

Options

Options are not suitable for all investors. There are risks involved in any option strategy. Individuals should not enter into option transactions until they have read and understood the option disclosure document titled "Characteristics and Risks of Standardized Options," which outlines the purposes and risks of option transactions. This booklet is available from your Financial Advisor or at *http://www.theocc.com/about/publications/character-risks.jsp* ***. Supporting documentation of claims will be supplied upon request.***

Gone are the days when most companies were able to cover the total costs of health insurance for their employees. Even so, working for a company can make health insurance more affordable for families and individuals. Life insurance is also a common benefit, as well as supplemental insurance options.

Retirement benefits vary widely by company, and some will be more generous than others. Your company may have explanatory meetings, or someone within the HR department who can give you more information about retirement benefits. Often, information is given upon hire, and if you have questions, you may be able to refer to publications you received when you first began work. Some key questions to consider are:

1. What type of plan is offered? With a Roth 401k, you contribute post tax dollars, and your money grows tax-free; in a traditional 401k, contributions can be either pre or post tax, and your income is tax-deferred. The difference is that when you access your funds from a Roth IRA, you won't pay taxes on that distribution. At retirement, when you access funds from a traditional IRA, at that point you will need to pay taxes.
2. Is there a match? Your employer might make payments on your behalf or match your deferral up to a certain percentage. *Tip: Be sure to take advantage of either of these situations if your company offers them. It is basically free money!*
3. How involved can/should you be in the investment process? Sometimes you are able to assist in the investment decisions, but often investments are selected by brokers on your behalf.
4. A defined benefit plan is an employer sponsored retirement plan, similar to a 401k. Much less popular now (in 2018 only 17% of private sector employees have one), defined benefit plans are usually funded by employer contributions.

Working for someone else can also come with less traditional benefits such as educational reimbursements. Tamika, who created a new program within Helping Families, took advantage of her company's educational stipend to complete her master's degree. Not only does this make Tamika more marketable, but it is good for her company too. By investing in the workforce, Helping Families is able to increase the intellectual capital driving their programs. Other benefits might include cash bonuses, discounts, FSAs, and HSAs (childcare and health savings plans).

Of course, your options increase with your level of responsibility. As you move up within the company, you can expect to be paid more, to earn more vacation, to unlock bonuses, and increased stock options. Depending on your seniority, you might find yourself in middle management, with some employees reporting to you, while you report to your boss. This is a unique feature of larger employers. Entrepreneurs and those who work for small businesses won't have to juggle those two roles.

A key benefit not available to all employees is deferred compensation. As you get closer to your destination, you may need to step on the gas to get your savings up to speed. Deferred compensation allows you to split your paycheck and take home only enough to cover your current expenses. The remainder of each check is *deferred*, held by the company, and returned to you after retirement. This option is often only available to executive level employees, so check with your HR department to see if deferred compensation is an option for you.

If you are able to access this benefit, it can be a way to stretch your earnings past retirement. There are a few things to be aware of however, things that will affect your ability to maximize your savings.

1. There may be restrictions on how you take your money. For example, you may be able to withdraw one lump sum when you retire or choose to break payments into five-year increments. Specifics will depend on your company policies.
2. There may be restrictions on *when* you can leave the company. For example, a minimum amount of time you must remain an employee in order to access your funds. If you are eligible for deferred compensation, be sure to ask questions long before retirement.
3. If you elect to receive your money over time, or if that is the only option available, you should be aware you might become a creditor of that company. If the company has some difficult financial times, they can tap into your money to help offset their losses. If that isn't a situation you're comfortable with, consider withdrawing all your money upon termination of your employment.
4. Another more common benefit of working for a company is ISO or incentive stock options, which is only available when you're working for a publicly traded company. There are different ways a business might offer stock to their employees, including:

- **Hiring incentives.** ISO may be a part of your sign-on bonus, and that comes with restrictions as to when you are able to cash in the stock or leave the company.
- **Compensation.** ISO may be tied to a yearly bonus or may be considered a part of your compensation.

- **Purchase options.** Companies may offer stock to employees at attractive rates but stop short of giving stock outright.

If your company offers ISO, it is worth investigating. But don't get too attached to your company's stock.

BEWARE OF GETTING STUCK

As we embark on our journey, keeping our destination in sight, it is important not to get stuck. Getting too attached to one company can have a negative impact on your wallet. If that company's fortune changes, or if there is no longer room to grow, you might lose opportunities that could have a big impact on your financial future. If you think of your job as an investment in one company, getting emotionally attached is a poor financial decision.

I know of two cousins who were each offered ISO. Despite attractive offers from both companies, one woman came out on top, and the other woman was swept away in the current.

Kendra studied biotechnology and landed a job in the North Carolina Research Triangle. She was part of a team working to develop a cutting-edge treatment for a debilitating childhood disease. All of the trials were going well, and their little upstart company was positioned to be a leader in the field.

Crystal had her bachelor's in business and went to work for an international beverage company. She immediately felt welcomed by her location, enjoying the camaraderie that she found with the drivers and the warehouse workers. It was fast paced office work, coordinating the delivery logistics, dealing with customers, and putting out fires. She was on the phone with drivers who were lost, customers who had received the wrong product, and regional managers overseeing sales volumes. The company put time and effort into employee recognition, providing awards, free tickets to sporting events, and friendly competitions among staff members. She also was offered the option to purchase stock, which she did with pride.

Kendra worked overtime. Her manager had little experience with vaccine production and trained instead as a regional manager for Walmart. He made a lateral move to head up her department and the gossip was that he was related to someone on the hiring board. Kendra tried to make the most of her situation but was constantly frustrated by the amount of explaining she was forced to do.

“He doesn’t know anything about biology!” Kendra exploded over the phone. “He doesn’t know the right measurements, and he doesn’t know anything about the process of harvesting proteins.” Her boss often asked her to accompany him to meetings so that she could quietly explain terms and help him appear to be competent.

Each of the women was offered stock options. Kendra’s came with a stipulation that she would work two full years before being able to cash in the full amount. Crystal’s option was a purchase of stock, advertised as owning a piece of the company.

“I purchased some stock,” Crystal excitedly told Kendra.

As the years progressed, Crystal ignored the stock. She focused on the other things her company had to offer, the camaraderie and the bonuses for a job well done. Ten years later, management changed hands and the company went downhill. They lost a contract with a national distributor and one of their ad campaigns was widely mocked on the internet. The stock price fell and by the time Crystal tearfully left the company, she would have taken a loss on her investment. Still, she did not sell her stock, clinging to it in a sentimental fashion.

Crystal became stuck in a job that she loved, unable to see the change of fortune until it was too late. Kendra, on the other hand, worked out her two years, and when her time was up, sold her stock and transferred to another company. She had a poor job experience and could not wait to start fresh. Yet she stayed in order to collect her benefits, selling her shares for a neat $100,000.

There is more to life than money. Crystal certainly enjoyed her ten years of employment more than Kendra did. While there is nothing wrong with appreciating intangible benefits, try to keep your destination in mind and maintain focus on your own personal goals.

HEALTH SAVINGS ACCOUNTS

If you are an employee of a company, another benefit they might offer is a health savings account (HSA) or flex savings account (FSA). These two options are pre-tax dollars you can set aside from your own paycheck to spend on either healthcare or childcare expenses. The company will provide you with a debit-like card to use wherever services are provided. In Georgia, the average household spends $2,200 out of pocket for medical services per year.

Out of pocket medical expenses can include:

- Co-pays
- Medicine
- Ancillary services such as massage or nutrition consultations
- Medical devices
- Imaging services such as MRIs
- Hearing aids
- Eyeglasses
- Physical therapy
- Smoking cessation products such as gum and patches

An HSA will allow you to set aside your own money to be used for these expenses. The total dollar amount eligible for savings varies depending on your marital status. The cash you put in an HSA can roll over from year to year. So, you will not lose it. The first year you elect to participate, you may set aside $2,000 but only use $1,000. You can keep the remaining $1,000 in your account and let cash accumulate for potential major medical expenses later in life or spend it the following year. HSA is for life.

THE FIVE STAGES OF INVESTING

According to the Council for Economic Education, there are five stages to investing. As we climb the ladder, see if you can pinpoint your current stage, and decide whether you may be ready to move on to the next.

1. The first stage is ***basic banking,*** often a checking account. I opened checking accounts for my children well before their first jobs, so they could save money from yard work and allowance. Checking accounts serve to pay bills and provide liquid funds in case of emergencies. There is no risk involved in holding money in a checking account, and often little or no interest earned.
2. Once you are comfortable with the checking account, the beginning stage of investing usually involves ***lower risk assets*** such as bonds or mutual funds. Many employer-sponsored 401k plans invest in mutual funds. A person often reaches this stage with their first corporate job, though they may not be actively investing.
3. The third stage is ***systematic investing.*** This is what the general public envisions when talking about money management. Systematic investing is regular and planned; you set aside money deliberately once a month or once a pay period. At this stage, people look at stocks or annuities as well as bonds and mutual funds. Long-range goals begin to surface, and now is an ideal time to contact a financial advisor. Many of the strategies already discussed in this book are targeted towards people in this stage. Defining your goals and priorities and identifying family members who will accompany

you on your journey are all activities meant to ease the transition into stage three.

4. ***Strategic investing*** is the next step. You may find yourself interested in strategic investing after you already have a financial advisor, have identified your goals, and have begun to invest wisely. Occurring at a time in life when an individual has nurtured her wealth, strategic investing involves managing your portfolio to optimize your financial gains. Higher risk assets might be purchased here with a goal of significant returns in five or ten years.
5. The peak of the investment ladder is ***speculative investing.*** This is not a necessary step and occurs only when an individual has amassed enough wealth to be interested in the riskiest investments. At this level, you might be an "angel investor," giving startup funds to companies whose mission or products you support. A person who reaches this stage has the power to affect the market itself. Imagine funding the next Tyler Perry or Janice Bryant Howroyd.

Whichever level of investment you have achieved, congratulations. Merely being on the ladder itself is an accomplishment. If you have not yet constructed your financial advisory team, not yet spoken with an accountant or CPA, possibly now is the time to get started. Appreciate all the hard work it took you to achieve your current level of success, then set your sights on the next rung up the ladder.

INVESTMENT SCHEDULES

An investment schedule is a graph that plots the relationship between investment and national income. The horizontal axis reflects national GDP (gross domestic product), and the vertical axis indicates overall levels of investment. The reason this is important is that it allows us to see the relationship between the nation's finances and individual investment decisions. For example, in times of crisis, people tend to save rather than invest, and the curve slopes downwards. When the crisis has passed, Americans move their money back into the stock markets and the investment curve slopes upwards. This tool describes the stages of investing and illustrates how external forces can cause people to step up or down a rung on the ladder.

SELF-EMPLOYED

The levels of investing we just discussed are achievable for women who work as employees and also for women who are business owners or who are self-employed. Employees may have access to benefits not available to the self-employed; and the opposite is also true, people who are self-employed enjoy benefits employees do not.

This chart illustrates some of the benefits available to each type of worker:

Employees	Self-Employed
Stock options	Do not have to answer to a boss
Insurance	Set their own work hours
Steady paycheck	Potential to earn more
Employer-sponsored retirement account including employer match	Income is directly related to work performed
HSA and FSA accounts	Ability to design their own retirement plan
Paid vacation	Vacation on your own schedule

As an entrepreneur or business owner, you are faced with different investing choices than employees. Your own business or product idea will need constant attention. According to the Minority Business Development Agency, the average cost of starting a business is $30,000. In reality, costs vary so widely by industry and location that an average is almost meaningless. To arrive at a more realistic estimate, the government suggests projecting expenses.

Start-up expenses include:

- Rent
- Office supplies
- Travel
- Payroll
- State incorporation fees
- Property
- Vehicles
- Inventory
- Marketing and advertising

Some businesses, such as a home-based cleaning company will be less expensive to get off the ground than a coffee shop or a restaurant franchise. Either way, you will need to make an investment in your own business to get started and possibly future investments to keep the business running.

When does it make sense to invest in your own business, and when should you invest in the market? Which will provide a better return on your investment? It is important to have savings and investments for retirement outside of your own business. Your pride and joy may require a lot of time and attention, and it is certainly important to invest in the latest equipment and technology. However, by setting aside a few hundred dollars a month in a portfolio that is not dependent on your labor, you decrease your risk of catastrophic failure.

Take this example of a woman who quit her job in corporate America and sunk all her savings into opening a bakery. Yvette spent most of her life cooking for her family and friends on the weekends and making photocopies by day. She liked to say that in her professional life she was a secretary, but her secret identity was that of a chef.

Ten years before retirement, she had enough and walked into her boss's office to quit. Leaving the building, she felt giddy, almost lightheaded, as if she had shed a million pounds. She took all her savings and invested them into her business, leasing a store front, stocking it with equipment, and building inventory. She advertised on social media and in the local newspaper. She held contests to encourage her customers to post about her online and gave free treats to firefighters. Her business was booming and instead of investing some of her hard-won money into the stock market, she turned around and purchased another location.

When the COVID pandemic shut down all restaurants in the country, Yvette lost everything. She stayed alive as long as she could, drawing assistance from the federal government. In the end, the losses were too heavy, and she was unable to pay the rent. If she had consistently set aside a percentage each month, investing in the market as well as in her own business, she would have had a safety net. Regardless of the return on investment, it makes good sense to diversify your holdings. Do not sink all of your funds into your own venture. Retain some money for outside investments.

PAY YOURSELF FIRST

This tip can apply equally to women who work for others and those who work for themselves. If you are not already in the habit of saving money, now is a good time to start. You can start small. Just $100 per month will not only accumulate steadily, but it will build the habit of paying yourself first.

Everybody wants your money — the bank, the utility companies, the grocery store, the kids, and your in-laws. Everybody in the world has their hands out when you get paid. (This includes favorites such as Gucci, Jimmie-Choo, and Louis Vuitton.) Before paying bills, before buying gas, before paying down the credit cards, tuck $100 away into savings. Do this automatically. Don't even consider that $100 to be available to spend. Your HR department may be able to help you re-direct a portion of your paycheck to savings. That way you won't even miss it. As an entrepreneur or business owner, you will need to develop the discipline to save without assistance. Do it quickly as soon as a check clears the bank. A $100 per month habit may not sound like very much, but it can change your life.

One hundred dollars per month is $1,315 in the first year with interest added. That $100 you didn't miss because you never saw it, will now be more than a thousand dollars you can invest or continue to save. Now that you are in the habit of investing each month, you can increase your savings to $150 or $200. After just one more year, your nest egg will grow to nearly four thousand dollars. At this point you might want to consider more serious investment methods such as bonds or mutual funds. The initial investment served its purpose, to get you on the road to financial confidence and begin your own unique journey.

HOW TO INVEST WHEN YOU ARE SELF-EMPLOYED

It may seem like large corporations have the market cornered on employee savings plans. You can mimic these investment packages on your own and take advantage of many of the same benefits. The IRS offers several options for self-employed people including:

1. Simplified Employee Pensions (SEPs). Under the SEP, you can contribute as much as 25% of your net earnings from self-employment up to $58,000. Establishing the plan is easy. There is one-page form to fill out that can be accessed at irs.gov. These plans may also be available through your bank or other financial institution.

2. A one-participant 401k plan is also available, which is almost identical to employer sponsored 401ks. You are in charge of the details including how much you contribute (up to $58,000) and whether you can access the funds early.
3. A simple IRA can be established by visiting irs.gov and filling out the required forms. Banks and other financial institutions offer IRS approved simple IRA plans that you can open on your own. If you are age 50 or over, you can make catch-up contributions above the maximum deferments allowed to younger investors. As a business owner, you can make employer matching contributions for yourself at the same rate you offer the benefit to other employees.
4. Defined benefit plans mirror traditional pension plans with a stated annual benefit you will receive at retirement. Other contribution plans include profit-sharing and money purchase plans, each of which allows you to set aside a percentage of your net income.

MONTE CARLO THEORY

One of the reasons to engage a good financial advisor is that we have access to better tools than individuals do. We have software that can give you a big picture of your entire journey and where you are in relationship to your goal. We run a probability analysis on how much income you want vs. where your assets are and how you're invested. This software will run 250 to a thousand random samples on the probability of being able to generate a certain income for a period of time.

For example, if you want $80,000 per year from ages 65 to 95, this software can give us the probability of that based on your assets and savings. If the probability of that is less than 90%, you will need to make some adjustments to your portfolio. This method of running hundreds of random samples is called the Monte Carlo Theory.

DISCLOSURE

Monte Carlo Theory

The projections or other information generated by Monte Carlo analysis tools regarding the likelihood of various investment outcomes are hypothetical in nature and based on assumptions you provide which could prove to be inaccurate over time. They do not reflect actual investment results, and are not guarantees of future results. Results may vary with each use over time.

SPEND LESS THAN YOU MAKE

Your unique journey involves investing at a comfortable level of risk, whatever that means to you. You may be anywhere on the ladder of investment strategies, from owning a simple checking account to funding innovative startups. What we all have in common is a basic equation for living without consuming all of our funds. Spend less than you make. Whether you put the surplus in a savings account or an IRA, whether you invest in your own business or in the market, if you spend less than you make, you will be on the right track.

An emergency fund is necessary if you want to move beyond living paycheck to paycheck. You could put away $100 per month into savings or invest up to 25% of your salary and yet still not have any money stashed away for emergencies. A risk management professional once told me that she enjoyed her job because she got to sit around thinking of worst-case scenarios. Not everyone likes to do that. We all know that bad things can happen. Your car could break down, forcing you to spend a great deal on a down payment for a new vehicle. A loved one could get sick, requiring constant attention and an extended leave of absence from work. There is no need to imagine the worst in order to be prepared.

Experts suggest creating a cushion equal to six months of basic living expenses. As we said before, six months may not be enough. To weather catastrophes such as a pandemic or market crash, one year's worth of savings would be better. Simple calculators exist online to help you estimate the amount. You must take into account:

- Rent or mortgage
- Utilities
- Car payments
- Credit cards
- Basic expenses like food and clothing

It is best to keep this emergency fund in a checking or savings account where it can be easily accessed in times of need.

WHAT MAKES YOU MORE COMFORTABLE?

In a balance sheet, the bottom line describes your total assets minus your liabilities. Cash, investments, and property all go into the final number. Two people could have the same amount of net worth, but one of them is heavily invested in stocks while the other has three houses. The question is, what makes you more comfortable? This is your unique journey, don't let a financial advisor talk you into investments when having liquid assets helps you sleep well at night.

According to experts, 10% to 20% of your portfolio should be cash. With this rule of thumb in mind, you should be able to invest comfortably while still maintaining a cash reserve. Of course, this figure is above the six months of emergency funding you will save. After creating a savings account and beginning to invest, diversifying your holdings means collecting a variety of assets.

I knew a young woman who wanted to purchase a second home. She had enough cash for a down payment and had calculated her monthly mortgage to a reasonable rate if she put $50,000 down. Fifty thousand cleaned out her entire savings account, leaving her only with her biweekly paycheck in the bank. On her balance sheet, little would have changed. She moved her holdings from cash to real estate, and the amount stayed the same.

"It makes me a little nervous," she told me later.

You may be comfortable with more or less cash in your portfolio. Make sure to talk to your financial advisor about this preference as well.

SECTION 2

GOING ON YOUR JOURNEY

CHAPTER 4

COMMITMENT

WHAT DECISIONS HAVE YOU ALREADY MADE?

Your journey has already started. Just like individuals in the beginning stages of investing, you may not be aware of the impact of decisions you have already made. Here are some important questions to ask that will help illuminate how far you have traveled down your path:

- Have you had your first job? Many of us started working in our teenaged years. Were you saving for a car, or for money to help put yourself through college? Did you purchase a home? Home ownership is often the greatest financial responsibility middle class families make.
- Are you married or previously married? A marriage or a divorce is a financial commitment.
- Do you have children? According to the U.S. government, the average cost of raising a child is $233,610. This does not include the cost of a college education.

- Have you started saving for retirement? According to CNBC, just 39% of adults started to save for retirement in their twenties. The remaining 61% waited until age 30, 40, or older. Forbes published an article detailing savings by race, proving that African Americans in each age group have significantly less in savings than their white counterparts. African American 25 – 34 years of age have an average of $10,000 in savings while white colleagues have an average of $15,000. Flash forward to ages 55 – 64 and the wealth gap increases dramatically to $120,000 average savings per white household vs. $30,000 for Black families. Are you one of the prudent few?
- Do you have money you are not paying attention to? Maybe you had a 401k from your first job that is still floating out there somewhere, collecting money for you. You can talk to a financial advisor about consolidating those disparate 401ks.

Maybe you are like Brenda who had a 401k under her maiden name. She had put away $25 per pay period in her early twenties and collected approximately $6,000. Since moving on to the next job, she hasn't thought about the 401k at all. Occasionally, she gets reports in the mail, and considers rolling the account over, but doesn't know what that entails, and retirement seems so far away.

Brenda was married at age 29 and changed her name. At age 37, a representative from a financial institution visited her new job to give employees information about the retirement plan.

"I have a 401k from my job two jobs ago," Brenda said.

She worked with the representative to try to roll the plan over on her own but found the paperwork daunting. The process involved getting a form notarized and tracking down an official representative to view her original marriage certificate. Brenda gave up. It was too much to worry about when life was happening. Dinner needed to be cooked, children needed to be picked up from daycare, and there were deadlines at work that she couldn't afford to miss.

If you find yourself in a similar situation, your financial advisor can help. Don't let frustration get in the way of smooth sailing. Looking back at the beginning of your journey, did you start saving? If you did, then you are ahead of the game. If you have yet to start saving, you are among the majority of Americans who put off this important process. There is no need to lose sleep over choices already made, but now is a perfect time to start.

At the beginning of your journey, it is unlikely you had a road map. Making the transition to adulthood, most of us were doing the best we could without a clear concept of what retirement would look like. By the time you are reading this book, you have likely made several commitments. If you have a car or a house, if you are married or have children — these are all financial commitments that will change the course of your journey. Going forward, you can make decisions deliberately, evaluating their fit into your current travel plans.

FUEL AND MAINTENANCE

Just as a car requires gas and regular trips to the auto mechanic, so too does your journey need fuel and regular checkups. Your fuel is money. Take a moment to consider what your current financial situation is. Are you getting paid as much as you are worth? If you are like many women, the answer is likely "no."

Equal pay for equal work is not a reality for most Black women. For every dollar a white man earns, a Black woman typically earns 48 to 68 cents. Black men and white women on average earn 98 cents to a white man's dollar. Even with the same qualifications, in the same position, Black women are at a disadvantage.

What can you do about this? On a micro level, addressing the problem starts with deciding what you want.

- You could consider asking your boss for a raise.
- You could look at other job opportunities, dedicating yourself to climbing the ladder.
- You could pivot to focus on your investments.

None of these options will change the fundamental inequalities of the system, but they are things you can do right now to get ahead.

Maintenance during your financial journey means checking in with your advisor on a regular basis. There are several reasons I recommend annual visits or conversations:

1. We will want to look at your portfolio, to gauge whether it is still performing adequately.
2. You may want to adjust your holdings, moving more money into savings or more money into bonds or more aggressive investments.
3. If a milestone occurs, such as graduation or a death in the family, finances may need to be re-evaluated.

I have a 2002 GMC Yukon with 318,000 miles on it. It still functions and gets me from point A to point B. I helped my vehicle achieve this remarkable longevity simply by taking care of it. I made sure to hit every scheduled maintenance visit, kept the oil changed, the tires rotated, and the filters cleaned. It costs a little bit of money to stay current on maintenance, but that investment pays off in the long run.

Here is another tip: *it's better to prepare than to repair*. By this, I mean that all the fees paid for maintenance amount to little compared to the cost of a new transmission or a new car. Medical insurance companies have discovered that by paying for preventative measures such as gym memberships, they can save thousands in the long run. A little preparation will save time and money as you approach your destination. Consider sitting down with a financial advisor and talking through your goals and priorities. Setting up an investment portfolio can also be a method of preparation for the future. By continually putting off investing and relying on income, you are setting yourself up for extensive repairs. The closer you get to the end of your journey, the harder it becomes to reach your destination.

CRUISE CONTROL

The easiest way to help achieve your financial goals is to put your savings and investing on autopilot. At least in the beginning, this will dissuade you from using retirement funds for day-to-day expenses. Like Brenda, you can start with a small amount every paycheck. If self-employed, you can set up an investment account for yourself through your financial institution. Automatic withdrawals from your checking account make investing pain free. Like cruise control, you can set your monthly amount and take your foot off the gas.

The car that can pay attention to traffic and drive by itself is still several years into the future. Automotive manufacturers call fully self-driving cars “Level 5 autonomy,” and no one has achieved that yet. Newer models sport impressive technological advances that inch closer to Level 5 autonomy. Self-parking cars, automatic breaking, and, of course, cruise control are all inventions that move us towards robot cars. Like the automobile, investments cannot yet be left to drive on their own.

As the captain of your own ship, you must periodically reevaluate your portfolio to make sure it is still performing. You can’t fall asleep at the wheel. Connecting with a financial advisor will help you manage your investments. I can do a good deal of the work for my clients, touching base to update them periodically. Imagine your financial team as your flight crew. You are the pilot, and your financial advisor is co-pilot. Your family and friends are the passengers, and your attorney is the sky marshal, keeping everyone safe. How do you find the right co-pilot? Reading this book is a good start. I hope I have conveyed how much I care about my clients and their goals.

Another analogy of required maintenance in addition to self-driving cars is hair. If you are wearing a perm, sew in, or braids, you require regular check ins with your stylist at two weeks, four weeks, or 6 weeks. Regular check-ins with your financial advisor are on par with the check ins and maintenance you require for your hair.

HOW TO FIND THE RIGHT ADVISOR

Finding any professional whether it is a doctor or a hair stylist is hard work. It may take months or even years. The payoff comes when you know you've got someone you can trust. The process is mostly trial and error. You get reviews from other customers and try out places that seem promising. If it doesn't work for you, or the stylist doesn't appreciate your needs, you can keep shopping. You do not have to continue returning to the same hair stylist (or financial advisor) if you are not happy with the results.

To find a dentist when you move to a new city, you might look online and do your research. You might check to see which providers accept your insurance and even drive by the office to make sure it is convenient. The real test comes when you make an appointment, walk into the office, and meet the staff. Further, there is no real substitute for sitting in the chair to evaluate how painful the visit really is. The same is true with a financial advisor.

I suggest the following metrics to use when selecting a financial advisor:

- Go online to research before making an appointment. Visit the website and see what the advisor says about themselves.
- Use BrokerCheck to do a background check. Simply enter the name and zip code and get a quick report that gives you any disclosures on file.

BrokerCheck
https://troyayoung.com/resources

- See if there are any independent reviews. When looking at reviews, go straight to the three and four-star entries. These are more likely to contain useful information than either incredibly poor or unbelievably positive reactions.
- Check to see if there are any complaints filed against them with regulatory agencies. You can do this at:

Regulatory Agencies
https://troyayoung.com/resources

- Make an appointment. At your initial appointment, bring up your goals and your perfect destination. See how interested the advisor is in this personal information. If they try to steer you towards "small, medium, or large" investment plans without offering an individualized attack, walk away.
- Go with your gut. If anything during that first meeting makes you feel uneasy, walk away. It will be easier to

continue searching right now before you commit to an advisor, than to change co-pilots mid-flight.

- Is the Representative a fiduciary? A fiduciary is a person or organization that is responsible for the financial well-being of another person. By law, a fiduciary must put the client's best interests ahead of their own. This is important, because what is best for the broker is not always best for the client. Think Jordan Belfort from *The Wolf of Wall Street*, who made his fortune selling poorly rated penny stocks to gullible investors.
- What products does the advisor offer? If they only offer investments and not insurance, you might want to look elsewhere.
- Are they experienced enough? While I am grateful to the customers who believed in me when I was young, I would not recommend starting out with an inexperienced advisor. You need someone who has been around the block enough times to know where the potholes are.
- Are they willing to listen to you? If there is one yard stick to measure your financial advisor against, it should absolutely be how well they listen to you. In a study undertaken by New York Life Investments, researchers found up to 51% of women felt their financial advisors "talked over them" or talked to their husbands instead. This is unacceptable, and you should not stand for it. If you feel patronized or pushed out of the conversation, walk away.
- Are they continuing their education? Even Michael Jordan had a coach. No professional should ever reach a point where they feel they have nothing left to learn. Certified Financial Planners must earn 30 continuing education credits every two years to maintain their

certification. If the advisor is not a CFP, or carrying additional designations to keep themselves informed, consider walking away.

Your relationship with your financial advisor must be built on trust. It is essential that you keep searching for that individual or organization that makes you feel confident in your investments. I have clients that are married and, in some cases, have been married multiple times. It is no longer new to me that I have more knowledge about the financial situations of my clients than their spouse(s).

PAIN POINTS

From the time they are born, babies learn that pain is something to be avoided. Hunger, cold, and loneliness are all different types of pain, equally uncomfortable. Pain has an upside as well — it warns us of danger. It is a survival mechanism, a signal to your brain to pull your hand off the hot stove. Financial pain points are equally as illuminating and also serve as deterrents for dangerous behavior. The three pain points we will discuss in this book are taxes, fear of not saving enough, and credit.

1. ***Taxes*** are a subject that deserves much more discussion. I introduce them here as a pain point, because so often the mission is how to avoid them. When you first began your journey, likely through a job, you began to pay taxes. Even earlier, at six years old when you purchased candy or a toy and realized you had to have enough to cover sales tax, you were indoctrinated into the cult of taxpayers. Tax as a pain point is valuable because it helps

us keep an eye on our finances. We must understand payroll withholdings in order to comply with the law and to walk the fine line between too much and too little withheld.

2. ***Fear of not saving enough for the future*** is a valid concern. This kind of worry keeps many of us awake at night. People worry about being too old to work and dependent on the government if their retirement funds run out. Re-evaluating your portfolio may help. Speak with your financial advisor. Perhaps it is time to step on the gas and invest in some riskier assets.
3. ***Credit*** is another pain point, though at the beginning it doesn't feel that way. One client told me that her credit card debt began in college. The credit card companies had set up tables in the quad and were flagging down students to sign them up. She couldn't believe how easy it was to get approved, and in just ten minutes, walked away with a fully functioning credit card in her name. Just as the creditors wanted her to do, she spent a fortune on pizza and dorm furnishings. It took years to pay down the debt at an interest rate of 29%.

According to CNBC, the most common reasons people fall into credit card debt are medical bills and emergency expenses. Credit is an easy way to access more cash than you have on hand, allowing for undisciplined spending. There are four basic types of credit, of which credit cards are one.

Revolving credit allows you to borrow money up to a certain amount. Interest is charged, and in the case of unsecured credit cards, the interest can be sky high. Charge cards are another form of credit that must be repaid in full each billing cycle. American Express is a common charge card. Installment credit includes loans for homes and cars, and is money borrowed with a set repayment schedule. Non-installment credit occurs when a service is delivered in advance, and payment is made afterwards. Examples include utilities and cell phone payments.

Some people have the discipline to use credit cards for monthly bill payments, collect the cash back bonuses, and repay the balance in full. There are even online mortgage payment schemes that involve using credit cards to pay down other debts. The success of these methods depends on the user's ability to stay current on the credit card payments. Other people make minimum payments and continue to charge new purchases, increasing their debt.

Credit as a pain point sends an indication to your brain that you have over-extended your finances. Being aware of credit card debt is vital to your success. Different people have different pain tolerance, and some may shy away from using credit at all, where some don't see alarm bells until they are in well over their heads. Whatever your personal pain point, use it to catapult you away from danger. If you need help restoring your credit, there are several strategies you can use.

RESTORING YOUR CREDIT

When you hit your credit pain point, there are steps you can take to make the pain subside. Always talk to your financial advisor if you have questions. They should be able to help. Without an advisor as co-pilot, here are a few things you can do on your own to clean up the mess:

1. Get a free credit report. Do not go to the websites advertised on television. Each of the three major credit bureaus are required to give you a free annual report. You can contact Experian, Equifax, and Transunion or call the Annual Credit Report Request Service.
2. When you receive your reports, make sure all the information is correct. Look for accounts that do not belong to you, incorrect personal information, and fraudulent activity.
3. If you find any errors, you can dispute them with the correct company.
4. Pay late or past due accounts. If you have the funds, paying credit card and utility late fees can get the creditors off your back. Carrying a balance by itself is not necessarily a negative, being late on your payments is. When payments are over 180 days late, your credit card company may demand payment in full.
5. Increase your credit limits. Sometimes it is as easy as asking the credit card company. This changes your debt to credit ratio and increases your credit score. Just be sure not to spend the additional funds.
6. Pay off cards one at a time. If you have balances on more than one card, pick one to focus on and pay that off quickly. You can choose the card with the highest interest rate, or the card with the lowest balance. By focusing on one card, you can knock them down like dominoes, instead of making smaller payments on all of them at once.
7. Make payments on time. From now on, commit to making all your payments on time, even if it is only the minimum amount.

These steps, while not entirely easy, will help to rescue your finances if you have hit your credit pain point. If possible, ask for help.

TAXES: YOUR UNINVITED PASSENGER

It's not just federal income tax, although that is a big one. There are other types of taxes that we must pay on an annual or daily basis. These taxes include:

- ***Income tax*** is deducted from your paycheck based on the number of dependents you claim and the geographic location of your workplace. Payroll taxes also include Social Security and Medicare and combined they can eat up nearly a third of your take-home pay. If you are a contract worker, you will need to pay estimated taxes quarterly. Failing to pay estimated tax will result in late fees by the IRS.
- ***Sales tax*** is added to any purchase in any store. Often considered part of the cost of an item for budgeting purposes, sales tax is as unavoidable as income tax. Some states charge as much as 9.4% of the purchase price, while a few states have chosen not to collect sales tax at all.
- ***Property taxes*** often go to fund schools and can be a deductible on your annual tax returns. They are drawn from escrow accounts in the typical mortgage arrangement, so many consumers do not have to consider property tax on a daily basis.
- ***Estate tax*** applies to property and cash transferred to beneficiaries after death. It is controversial and many

politicians have sought to remove it. There are asset level restrictions designed to tax only the wealthy, so individuals with less than $11.7 million for individual and $23.4 million for couples (2021) are exempt.

- A ***Capital Gains Tax*** occurs when an asset is sold for a profit. There are ways to minimize the amount charged including investing for the long term instead of selling quickly. If you are considering selling an asset, speak with a financial advisor first to discuss the taxation requirements.

I had a client who generated two million dollars in revenue last year. He is a business owner and only pays himself a very small salary.

"Where can I put this money to avoid being taxed to death?" he asked me.

There are plenty of legal ways to help manage your tax liability, as well as some shadier methods. It is important to get advice from an ethical advisor before writing off profits that legitimately should be taxed. Being audited by the IRS, fined, or sentenced to jail are all potential outcomes to illegally manipulating taxes. Al Capone was famously convicted of tax fraud when all other law enforcement efforts failed. Wesley Snipes, an actor famous for the *Blade* franchise and *White Men Can't Jump,* was sent to jail over a $23 million tax bill. We can all learn a lesson from these stories and stay on the right side of the law. Obviously, you must file your taxes, but there are strategies you can use to avoid paying more than you owe. These strategies include:

- Establishing a defined benefits plan. As long as you establish a defined benefit plan by the end of the calendar year, you can set aside a significant amount of revenue in pre-tax dollars.
- Use after tax rather than tax-deferred savings plans. Roth IRAs will allow you to draw down funds after age 60 tax free. Through Roth IRAs and some insurance policies you are taxed on the seed and not on the harvest.
- Establish college savings plans for your children. College savings plans (529s – see disclosure) allow you to save pre-tax revenue: allows you to invest and incur no capital gains tax as long as funds are used for education.
- Minimize capital gains tax by holding an asset for more than a year before selling. These assets include stocks and bonds. When purchasing a security, if you turn around and sell it within a month or two, any income generated by the sale is considered a short-term gain. By keeping stocks in your portfolio for more than a year, any money you make is considered a long-term gain. There is a significant tax rate difference between the two.
- LIRP-Life Insurance Retirement Plan allows for Roth-like benefits for saving for retirement without the income and contribution restrictions of the Roth.

DISCLOSURE

529

A 529 plan is a college savings plan that allows individuals to save for college on a tax-advantaged basis. Every state offers at least one 529 plan. Before buying a 529 plan, you should inquire about the particular plan and its fees and expenses. You should also consider that certain states offer tax benefits and fee savings to in-state residents. Whether a state tax deduction and/or application fee savings are available depends on your state of residence. For tax advice, consult your tax professional. Non-qualifying distribution earnings are taxable and subject to a 10% tax penalty.

BUDGETING

A budgeting or spending plan is a pain point for many people. Sitting down with a pen and paper or an Excel spreadsheet can be just as stressful as sitting in the dentist's chair. Unfortunately, there is no way to successfully navigate on your journey without budgeting. There are ways to tackle the task that are not restrictive or painful. Stop imagining tightening your belt, and instead visualize achieving your goals.

We are not going to make a list of all your expenses, water bills, house payments, etc. We are not going to balance that against your income to discover that you need to stop going to the movies. That is important and far easier than what I have planned. I would like to start by asking a few questions about your journey.

WHERE ARE YOU STAYING?

To budget effectively, you must be honest with yourself.

- Are you happy in your living situation?
- Can you envision yourself staying in your home for the next ten to twenty years? What about thirty or forty years?
- Will you eventually need to budget for another home purchase, and how soon is that coming? When you reach your destination, will you stay in your home, or move to a favorite vacation spot closer to your kids? If homes in your area cost $300,000 to $500,000, a 15% down payment means $45,000 to $75,000 cash
- Would you downsize or move into a retirement community? A retirement community in Georgia costs on average $3,100 per month depending on the city.
- If you plan to travel extensively, costs will vary depending on destination, hotels, and airfare.

Start to think about how much each of these options would cost.

HOW LONG ARE YOU TRAVELING?

In an ideal sense, this means how early you will retire, because we all hope to live as long as possible. According to Psychology Today, the way we have all been thinking about aging has been wrong. Instead of “growing old” and disappearing from the world stage after retirement, women are now enjoying unprecedented freedom. The Third Age, as it has been termed, is the time between retirement and age-imposed physical limitations. Women in this stage of life are going back to college, traveling the world, and running marathons. This is your destiny, wherever you envision yourself, whichever vista you look out over your morning cup of coffee. This time in your life is precious and must be financially supported so you can do all of the things you have been putting off.

In a literal sense, "how long are you traveling" could mean exactly how much travel are you interested in? A single cruise with girlfriends looks a lot different financially than a series of vacations in Europe. However you interpret traveling, there are building blocks you need to secure before the fun begins.

Compound interest is a semi-magical formula that increases your principal in a savings account or investment. Each year interest is earned, that amount is added back to the principal, and a percentage of interest income is calculated from the new total. In this way, over time, funds can accumulate much faster than they would with simple interest. Compound interest is your ticket to a relaxing third age. By investing early and often, a modest principal can develop into true wealth.

Time is an interconnected building block, a necessary component to any financial equation. "Time is money" is an often-quoted phrase, meaning that time is precious and should not be wasted. In the investment world, time is quite literally money. Bonds that have a longer maturity date are more lucrative investments. Time is often considered a risk factor. Who knows what could happen in the ten years between the purchase of a bond and its redemption? There could be another war; the company could go under. The fact that you are committing to an extended period of time makes the investment riskier. Owning shares of stocks including those that pay dividends and participating in DRIP programs are opportunities for compounding of growth. These come with risks as well.

Other types of risk include:

- **Principal risk –** the risk that an asset will decline in value below the purchase price. Many homeowners found themselves in this situation after the housing market crash of 2007. They owed more on the house than the home was worth.
- **Reinvestment risk –** the risk that an investment's cash flows will decrease if placed in a new security.
- **Interest rate risk –** the risk that the value of a bond will suffer due to changes in government interest rates. This type of risk is especially present in long-term assets.
- **Market risk –** the risk that some adverse event might affect the entire market. Environmental disasters and pandemics affect the market in this way and generate risk.
- **Economic risk –** the risk that an investment will be affected by political or economic circumstances. This type of risk is especially present in international investments.
- **Sequence of return risk –** the risk of making withdrawals from your portfolio in a "down" market that causes the overall value of your holdings to drop. This type of risk overwhelmingly affects older investors.

The riskier the investment, the greater the potential payout.

When lottery results are announced, it is assumed that the winner will elect to receive payments by installment. If the cash prize is listed as one million dollars, it is only one million in installments, over a length of time, perhaps ten years. This assumes a much smaller principal amount, with interest compounded annually. If you were to draw your lottery earnings out in one lump sum, it would be significantly less than one million dollars. This is known as the time value of money.

When deciding on the length of your third age, or how early you will be able to retire, consider budgeting, compound interest, and the time value of money. Budgeting will give you a better picture of how much money is needed in your retirement fund. Compound interest and the time value of money are the easiest method of arriving at the desired sum. Estimating your life expectancy and multiplying that by your annual living expenses times inflation will give you a ballpark of your “number.”

HABITS

When thinking about your budget, there may be suspicious items that leap to mind. The word “budget” conjures up images of strict adherence to necessity and an abstinence from anything frivolous. Like me, you might have a favorite sports team, and spend the occasional large sum on tickets or merchandise. I have a client with a fondness for plants, who has turned her dining room into a greenhouse and cannot help adopting new flowers at every garden store. If you have your own unique habit, I am sure you are aware of it. Take a moment to think about this expenditure. It makes you happy, but what is the trade off? Can a house full of plants help you pay the mortgage or support your loved ones in a time of need? You don't need to give up your habits but being aware of them is helpful.

There can be good habits and bad habits. This table indicates some of the best and worst financial habits.

Good Habits	**Bad Habits**
Saving	Spending too much
Budgeting	Ignoring your finances
Paying bills on time	Late payments
Spending only what you have earned	Relying heavily on credit cards
Giving to the church	Spending money on addictions such as shopping or alcohol

Financial habits run the gambit from total disregard to tight-fisted control. In my opinion, we should all shoot for a more moderate, middle of the road approach. There is no advantage to being so miserly that you cannot enjoy yourself, and there is little reward in drowning in credit card debt. Be aware of your habits and exercise self-control, but also have a little fun.

CASH FLOW INSURANCE

Cash flow is the transfer of money in and out of your accounts. Like a heartbeat, it keeps revenue flowing in from your business or paycheck and out to your expenses and liabilities. Cash flow is an important pulse to keep an eye on when creating a lifelong budget.

This is the activity that is illuminated through spreadsheets listing all income and expenses. If you collect all your receipts and bills for an example month, and record all payments, dividends, and capital gains for that same month, you can see whether your expenses outpace your income. If so, there are only two options: either cut expenses or increase revenue.

Cash flow insurance is a way of ensuring that enough cash is coming into your accounts. If you have only one stream of income, only your paycheck, then your entire cash flow is dependent on the continued functioning of that vein. Just as you diversify your investments, it would be wise to diversify your cash flow. Think dividends from stocks and bonds; think rental income from tenants. With a secondary stream of income, you will be better able to meet your financial obligations if problems arise.

CHARITABLE GIVING

According to Philanthropy Today, research shows that women at all levels of financial achievement outpace men when it comes to charitable giving. You may have noticed competition for your donation from organizations that send you emails or appeal to you in television commercials. You may want to give to your church and support the good works they perform each and every week.

If giving is important to you, set aside money right off the top to support your favorite charity. Before paying your bills, pay yourself by setting aside $100 or more into savings, then pay the church. If you plan to live off 70% of your income, with the remaining 30% going into savings and investments, you are most definitely on the right road for a secured retirement. Donations to the church or other nonprofits come first because supporting our community is paramount.

When gifting to church, the size of the donation is typically calculated from gross income but taken out of net. In contrast, contributions to 401k or other tax-deferred savings plans are taken from gross. Other savings and lifestyle costs come from net. Take this into account when allocating your outflow-cashflow. Calculations are most easily done via spreadsheet, as in the example below:

MONTHLY INCOME SOURCES

PLEASE ONLY INPUT DATA - DO NOT MANIPULATE EXCEL FORMULAS OR CELLS AS YOU COMPLETE THESE FORMS.

Point to red comment triangles for help.

Types of Income	Regular Income (Monthly Take Home)	Irregular Income (Quarterly/Annually)	Coach's Comments
Income 1			
Income 2			
Income 3			
Interest/Rents/Misc.			
Tax Refund			
Other			
Bonuses			
Self-Employment			

Do not enter data below this point.

TOTAL INCOME	$0.00	$0.00	
- TOTAL NECESSITIES	$0.00	BUDGET	
= DISPOSABLE INCOME	$0.00		
- DEBT PAYMENT	$0.00	DEBT SNOWBALL	
= EXTRA FOR EMERGENCY FUND/ DEBT REDUCTION	$0.00		

BASIC BUDGET

PLEASE ONLY INPUT DATA - DO NOT MANIPULATE EXCEL FORMULAS OR CELLS AS YOU COMPLETE THESE FORMS.

	Expenses	Monthly	Nonmonthly (Paid quarterly or yearly)**	Envelope* Total (Leave blank for Coaching session)	Actual Total (Leave blank for Coaching session)	Coach's Comments
GIVING	Church Giving					
	Monetary Donations/Offerings					
	Other:					
SAVINGS	Emergency Savings					
	Retirement Savings- not payroll deducted					
	College Savings					
	Estimated Tax Savings					
	Short-term Savings for Goals					
	Other:					
HOUSING	First Mortgage					
	First Mortgage					
	HOA association					
	Property Tax					
	Insurance (Home Owner's/Renter's)					
	RENT					
	Storage					
UTILITIES	Electricity					
	Water					
	Gas					
	Home Phone					
	Cell Phone					
	Trash					
	Cable					
	Internet					
	Services (Security System/Pest Control)					
	cleaning: America					

Budgeting Spreadsheets
https://troyayoung.com/resources

Women are the primary supporters of charity works. Every dollar a woman earns has a greater chance of going back to her family and her community. According to the World Bank, "increasing women's ability to work for pay…may be one of the most visible and game-changing events in the life of modern households and all communities." Women are vital to the economy, and unparalleled supporters of their churches, families, and society.

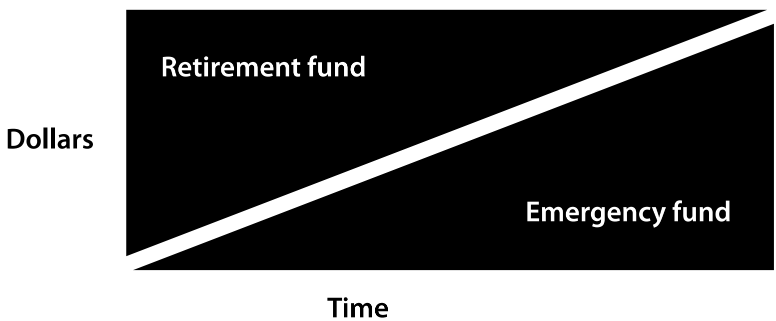
In other words, if you are earning $75,000 per year, you are not getting $75,000 deposited into your checking account. Don't create your budget or spending plan per a $75,000 salary.

EMERGENCY FUNDS

Planning for an emergency is my least favorite thing. No one wants to imagine horrible things that will eat into their savings. Without dwelling on the negative, here are a few ideas to help build that six-month cushion:

1. Get comfortable saving. Start a new habit by putting away $100 per month.
2. Establish priorities. If the six months' worth of savings seems too daunting, try scaling back. Start with one month's expenses. With one month of savings, you are no longer living from paycheck to paycheck.
3. Don't get so focused on long-term goals that you forget to plan for the short term. Eventually, you will need a new car or maybe you are unhappy in your living situation and are thinking of buying a new house. Maybe you or someone in your family will be graduating soon, and a party is in your future. Saving for these expenses can occur simultaneously and should not negatively affect your emergency fund. The emergency fund is for emergencies, not for weddings.
4. Put 80% of your savings towards the emergency fund, and only 20% towards retirement. When you pay yourself off the top of your earnings, divide the investment into separate accounts. Put the bulk of the savings in the emergency fund until you have saved up

six months' worth of expenses. The remainder can go into your retirement accounts, with a portion diverted to whichever upcoming expense you are saving for including things you can plan for like Christmas, vacation, shopping spree, etc. If your financial holdings were a car, the emergency fund would be the gas and retirement would be the oil. You need to add gas much more frequently than you need to change the oil.



The emergency fund should not take too much of your emotional energy. You do not need to consider all the things that could go wrong. By merely putting money away to deal with the inevitable challenges of life, you can protect yourself and your ultimate goals.

COMMITMENT MEANS NO COMPROMISE

Once you have committed to your financial journey, and visualized your destiny, don't let any obstacle or challenge deter you. Life will create potholes and debris in your way, which may scare you off course with dire predictions. Perhaps your daughter is pregnant and needs money to set up a home. Perhaps your best friend wants to open up a juice bar and tries to convince you to come in with her. Perhaps the entire world economy suffers due to war or a pandemic.

When the housing bubble burst in 2008 and the great recession began, I called all of my clients personally to talk to them about their investments. I counseled them to maintain their holdings and ride out the storm.

“The market will rebound,” I said, “It is just a matter of time.”

When the COVID pandemic of 2020 forced the lockdown of restaurants, schools, and dental offices across the country, I again reached out to my clients.

“We remember,” they said. “We will have faith again.”

The stock market has since rebounded, as it has done after every geopolitical and previous pandemic type events. I had one client who did not believe me that the market would recover. She saw the economic turbulence and the daily closures of businesses and panicked. The stock market fell further and faster than it ever had since the great depression of the 1920s. Two days before the market bottomed out, my client sold her investments, locking in a loss of $70,000. Less than a week later, investments were on the rise again.

There are two animals the stock market is referred to: a bull and a bear. A bull market is largely a positive thing, when stock prices are on the rise, and everybody is making money. In a bear market, the economy declines, stock prices drop, and investors rush to sell. In every market, there are opportunities. Warren Buffet's theory of greed and fear aligns perfectly with the bull and the bear markets. The bull encourages greed while the bear creates fear. The trick is not to panic and make decisions based on sound investment advice.

Money is called currency because it flows. Cash travels from your business to your personal bank account and back out to vendors and creditors. It connects individuals to industries and countries to one another across the world. When the money is flowing, everyone is rich. When currency is locked into accounts, the economy suffers. By taking a long view of the path traveled by money, we can see that it does not remain stationary for long. Eventually, the flood gates open, and the cash begins to circulate again.

Commitment means staying in the game for the long haul. If you have decided you are going to be on the beach in Hawaii after retirement and worked out how much money you will need to live there, don't let spurious investments or emergencies steer you off course. How do you plan for emergencies? Save up that one year's worth of expenditures and don't dip into it. Suddenly being out of work or surprise medical bills should not be the end of your dreams. Without an emergency fund, people are forced to use credit cards, falling deeper into debt. A 401k is intentionally hard to access until retirement, making that pot of money unavailable for emergency assistance.

I'll use a golf metaphor since I enjoy playing golf. If you have never played, I highly recommend it, not only for its athletic component, but also for its social benefits. In golf, if you are a few degrees off your shot, you will miss the hole by a wide margin. In life and in investments, this translates to keeping your eye on the goal. When you swing with your cash flow, you want to make sure your investments are heading in the right direction and maintaining the degree of accuracy.

CHAPTER 5

ENJOYING THE LONG STRETCH

ENJOYING YOUR JOURNEY

We have talked a lot about optimizing your cash flow, about saving for emergencies, and about investments. What we haven't talked about is that throughout your financial journey, your life is happening. You may fall in love or out of love or you may welcome a new baby or grandbaby. While you can keep an eye on your financial pulse, don't forget to let yourself live.

Financial advisors are important. They are the co-pilot on the flight from here to your future stress-free retirement. You are the pilot, and the only one authorized to make decisions on your behalf. You can accept counsel from your advisor, from your husband, from your children, or your doctor. In the end, it is you who has to follow through on the advice, who has to sign on the dotted line, or abstain from sugar for the rest of your life. If something is not working for you, make sure your financial team knows.

While your investments can run on autopilot, and automatic deductions make savings easy, it is important to tune in occasionally to monitor your progress. Don't fall asleep at the wheel.

MILE MARKERS

Cruising down the interstate, you can sometimes see mile markers posted on tiny signs. When running a charitable 5k race, the organizers often clearly mark miles 1, 2, and 3 to keep you aware of your progress. On your financial journey, there are certain milestones that you can achieve to make sure you are on the right path.

Your first job is a milestone. Some of us are employed while still in high school, and some wait until graduation from college. The first job is your entry into adult responsibilities, taxes, and rigid schedules. Of course, not everyone experiences the same milestones in the same order. Some women may have started caring for younger siblings at a tender age, graduating into adulthood much sooner. Some people inheriting wealth from their parents have no need for a job. Many of us spend our teens and early twenties in pursuit of reckless hobbies that separate us from achievement rather than encourage it.

During the teen years, you might cross some of these mile markers:

- Setting up your first checking account
- Opening a savings account
- First job

- First car
- Starting college

Debt repayment and household stabilization is the next major milestone, usually achieved in the late twenties and early thirties. This is when the craziness of youth has subsided, and we get married and begin to have children. Debts being repaid could include student loans, which often follow people into their later years. Debt could also refer to credit card balances, possibly enlarged from thoughtless purchases or periods of unemployment. At any rate, young adults are often working to settle their debts while building families and homes.

Some specific financial milestones for this period include:

- Repaying student loan debt
- Beginning retirement savings
- Repairing credit or establishing good credit
- Finishing college
- Purchasing life insurance or life insurance through employer
- Purchasing your first home

In their forties and fifties, women often see their peak earnings and wealth begin to accumulate. You might have been promoted several times or climbed the corporate ladder by keeping an eye out for new opportunities. You might have started your own business, purchased rental properties, and delved deeper into investments than you have in the past. This milestone is important to capitalize on as savings in this timeframe can accumulate quickly.

During this stage of life, women may see the following specific achievements:

- A secondary source of income
- Self-employment or a new business
- Increased retirement savings
- Knowledge of parents' finances and plan for caregiving
- Contracting a financial advisor

When people reach sixty, they may want to take stock of their situation and prepare for the coming third age. At this point, your airplane is on its descent and seat backs and tray tables must be in their upright position. You are approaching your destination and you must focus on ensuring that your investments and savings are adequate to meet your goal.

This all-hands-on-deck stage of life may include:

- Paying off mortgage
- Paying off credit card debt
- Downsizing
- Speeding up retirement savings through increased investments and salary deferral

Retirement is your destination, and some may arrive earlier than others. Business owners and the self-employed may delay retirement. Savvy investors and those with a goal of early retirement may be able to rest their feet long before the average woman does. Stay-at-home moms may find their children graduating from college and moving away. The world opens to new possibilities and the activities that once filled your life are replaced with new choices.

SIDE TRIPS

Pausing along the way to enjoy life while you travel towards a fulfilling retirement is a must. You will exhaust yourself if every waking moment is spent working towards the distant future. An annual vacation will improve your physical health by decreasing stress, promote greater well-being, and decrease burnout. According to the Washington Post, 55% of Americans do not use all their paid vacation time, sometimes losing the benefit in the name of urgent work.

I have a client who gets an annual distribution from her annuity and takes a jazz cruise with her husband each year. On a cruise ship in the Caribbean, nighttime entertainment is jazz music and ports of destination lead to concerts on land. The cruise lasts for seven to ten days with different celebrities and jazz legends on board. It is her special treat that keeps her young.

You do not need to spend the time or the money on a cruise if that is not something that appeals to you. A spa day with girlfriends works just as well to recharge your batteries. Think of your journey as a marathon, or an ultra-marathon, some length of sprint that no one can manage in one burst. Taking a vacation or indulging yourself is necessary in order to reach the finish line with energy for your third age. Without resting, you risk burning out, inviting health issues, both mental and physical.

RISKY TEMPTATIONS

While an occasional vacation is necessary, there are other, more dangerous pitfalls for your money. Maybe your nephew has begun investing and convinces you to let him trade on your behalf. Maybe you have done your own research and have your eye on a riskier stock. Or what if your husband finally convinces you to try house flipping and has the perfect dilapidated property in mind?

Whatever the investment, be sure to withhold the bulk of your finances. Take up to 2% of your savings and invest in risky assets. Don't swing for the fences with your bread and butter. If you had a plate of greens, you eat it with hot sauce; you don't eat the hot sauce by itself. The hot sauce is risk, the flavor that brings you to the table. Greens are your investments, the pots of money that will see you through retirement. Together they make a magnificent dish, in correct proportions with the greens outweighing the sauce.

As you progress on your journey, your risk tolerance will evolve. Depending on when you began saving for retirement, you may need to look at riskier investments. The only way to ensure sufficient funds without raising the risk is to invest early. Alternatively, you may have to invest a more significant portion of income.

Riskier investing closer to retirement age will increase cash flow. There are other steps you can take; for example, deferring part of your salary. While risk might increase, I would still caution against heavy spending on family projects. Your financial advisor will help select the right investments at the level of risk that will serve you best.

PERSONALITY

It is an old joke that if a woman lacks beauty, she is said to have a "great personality." As if personality is an insult. There are so many things wrong with this assumption including the objectification of women. Think of all your lifelong friends, your spouse, your customers, or your co-workers. Chances are you respect them for who they are on the inside, not their physical beauty.

The magazine *Parents* uses six different indicators to define personality.

- Activity level is how much energy you have, whether you are always on the go or frequently tired.
- Another aspect refers to habits and cycles, and how comfortable you are with routine.
- Are you introverted or extroverted?
- How quickly do you adapt to new situations?
- Quality of mood is another indicator. Some people are generally happy and some are usually sad.
- Persistence is the final descriptor, measuring how long a person can stay at task.

Taken together, these dimensions give a fair approximation of a person's personality.

What does this have to do with investing? If you are a person easily distracted, eager to move onto the next best thing, long-term investments may not sit well. You may be more interested in stocks than bonds. If you would prefer each day to unfold much the same as the previous one, perhaps mutual funds with their diversified holdings would work best. An extrovert may be more interested in funding business ventures with friends and colleagues.

Personality dictates how the world will interact with you. In the nature vs. nurture argument, two children raised in the same household can achieve vastly different outcomes in life due to personality. Take a hard look at yourself. Your bank balance will follow some of your more prominent personality traits.

FINANCIAL GOALS ARE BOTH SHORT TERM AND LONG TERM

One of my personal traits is organization. I appreciate routine and I like my life to be free of drama. This doesn't apply when I go on vacation, however. When the sun is shining and Wanda and I are free from the cares of daily life, I am spontaneous. We were taking a road trip from Portland to Sunriver, Oregon. The land in the Pacific Midwest is usually damp from rain. Volcanoes dot the landscape, capped with frozen glaciers. In the summer, the glaciers melt, and the runoff feeds the trees for miles around. It is lush country and as we drove through vineyards, Wanda suggested we stop for a wine tasting.

We took a tour of the winery, walking among rows of crawling grapes. The tasting consisted of four different wines, two red and two white, each sweet with provocative hints. The detour did not take long, two hours at the most. We were back on the road and headed for our destination before 3pm. My point is that while you are saving for the long term, taking short detours can bring excitement to the journey.

Likewise, your investments should be structured to include both short-term and long-term assets. Technically, long term means more than one year. This table includes examples of long-and short-term assets:

Long-Term	**Short-Term**
Property	Cash
Bonds	Checking accounts
Stocks that won't be cashed out for more that one year	Savings accounts
Trademarks and copyright	

By diversifying your investments and holding both types of assets, you will be better able to arrive safely at your destination. Short-term assets will pay your bills and suffer in an emergency while preserving other investments. Long-term assets are there to finance your retirement, to provide revenue for a lifetime and a legacy for your children. Don't get too focused on the long-term goals that you forget to plan for the short term. At the same time, don't get so focused on short-term goals that you forget to plan for the long term. Balance is needed.

THE BRAIN'S REWARD SYSTEM

One of the difficulties inherent in planning for the long term is that our brains are wired to want everything now. The brain's reward system uses the neurotransmitter dopamine to communicate, releasing feelings of pleasure when a certain stimulus is activated. Usually in response to social interactions, romance, or food, the reward system can create a feedback loop to promote unhealthy behavior. Almost 50% of all Black people in the United States are obese according to the CDC. This is just one example of the reward system malfunctioning and encouraging other parts of the brain to keep eating despite health risks.

Ivan Pavlov was a psychologist who successfully matched a stimulus to the reward system in the brain. In a famous experiment, he rang a bell each time before feeding lab dogs a treat. After a short time, the dogs began to associate the bell with the reward, anticipating the satisfaction after hearing the stimulus.

Here is another example. Trisha had an eye for fashion. When she was young, she went to a private school. Her parents were both professionals, and still the tuition nearly broke the bank. They wanted their daughter to have a head start in life, and form friendships with the children of local politicians and captains of industry. One day early in her first year of middle school, Trisha made the mistake of letting her classmates know that money was not unlimited in her household.

The girls were talking about Neiman Marcus, a high-end retail boutique featuring shoes, handbags, and clothing. All of Trisha's friends wore Neiman's fashions; nearly the entire school had brand name attire.

Trisha thought nothing of it when she said, "I like Neiman's, but it's so expensive."

Silence greeted her admission, and all heads turned towards her. Gripped by a sudden desire to suck the words back into her mouth, Trisha tried to laugh it off. Soon after, she begged her mother to let her start babysitting so she could earn enough money to buy the clothing. Throughout her childhood, until she graduated from high school, Trisha spent all of her earnings on high fashion. The more expensive, the better. Trisha loved it when heads turned her way for the right reasons.

The reward center in her brain was triggered by looking better than everyone else. She swore no one would ever know how hard she had worked for each item of clothing. When she was old enough to apply for a credit card, she quickly maxed out her account with a few choice purchases.

Delayed reward is an important concept. It takes will power to deny your brain the dopamine it desires from food or wine or shopping. Writer Northcote Parkinson theorized that the more money people make, the more they spend. What is called Parkinson's Law explains why so many people retire poor. Saving is not an inherently rewarding activity, or it lacks the immediate dopamine reward. Retirement is a long-term goal, and our brains have developed an addiction to immediate pleasure.

Proverbs 30:24-28 tells of some creatures on Earth that, even though small, are exceedingly wise. Verse 25 can teach us a lot about saving for the future. It goes: “Ants are creatures of little strength, yet they store up their food in the summer.” Ants are consistent hard workers, they carry sand bigger than themselves, and create structures that tower over other creatures. Meanwhile, in the New Testament Jesus says in Luke 14:28-30: “But don’t begin until you count the cost. For who would begin construction of a building without first calculating the cost to see if there is enough money to finish it? Otherwise, you might complete only the foundation before running out of money, and then everyone would laugh at you. They would say, ‘There’s the person who started that building and couldn’t afford to finish it!’” Hard work and planning provide the two essential ingredients for any successful life.

Some things that are not fun are necessary. This goes without saying as many of us experience days we have to power through work even though we don’t feel like it. When you are on vacation, you have to go through airport check points and wait in line at the attractions. You wouldn’t give up on your trip to Jamaica just because your flight was delayed. Don’t let rules and restrictions stop you from achieving your goal of a confident retirement.

MULTITASKING

There is some controversy over whether multitasking even exists. How do people focus on more than one thing at a time, and is that even possible? Multitasking, in the business sense, means having more than one window open on your computer. It is bouncing back and forth between spreadsheets, talking on the phone while you write a report, or responding to emails while listening to a podcast or on a Zoom meeting.

In the financial world, multitasking definitely does exist. An optimal investment strategy is to make each dollar multitask for you. A few examples of financial multitasking include:

- When you pay down credit card debt, you free up cash. Fewer bills mean more money in your pocket.
- Increasing your investments could mean greater dividends, thus increasing cash flow.
- Decreasing liabilities increases equity.

Flowcharts
https://troyayoung.com/resources

TREAT YOURSELF

One of the financial milestones is successfully establishing an emergency fund. When you have achieved this goal, with at least six months' worth of expenses in savings, it is time to treat yourself. Go ahead and engage in that instant gratification dopamine releasing purchase. Money is no object, within reason. Buy something extravagant that you can look upon with joy for many years. You might want:

- A new purse
- A new pair of shoes
- A piece of jewelry
- A new computer
- A new dress

- To take a trip
- To go to a spa

There should be rewards for hard work. Rewarding yourself will make it more likely you will continue the behavior and save up for the next milestone.

CHAPTER 6

DETOURS, ROADBLOCKS, AND DELAYS

No journey has ever been free of roadblocks. Wanda and I traveled to Europe with another couple in what could have been the makings of a Tyler Perry comedy. We were the only African Americans on the plane and were "randomly" selected for interrogation when we arrived at our destination. After hours spent in tiny rooms convincing police that we were indeed on vacation, we were set free to go to our hotel.

For a week, we drove around Italy in a rented sports car. I was at the wheel the entire time. The last day, on the way back from Rome to Venice, our car was robbed, and our luggage was stolen. Luckily, the passports and cash remained hidden, and we were able to board the plane. We returned to America with only the clothes we were wearing and the memories of that dramatic vacation. A few weeks later, I received twelve Italian speeding tickets in the mail, which I decided not to pay.

Whatever your personal detours, you cannot escape this life without encountering some. Let's take a look at some different types of detours, roadblocks, and delays.

PERSONAL DETOURS

Some detours are out of our control, like auto accidents or illnesses. Other detours are positive events, self-imposed celebrations such as:

- **Weddings –** The average cost of an American wedding, according to The Knot, is $33,900. Some weddings run much higher as there is a cost associated with every decoration, gown, venue, and entertainment package.
- **Christmas –** In an attempt to spread the love far and wide, many people spend upwards of $1,000 each year for Christmas. With gifts for children, loved ones, parents, and co-workers, the cost can easily rise above what is comfortable.
- **Birthdays –** The desire to celebrate the birth of loved ones is unavoidable. For the children in our lives, birthdays may be the most important day of the year. Making a child feel special on their birthday is worth between $51 and $100 for most people, and more than $100 for nearly a third of the population.
- **Vacations –** There is nothing more important than a well-earned vacation for those who work for a living. Vacations are often, but not always, planned in advance. The average amount spent on a single vacation is $581, but this doesn't take restaurant trips and souvenirs into account. Depending on the destination, vacations can easily cost tens of thousands of dollars.

Each of these is an anticipated celebration, but one that can eat into our savings. There are no independent financial decisions — every dollar you put towards your daughter's wedding is a dollar you can't put towards retirement. Every dollar you put towards retirement is a dollar you can't put towards the wedding. This is why these largely positive life milestones may be called "detours" or "roadblocks." In your journey towards retirement, diverting funds to any one of these celebrations means less money for your ultimate destination.

HOW TO STAY ON TRACK

Life without celebration would be no fun. Even the most dedicated investor should take some time out to enjoy the company of friends and family. How do you stay on track and still enjoy the occasional celebration? There are a few strategies that I can suggest, ways I've seen people reign in lavish spending:

- You could give your child a budget for their wedding – say "I will put $20,000 towards whatever you want." Then the child could decide how they want to spend that. This would put a cap on your investment in the event, yet keep the door open for your child to add their own savings. The "ball is in their court" so to speak.
- I had a client who would save up for Christmas every year and then withdraw her savings in cash. She and her husband would drop the kids off at her in-laws and go to Black Friday sales all day long. They stayed within budget because they only had cash to spend, and they completed all their Christmas shopping in one day.
- Vacations can be made affordable with a little research. There are some great values on cruises or tropical destinations. Some airplane/hotel deals and credit card

savings plans help make travel affordable. Planning ahead can save thousands.

- Many people save on birthday expenses by celebrating only milestone birthdays. Of course, you could get your four-year-old a cake and maybe invite a few friends over to play but save the bouncy house or private DJ for years 5, 10, and 15/16.

These are just some ideas to avoid turning a delay into a roadblock. You want to be able to celebrate all of these happy events without jeopardizing your entire financial journey.

USE IT OR LOSE IT

Does this sound familiar? Many of us who work for someone else and who have paid time off benefits have to use our vacation time within a calendar year or forfeit the benefit. Vacation is a tricky thing at work. On one hand, everyone wants to take vacation. On the other hand, things can seem too busy to take a break. Before you know it, the holidays are here, and you have two or three weeks' worth of time off you still haven't taken. This is the story of one friend who was constantly finding himself in this predicament.

Cornell was a journalist with twin seven-year-old girls and a wife who worked as an English language teacher. Cornell lived off of deadlines. Each story he investigated had to be bigger and better than the last one. Advertisers only paid if stories generated enough "clicks," and Cornell was kept busy generating new content on a daily basis. He often worked nights and weekends, and even though he had three weeks of vacation per year, he never took time off.

The girls began Christmas break in the middle of December. That was right around the time that Cornell's employer would send him an email letting him know he was in danger of losing his vacation.

"It's time to schedule some vacation," the email said. "Please log on to your HR portal to see your balance."

When Cornell logged on, he noticed that he had a full two and a half weeks left. He had taken a day or two here and there to volunteer at the girls' school, but nothing that could be considered a "vacation."

Cornell went home to his wife and confessed, "I have to take vacation or I'm going to lose it. What do you think about taking the girls to Disney Land?"

"Now?" Cornell's wife asked. "How can we afford that?"

Cornell shrugged. "We'll put it on credit cards."

It was a common pattern in Cornell's household, to put off taking vacation until there was no time to save or plan. You might think that you are doing your boss or co-workers a favor by working through to the end of the year. If you do that, you are faced with one of two miserable choices: either pay more than you can afford or lose out on the experience. Planning a vacation with your family is a much safer option. Everyone needs down time. You are not abandoning your co-workers or affecting your company's bottom line by taking a summer vacation. Even business owners need to get away and leave the daily chores to someone else if they can. The only way to get ahead of a vacation catastrophe is to plan for it, save the money, request time off, and enjoy yourself.

DETOURS THAT YOU CAN AVOID

So far, we've talked about detours that you might not want to avoid. Birthdays, Christmas, vacations, and weddings are all part of life's experiences, and you will probably want to find a way to enjoy them, even in modest amounts. What about other detours, ones that don't involve tradition? There are plenty of temptations out there that might cause you to take a wrong turn on your journey. Here are some examples:

- Louis Vuitton; designer bags (Gucci, Prada, Bottega Venetta); Louboutins and Jimmy Choos; diamond-studded and exquisite jewelries (Tiffany & Co., Cartier), luxury cosmetics (Lancôme, Dior) — all of these things are temptations. Consider purchasing one such luxury item as a reward for staying on budget.
- Christmas. You know it's coming, it shows up every year at the same time. Save for it.
- An expensive car. Sure, there are times you need a new car, but you don't need the most expensive option. Try a certified used car or one without all the luxury additions. Cars serve as ways for people to flaunt their wealth, but wouldn't you rather quietly amass a fortune without spending it on things you don't need?
- Shady investments. Everyone thinks they have the next hot stock tip. From your sister-in-law to your best friend,

avoid taking financial advice from just anyone in your life. Your financial advisor will be better able to steer you towards legitimate investments.

THE RATIONAL LIE

If you have ever put money down on a purchase you *knew* you shouldn't have made, chances are you rationalized it to yourself. You might tell yourself:

- *"I need this new pair of shoes because I don't have anything to wear dancing on Friday night."*
- *"I don't have a pair of yellow shoes."*
- *"They're half off."*

Whatever you say, there is that other voice, that "angel on your shoulder" warning you against the purchase. You try to ignore that voice, and depending on your personality, you may be pretty good at pretending it doesn't exist. But when you're in the moment, lying to yourself about how much you *need* that expensive thing, there is some part of you that knows you are lying. Why? You are only lying to yourself. Your bank account will be able to tell the difference.

Try this next time: when you find yourself rationalizing a purchase, stop and think.

- *"Do I really need that pair of shoes?"*
- *"What if I wore the red shoes?"*
- *"If I buy these shoes now, that's $60 I don't have to spend on something else, like dinner."*

Rationalizing is something we all do, and yet, when you are lying to yourself, there is some part of you that knows it. Imagine trying the same logic on your best friend. She would know you were full of hot air. Be honest with yourself and compare your intended purchase to the overall goal of a confident retirement. Don't ignore that angel on your shoulder. She has your best interests at heart.

AN UNNECESSARY DETOUR

Rationalizing can lead to more dire mistakes than just an extra pair of shoes. I knew one young woman who went on an unnecessary and expensive detour. She was trying to save for retirement and pay down her student loans at the same time. Serena graduated college with a degree in graphic design. It had been important to her to go to "the best" college, and while she now had a degree, she could be proud of, she was nearly drowning in debt.

With $177,000 in loans coming due, she declared bankruptcy. She sold her house and put most of her furniture and household items in storage.

When she rented an apartment, she chose a two bedroom even though she lives on her own. Why did she do that? She said that her mother might want to visit her at some time in the future, and she wanted to have an available bed.

Paying extra each month when she clearly could not afford to, this young woman took a detour of the worst kind. Her mother was not going to live with her, and at the time I spoke with her, had not even come to visit. A detour is a poor financial decision that can affect your entire journey. While it might be nice to have a spare room, or a flashy car, that LV bag or red bottom shoes, these things are expensive distractions.

ROADBLOCKS ARE OUT OF OUR CONTROL

All the detours we spoke about have one thing in common: they are under our control. We can choose whether to buy new shoes or rent an apartment with an extra room. Some detours are out of our control, so I will call them "roadblocks." Roadblocks can include kids. Kids require lots of time, energy, and love (and money!) From braces to private schools, field trip fees and new clothes, kids will inevitably divert funds from your retirement.

Marriage is more than true love, it is the joining of your finances with another person's. Examine your finances before you get married. If you plan to have children, are you making adjustments now in preparation? Here are some things you can do to prepare for your first baby:

1. Review your health insurance policy. What are the provisions for maternal care? How will the birth be handled? When do you need to put the new baby on the plan? Asking these questions up front will help with peace of mind when the happy day arrives.
2. Make a gift registry. There are a million things you need to take care of a baby, and you don't need to purchase them all yourself. Make sure your friends and family know exactly which items you will need.

3. Consider a separate savings account. Setting up a savings account at your bank is simple. Consider creating an account specifically for the baby. This is not a college savings account, but somewhere you can squirrel away money for the eventual larger expense. For example, if gifts do not cover the car seat.
4. Start a savings account for the baby. If you put away $100 every month, by the time your child is 25, you will have over three million dollars.
5. Create a new budget. If you had a budget (and you should have), now is the time to update it for the new baby. Include expenses such as diapers, formula, and daycare. Check to see if your income can cover the new demands.
6. Start a college savings plan. It's never too early to start saving for college. This will definitely affect your journey and divert funds from your retirement, but the earlier you start saving for your child's educational future, the easier it will be.
7. Make sure you have life insurance. If this benefit is not provided through work, talk to your financial advisor. You should have at least enough to cover your debts, and up to ten times your annual salary.
8. Create a will. Your financial advisor should be able to introduce you to qualified legal counsel. It is important to consider your family's future before anything happens.

I have put together some charts on marriage and children, which will help you plan for these blessed roadblocks.

Charts on Marriage and Children
https://troyayoung.com/resources

OTHER ROADBLOCKS

There are more roadblocks than marriage and children. Aging parents provide a challenge that can include:

- Hospital and doctors' bills. Depending on your parents' savings habits, you may need to help them with financial expenses.
- Live-in help. If your parents choose to stay in their homes, live-in assistance may be needed. These professionals do light housework and help home-bound individuals with medications.
- Nursing home. If your parents are unable to remain in their home, a nursing facility may become necessary. Long-term care insurance will help with the costs if your parents were able to purchase it. Medicaid is also an option if your parents qualify. There are veteran's assistance programs and special home loans that can make long-term care affordable.

Another roadblock takes the form of general health emergencies. Though you should have health insurance, emergencies such as a household accident or a serious illness can weigh heavily on your bank account. Every item in the hospital has a cost attached, and you must carefully read your insurance policy to discover which items are covered and to what degree. A lot of people don't realize you can make payments on an unexpected healthcare bill with no interest.

I know a young man who put off dental work until he found a job with a dental insurance benefit. When he finally got into the dentist's chair, there was a good amount of work to be done. He didn't budget properly and went way over his plan's maximum allowance. He nearly choked when he saw the $500 bill that came in the mail.

"I can't pay this all at once," he told the billing department when he called.

"That's no problem," they assured him. "Make whatever payments you can. As long as you are chipping away at it, your account won't go to collections."

He arranged to pay $50 per month and was able to eliminate the bill within a year, with no penalties.

Other roadblocks might include:

- **Cancer –** whether aggressive or non-aggressive, cancer is a diagnosis that scares everyone.
- **Fibroids –** Black women are three times as likely to suffer from uterine fibroids, affecting social activities, relationships, and work.
- **Babies –** of course babies grow up, but in their early years, they cost a lot of money, require constant attention, and major shifts in priorities.

INDIVIDUAL INSURANCE

Roadblocks can keep you from getting to your destination if you don't plan for them. My wife Wanda, who is my partner in writing this book as well as in life, had a brush with cancer. We were not prepared for it at the time, and we learned a lesson about the value of private insurance. This is the story of how we were able to overcome one of the greatest roadblocks imaginable.

Life was great for us. We were settling into Atlanta and enjoying our two kids. Our daughter had just turned 6 years old, and our son was approaching his 3rd birthday. Wanda has always been health conscious and her doctor had encouraged her to get a mammogram. At the time, she was 37 going on 38 years of age; there was no family history of cancer, but just to be thorough, we decided to follow the doctor's advice. Years prior, a doctor had thought they saw something but when they took a second scan, it turned out to be nothing. As Christians, we have put our faith in God that Wanda will remain healthy and free from the dreaded illness, but God had a different plan.

In 1952, former President Harry Truman started what we now know as the National Day of Prayer. It's being observed every first Thursday of May which, in the year 2005, fell on May 5th. The morning of this same day went by in a blur of praying and fasting, but the afternoon will be etched in my memory for as long as I live. On this day, we were told that my 38-year-old wife had breast cancer. It was a scary moment; it's so hard to believe. But the fear didn't last long. We remain faithful to God and through work and prayers, we held our hands together. By the grace of God, we are now 16 years removed and Wanda has maintained a clean bill of health after her operation, radiation, and medication.

I tell you this story because at the time the life insurance we had on her was solely through her employer. We had believed her corporate group coverage was sufficient because she was a relatively young mother with an active lifestyle, owing to her history as a former track star. After the breast cancer diagnosis, we learned that she was not insurable outside of the group. Most insurance companies deny individuals coverage when they have a pre-existing condition which includes cancer. Fast forward to 2013, nearly ten years later, Wanda fully recovered from cancer, and we were able to secure individual coverage for her.

After this experience, I have been encouraging all of my clients to get some coverage separate from their group plan. In a majority of cases, an individual term policy can be less expensive than the group policy. Wanda is now healthy and insurable, and we have closed that chapter of risk exposure. Most group insurance isn't portable and if it is, it can be expensive. Portability is when you can keep your life insurance, which was originally part of the corporate group life insurance, in force after the employment is voluntarily or involuntarily terminated. Take it from me, protect your loved ones and get some insurance separate from your employer. You don't want to be in between jobs when tragedy happens.

HOW TO AVOID DETOURS AND ROADBLOCKS

If you are traveling to your aunt's house for Thanksgiving, you wake up early so you can beat the traffic. You leave yourself an extra hour just in case of delays. I even calculate how long it will take me to hit major cities in order to avoid rush hour. All of these solutions help you minimize the effect that detours and roadblocks have on the outcome of your journey.

Here are some tips to give yourself that extra time so you won't be late to your destination:

- Live within your means. Just like Wanda's mother always said, "Don't use credit cards. If you don't have the money in the bank, don't spend it."
- Consult your financial advisor. We function like an auto mechanic who can get you back on the road after a breakdown. I tell my clients, "Don't be afraid to call me up if anything changes in your life." The more open you are with your financial advisor, the better they can help you navigate your own path.
- Do your research. I have multiple clients who insist on picking stocks based on their previous year's performance. That is only one measure of the value of a stock, and not the most reliable one. To evaluate a stock, you need to do some research. Many of these metrics can be found online and should be available on a company's quarterly filings.
    - Debt to equity ratio. How much does the company owe to its creditors?
    - Price-earnings ratio. This measures the value of the stock.
    - Dividends. Does the stock pay dividends? In the past, what has been the payout?
    - Executive leadership. You can do research on the CEO to determine if they are a good fit for the company.
    - Return on equity. This is a measurement of the value for stockholders.
    - Cash flow. A healthy cash flow is necessary for a thriving business.
    - Liquidity. How much of the company's assets are liquid?

    - And others
- Diversify your holdings. I had a client who "diversified" into three different funds, but they were all large cap growth funds. Diversifying means investing in some stocks, bonds, real estate, alternative investments, and international stocks. The Morningstar Style Box is a quick visual way to determine characteristics of individual investments. It helps advisors create a robust portfolio that is truly diversified. Due to the nature of our interconnected world, sometimes your portfolio might seem healthy when in reality all your eggs are in one basket.
- Create an emergency fund. A bare minimum of three months' worth of expenses is crucial. A year's worth would be ideal.

REAL ESTATE IN FLORIDA

Sometimes, even day to day habits like work present roadblocks. If you are uncomfortable in your job, going to work every day can wear you down. It becomes a roadblock when you don't know whether to quit or stick it out, and every option seems like a bad one. I had a client in this situation, who turned her own personal work roadblock around.

Simone had just turned fifty. Her friends threw her a hip party with a DJ and a buffet that went on for miles. She returned to her condo, her arms full of presents, and her thoughts rambling. Over the twenty years she had worked for a major food distributor, she had grown to hate her job. There was petty behavior in the office, and Simone felt little support from her boss. At age fifty, she abhorred the thought of job hunting. What would she do, start over at the bottom of the ladder?

Instead, she used her savings to purchase real estate in Florida. She started small, with two condos in a vacation hotspot. Renting them out by the week proved lucrative, and Simone was soon able to invest in more vacation properties. She no longer has to work, as the rental income has become sufficient to cover her monthly expenses.

“I’m going to stick around at work,” she told me. “Just to see if they will give me a severance package.” She finds it somehow easier to go to work every day and endure the office politics when she has afforded herself the option to quit at any time.

Detours, roadblocks, and delays are inevitable. No matter what your circumstance, you will encounter something that will get between you and your goal. How you deal with those roadblocks will either keep you on the path to your destination or leave you high and dry. Many people fail to plan for retirement, but even those who do plan can be caught off guard by an unexpected expense. Recognize the roadblock for what it is, a stumbling block along your journey, not the end of your travels.

SECTION 3

AFTER IT'S OVER

CHAPTER 7

PHOTO ALBUMS, MEMORIES, AND SHARING

You have spent your whole life working towards retirement and you've finally arrived. Your life is not over, it has only just begun. Now with the daily grind behind you, you can focus on doing all those things you planned. Along the way, I hope you took the time to enjoy yourself and your family, to create memories that you can cherish.

PHOTO ALBUMS

With the advent of camera phones, you may not have as many printed photos lying around. People used to create scrapbooks or photo albums that they could look back on. There is no reason you can't still have a printed photo album. There are apps that allow you to scroll through your Instagram, select pictures and have them printed.

This isn't a nice financial metaphor, it's a warning. You should arrive at your destination with boatloads of family photos. Your journey isn't just about achieving wealth, but about enjoying your life. If all you have when you retire is money, and there are no photos to scroll through or memories to share, you have missed your destination entirely.

ENJOY YOUR RETIREMENT

The time after retirement is increasingly recognized as a priceless age. Your work for money is over, and now you can focus on things that enrich your spiritual life. Many people go on to take university classes, volunteer, or travel. You put in the time to plan your journey, now you need to relax and enjoy it. Here are a few tips to get yourself settled in your new routine:

1. Allow yourself time to do nothing. So often we run from appointment to appointment, trying to fit the most possible into each day. Take some time to just relax, whether it is on vacation or just at home. There are no deadlines anymore.
2. Set new goals. Just because your career has come to its conclusion, doesn't mean there aren't productive years ahead. Your new goal could be learning to play that online game with your grandson or getting to the gym once a week.
3. Stay in shape. Walking every day is good for your mood as well as your health. Now is definitely the time to become more health conscious and watch what you eat.
4. Stay in touch with your financial advisor.
5. Volunteer and mentor. Give back and pay it forward.

6. Make sure you are not just retiring from work but, you are retiring to something

PEOPLE ARE LIVING LONGER

We don't want to think about it, but there may come a time when your health deteriorates. People are living longer, and long-term care must be a consideration. When you are the one in need of residential treatment, you want to make sure you have systems in place to help you afford it.

- The cost of long-term care can be up to $8,000 per month.
- Share the expense of long-term care with an insurance company. Insurance can allow you to save your money for your family after you pass. It won't pay for everything, but it will preserve a large percentage of your funds.
- The best time to buy long-term care insurance is when you are between the ages of 60 and 62.

Learn more about healthcare costs by following this link:

Healthcare costs
https://troyayoung.com/resources

I had friend whose father suffered from dementia as he grew older. She tried to take care of him herself, moved him into her home in Tampa. One day he wandered away from the house, just out the door and down the street. She panicked, calling all her siblings to see if they had heard anything.

"Jayson, this is Shauna," she announced herself to her brother.

"Calm down, what's happening?" He immediately picked up the stress level in her voice.

"Dad's gone," she said.

"Gone?" Jayson asked. "What do you mean, gone?"

"I mean, he's not here. I can't find him anywhere." She looked down at her right hand, holding her father's wallet. He had disappeared without taking anything.

"It's okay," Jayson said. "It's going to be okay. I'm coming right over."

Shauna hung up the phone. She had just gone to work, like she did every day. She was only working part time now; she had scaled back her hours in order to take care of her father. She had left him in front of the television with a promise to be back by lunchtime. Arriving home, she had found the front door wide open, and her father nowhere in sight.

Jayson arrived twenty minutes later, and they split up to canvas the neighborhood. Shauna drove slowly down side streets, scanning each block for signs of the man. She was creeping past the high school when she spotted him, walking purposefully down the street. She honked and pulled over to the side of the road.

"Dad!" Shauna yelled, pulling on the parking brake and hopping out of the car. She dialed Jayson as she went. "I found him," she said as her brother answered. "We're at the high school."

“On my way,” Jayson answered.

“Dad.” Shauna jogged over to meet her father, relieved when he slowed down to talk to her.

“Hello,” her father said.

“Dad, where are you going?” she asked, gently threading her arm around his elbow.

“I’m going to D.C.,” her father said. “I have a meeting with a consultant.”

“D.C.?” Shauna gasped, attempting to steer her father towards the car. “Dad, we’re in Florida.”

“Florida?” The man stopped dead in his tracks.

Jayson pulled up a minute later and parked. Together, the two managed to talk their father back into Shauna’s car. It was the last straw. After that, Shauna knew she couldn’t care for her father herself. Even though he was ailing, he was physically strong. She couldn’t force him back into the house or keep him from harming himself. In the end, they had to admit him to a long-term care facility.

Her father had saved for his retirement. He had purchased long-term care insurance, and with his assets, he was able to secure a spot at an expensive facility. It wasn’t something that his family wanted for him, to live out his days in a healthcare setting. In the end, they felt they had no choice. His forethought made the transition possible and took the burden off his family.

POSITION YOUR LEGACY

Your hope is to leave something for your children after you are gone. Even without children, you may want to leave an endowment for your favorite charity or donate substantially to your church. Your legacy is more than just money. You have wisdom, collected from a lifetime of living, earning, and saving. Your legacy of wisdom can be shared before you pass. Consider:

- Writing your memoirs
- Video recording your memoirs
- Taking your grandchildren on a trip
- Volunteering at church
- Volunteering in the community
- Serving on a board

Above all, it is important to be sure that your children or beneficiaries are ready to deal with the added wealth you will leave to them in your will. If they are not ready, it may not be a kindness to leave them a substantial amount of money. Wisdom must come first.

YOUR JOURNEY ISN'T OVER

Just because you have stopped working, doesn't mean you stop investing. The journey is never really over. At any time, you can reposition your holdings by talking to your financial advisor. Your money continues to work for you by generating interest and dividends. Embrace the journey; it is a path that takes our entire life to complete. Here are some steps you can take after retirement to fuel your journey:

1. Update your will. Even if you think it doesn't need to be updated, at least take a look at it. Make sure any life changes haven't affected where you want your legacy to be distributed.
2. Update your insurance beneficiaries. I knew one young man who started out in life with his mother listed as his beneficiary. The next year, he proposed to the love of his life. They were married a year later, but he never updated his insurance plan. When he died prematurely, his mother got everything and his young bride, nothing. Even though insurance is designed to work in the background, without having to think about it every day, it is important to review it periodically.
3. Start a trust. Some attorneys will tell you to go ahead and start a trust. It may cost more upfront, but you won't have the probate costs on the back end. Other attorneys say that depending on the state, probate costs are not that expensive. They claim that a will is a better option than a trust. Do your research. I am not a lawyer, but you can follow this link for a list of lawyers in the state of Georgia.

Lawyers in the state of Georgia
https://troyayoung.com/resources

4. Download new software and try out a millennial practice. There are some great financial tools out there, including a package that will allow you to see all of your accounts in one report. Intuit Mint, by the creators of QuickBooks, is one such software package.

HOW WILL YOU GET MONEY WHEN YOU STOP WORKING?

For those of us who haven't reached the retirement milestone yet, there may be some confusion about how we access all the money we saved. There are several ways you receive money when you stop working.

- Distributions come out of the retirement account.
- There is interest from investments.
- There are stock dividends.
- There is a required minimum distribution from IRA accounts.
- Social Security
- Annuities

You can talk to your financial advisor about all of these cash flow options, and how best to consolidate them. You should have arrived at an annual income that will make you confident while allowing your savings to last. For example, $75,000 or $80,000 per year if that fits with your lifestyle. You can combine any of the four income options above to arrive at that annual figure.

Here's a tip to avoid the ups and downs of the stock market while drawing a monthly stipend from your savings. If your lifestyle is $75,000 a year and you have a million dollars invested in your retirement account, take $150,000 to bank two years of living expenses and put it into a "cash" bucket. Draw down money out of that fund instead of directly from your investments so you are not subject to the volatility of the market. You buy yourself two years of not having the risk of taking money out when the markets are down. This is one of a number of strategies that one can apply entering into retirement.

MONEY ISN'T EVERYTHING

While you need to keep an eye on your financial health, there are other, more important aspects to life in retirement. Your principal assets include not only your bank account and your house, but also your health, both mental and physical. Taking time out each day to engage in healthy activities will make retirement more enjoyable. This is just as important to your longevity as investments. Consider investing in yourself by:

- Being active. Going for walks, playing golf, swimming — there are any number of activities that can get you out of the house, meeting new people, and exercising at the same time.
- Guarding your mental health. At one time, it was taboo to talk about mental health. Awareness has grown to the point that most people realize depression and anxiety are common problems. Make sure to address your own mental health by reaching out to professionals, counselors, or your clergy.
- Exercise. This doesn't have to be cross fit or running marathons, although age does not necessarily take you out of the running. Most people aim for something more manageable like walking every day or taking classes at the local gym. Exercise has been shown to:
    - Prevent common diseases such as heart disease and diabetes
    - Improve mood

    - Decrease risk of falls
    - Increase social engagement
    - Improve cognitive function
- Reading. Reading is a simple way to keep up with the news, learn new things, and engage our minds. There are more ways than ever to enjoy a good book now, including traditional paperback, Kindle, and audiobooks. You can even join a book club or post reviews on Amazon or Goodreads.
- Scrabble, bingo, or crossword puzzles — whatever gets your mind engaged and helps you stay sharp.
- Consulting or volunteering. You have a wealth of information and experience that any organization would be thrilled to have access to. There are a variety of volunteer positions from digital design to construction and everything in between. Retirees are highly sought after as consultants or volunteers. Pick an organization that speaks to you and roll up your sleeves.
- Dress for success. In order to get ahead in life, you've got to look like you belong already. Make sure your style keeps up with your ambition.

CHAPTER 8

LESSONS LEARNED AND PASSED DOWN

Though we each have our own private journeys, there are people with us at every stage of our lives. When we are children, we have our parents and aunts and uncles. We have teachers and friends who help guide us through adolescence. When we marry, we have children and spouses, and eventually grandchildren and sons and daughters-in-law. Meanwhile, throughout a woman's journey, we have seen that a woman's success is often linked to her crew, her BFFs, "Ride-or-Die," "My-Girls," or sorority sisters. This tells us that people and our relationships are just as important as our finances as we go through life. They can be considered stakeholders in our legacy.

CHILDREN

Not everybody chooses to have children, but most of us have intergenerational relationships like nieces and nephews, godchildren, or extended family. I would like to spend a moment talking about this important relationship. When children are born, they begin their own journey. During the first two decades, when they are under your wing, you have the opportunity to teach them how to build a solid foundation. As they reach adulthood, there are some steps you might want to take to help ensure their success. Consider:

1. What kind of head start do they need? Certainly, investing in their education and business propositions will give them an advantage over their peers. If you have the means to support them financially, you may open doors that they would be unable to open themselves.
2. Investing for your children's children. True wealth will provide a path of opportunity not only for your children, but also for your grandchildren and great grandchildren. You have the power to be that pivotal individual in the family who changes the course for generations. Talk with your financial advisor about these long-term goals.
3. Prepare your children for their own trip. Even if you are able to leave millions to your children, they will need to embark on their own journey. They will want to have meaning in their lives, their own families, and careers. They will need to save for their own retirements, and you can help by:
    a. Referring them to a financial advisor.
    b. Encouraging them to contribute early to employer-sponsored 401k plans.
    c. Helping them budget.
    d. Helping them establish and maintain good credit.
    e. Celebrating fiscally responsible decisions.
    f. Encourage them to pay off debt first.
4. Have a conversation with your children when you reach retirement. Just set aside some time to share what you

have learned along the way. Get a sense of whether they are ready for your inheritance.

Preparing your children and grandchildren to receive their inheritance can involve more than just a conversation. In the beginning of the book, I shared a story about a father whose son was addicted to drugs. If you have reservations about leaving a large sum of money to any of your children, there are steps you can take to protect them from themselves.

You can impose conditions in a will. For example, you can stipulate that the money only be used for:

- Medical expenses
- Education
- Healthcare

If you are concerned about your beneficiaries, click here for estate planning.

Estate Planning
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DEBT

By the time you reach retirement, it is likely you've learned a thing or two about debt. There is "good" debt and "bad" debt. Good debt includes things like real estate and education. Bad debt refers to credit cards and consumer debt. Bad debt can snowball. At first you think you have it under control — you have one credit card that you pay off every month. Soon it becomes your go-to payment method, and carrying a little balance couldn't hurt, right? Later on, you find yourself in over your head, making minimum payments of hundreds of dollars per month.

Hopefully, this isn't you. The best way to become debt free is never to take on debt in the first place, just like the best way to quit smoking is never to start. Even "good" debt can leave you in a bad place. I had a client who worked in a corporate office. She was efficient and well liked but wanted to do something more meaningful. She went back to school and got a teaching degree, and in the process, accumulated $170,000 in student loans. When she finally got that teaching position, she was making less than she had in her corporate position.

Student loan regret is a real issue that affects people in dozens of professions. Debt of any kind can act like a weight on your heart and follow you throughout your life. Here are some ideas to minimize your debt:

1. Education does not necessarily mean university level. The traditional formula of high school — college — university doesn't work for everyone. There are plenty of educational opportunities that will help you transition into lucrative careers. Follow your own path.
2. Live below your means. Make sure you are saving money every month by renting an apartment or purchasing a home for less money than you *could* afford. Don't max out on the home payments. A club with tennis courts or a fourth bathroom isn't worth falling into debt.
3. Minimize your impulse buys. There are times when you do need some upscale threads or a new piece of furniture. Thoughtful purchases aside, more often than

not if you really think about it, you don't need the latest phone or the newest fashion. Keep your eye on the prize by saving your money instead of spending it.

4. Don't spend inherited money on consumables. If you inherit money from your parents or grandparents, put it in savings, spend it on education or a home purchase, but don't buy food or clothing.
5. Don't try to keep up with the Kardashians. Comparison is the enemy of contentment.

ACTIVITY

How do you know if you really need something? Sometimes, it can be hard to tell the difference between an impulse buy and a thoughtful purchase. You can make a "purchase list" to decide whether you really need that item you've got your eye on. For example, if you are thinking about buying the latest iPhone, you could write up a list that looks something like this:

New iPhone	
Pros	**Cons**
More professional	Expensive
Access to MS Office	I have MS Office on my laptop & desktop
Better Camera	My current camera work fine

Try making your own purchase list for the following hypothetical purchases:

- Vacation to Cancun
- New BMW X5

- Jimmy Choo shoes
- Gucci bag

WISDOM IS THE ONLY TRUE CURRENCY

Throughout your financial journey, you have been saving money and spending it wisely. Money is not an end to itself, but a way we can secure the things we need. The old saying goes "money can't buy happiness." This is true, but money can buy security, a place to call home, and food on the table. Money can fund education, allowing ourselves and our family to be socially mobile. The journey is not about the money, but what money can do for you.

A little bit of financial wisdom can be summed up in a few sentences:

1. Don't borrow.
2. Keep a reserve.
3. Invest for the long term

We have talked about each of these edicts in depth. Taken together they provide a cheat sheet for financial success. If you take away nothing else from this book, these three steps will guarantee a level of financial health that many people never achieve. Pass this wisdom down to your own children or use your own hard-won knowledge. It may seem simple, but as we've discussed, there are many curveballs life will throw your way.

CHAPTER 9

MORE THAN A MEMORY: HELPING OTHERS WITH THEIR JOURNEYS

I can't claim to know the meaning of life, but I am sure it is not money. Money is way to buy time and security and social mobility, it is not actually any of those things. Money is a tool that will allow you to achieve your goals, but money cannot be the ultimate goal. Money is freedom to focus on your purpose, but you must find a higher calling than simply amassing a fortune.

HOW ARE YOU GOING TO MAKE A DIFFERENCE?

There are plenty of ways to make a difference in your community.

- Church is a good place to start. When considering something more important than yourself, God is a source of both structure and meaning. Through church you can volunteer for the homeless, collect food, or teach children. If you want to get deeply involved, some churches have mission trips where you can experience another culture and help people at the same time.

- Volunteering is important. If everybody who had an extra hour each week spent that hour volunteering, a lot of work could be accomplished. You don't have to pick up trash on the roadside; there are thousands of different ways to volunteer. I sit on three boards:
    - My homeowners association
    - A national nonprofit board
    - A local club
- Become a better steward. Make sure that all of your investments are in line with your personal beliefs. If you don't feel comfortable supporting war or child labor, make sure that nothing in your portfolio makes money off of either of those endeavors. Your financial advisor should be able to help you choose socially conscious investments.
- Get involved. Here are a few websites you can visit to learn more about great things happening in our country:
    - Blackgirlsventures.org — this website helps Black women founders access capital, community, and capacity
    - Girlsinc.org – provides positive programming for girls to help them achieve success
    - Blackgirlscode.com – this organization helps girls ages 7-17 become innovators in STEM fields
    - *colorofchange.org* – the largest online racial justice organization features campaigns dealing with injustice across America
    - *enrichher.com* – connects companies lead by women and founders of color to capital, coaching, and community

In case of trouble accessing the links above, please visit:
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ELIMINATING RACISM

If there was one thing we could do for our children to make the world a better place, it would be to champion diversity, equity, and inclusion (DNI). As Black women, you face not only racism, but sexism. Black women typically earn less money for the same job as both white men and women and Black men. Yet Black women have a strength that no other group has. You are the backbone of the entire country: a voting block that cannot be beaten, essential workers, brilliant keepers of family tradition. No one else among us is better equipped for the fight to promote DNI than Black women.

When I sat down to write this book, I did so with Wanda in mind. My wife and my partner, Wanda's income made my entire career possible. She has some ideas to purge racism from our country.

1. Don't play the game. You know what game I'm talking about — the corporate game. That is a white man's game. Office dynamics are usually established by white masculine culture, and the deck is stacked against everyone else. Trying to play their game when they have the homefield advantage is a lost cause.
2. Start your own game. There are plenty of grants and loans available to start up Black owned businesses. If you can't play in their firm, be their competition. Before you know it, you'll have just as many clients, if not more.

You have more skills and less chauvinism than they do, and it's a recipe that will work.

3. Go into business for yourself. It can be scary to branch out at first, to lose the lifeline of a paycheck and medical benefits. It took me a long time to decide to make that leap, but when I did, I wondered why I hadn't done so sooner. As a business owner, you will never have to put up with a racist boss ever again.
4. Show examples of leadership. Black women are brilliant leaders, you do it all the time. Show the world through your work, through your education, and through speaking engagements. If you sit on boards, that is leadership. Owning your own business is definitely leadership. Running for public office is leadership and something we need more of these days.

Eliminating racism sounds like an impossible task, but if we each do our part, we can chip away at the institution. What is right for the world is for you to be successful professionally and with your money. Let other people know they can do it too. The more successful Black women there are out there, the less society will judge them.

Maya Angelou said, "You may trod me in the very dirt, but still, like dust, I'll rise." In our age of conflicting media stories and news channels with political agendas, this quote is all the more relevant. Racism is downplayed, glossed over, and ignored by so many people. Obvious prejudices don't even make it into the narrative. The best thing you can do is focus on you.

As a successful woman, you never know who is watching. There could be classrooms full of children looking up to you, seeing a Black woman running her own business or heading up a department. You may not have an opportunity to speak with them directly, but by your actions you can influence them.

HELP YOURSELF BY HELPING OTHERS

I'm not your priest; I can't save your soul. I'm not your doctor; I can't save your life. But as your financial advisor, I can give you quality of life. Philanthropists have learned something about using their money for good. In all these chapters, we have been talking about accumulating wealth, but there is something to be gained by donating money.

We all have anxieties and self-doubts. One of the worst feelings is to be trapped inside your own negative thoughts, unable to break free. Civil rights icon Representative John Lewis advocated for getting into "good trouble," meaning to push the bounds of society by doing what is morally right. Doing good works is a quick way out of the doldrums. Here are some websites that are guaranteed to make you feel better:

- *Kiva.org* – When you can't break free of self-doubt, try a micro-loan. Kiva is a platform that allows you to support people all over the world. Each borrower has a story and a photo, and you can read about their struggles and choose someone to help.
- *DonorsChoose.org* – This functions in a similar fashion in that there are stories you can read, and you select the one that speaks to you. DonorsChoose supports teachers across the country, funding projects or supplies they need for their classrooms. Pick a school in your neighborhood or a high poverty area.

- *VolunteerMatch.org* – This is kind of like CareerBuilder for volunteers. You can choose what type of volunteer work you are interested in doing and get a list of organizations looking for help. You can even choose one-day events like park cleanups if you don't have the time to dedicate to a long-term opportunity.
- *GoFundMe.com* – People use this platform to crowdfund for all kinds of reasons. You can support a struggling artist or help someone with their medical bills. You don't have to be friends and family to donate $25 to someone else's cause.

In case of trouble accessing the links above, please visit:
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If you are ready for more than a micro-loan, you can talk to your financial advisor about making a more substantial donation. Here are a few ideas for donors who want to make a more sizeable contribution:

- The United Way provides tools for wealthy donors to distribute money to local nonprofits.
- Historically Black Colleges and Universities (HBCUs) can use funding and will be honest stewards of any donation.
- You can start a family foundation, making grants to selected individuals or nonprofits.
- Talk to your university about creating a scholarship.
- Your church may be able to help you find a deserving cause. Churches engage in all kinds of good works and need funding for supplies and donations. One year, around Christmas time, a member of my congregation paid our church's electric bill for the entire year. There

is an unlimited amount of opportunity to help within the church.

- Neighborhood schools in predominately Black areas need help. These schools are often hubs of community activity and could use support to purchase gym equipment, winter coats, books, and extra uniforms. One year, an anonymous donor paid all the overdue lunch fees at one neighborhood school, a bill that totaled $30,000. This meant that all the working parents who couldn't afford lunch fees didn't have to worry, and all the children could continue to receive their meals.

Simply achieving your financial goals cannot make you happy. Plenty of rich people are unhappy due to family problems, emotional disorders, or work stress. Howard Hughes was famous as a billionaire with emotional problems. He produced and directed movies in the late 1930s. After a plane accident he stopped going out and became a recluse in his Las Vegas hotel room.

With a fortune or without, balance is needed in your life. Family is important, whether parents, children, loved ones, or siblings. Good works help restore the balance, especially in times of stress. God is also a fundamental force that should be incorporated into our lives in order to achieve harmony.

It is my hope that by reading this book, you will have gained some insight into your financial journey. While you embark upon the journey, you also need to be aware of your surroundings. The people who come with you, your mental health, and your physical well-being are all equally important considerations. Donating and volunteering can enhance your life, making your financial goals all the more meaningful.

GRATITUDE

There have been multiple studies done on gratitude and the benefits it provides. Harvard Medical School reports that writing a list of things you are grateful for once per week increases optimism and makes people feel better about their lives. I am grateful to be alive, and I feel like I have been given much, so I have much to give back.

Women have played a central role in my life, from Wanda who has stuck with me through hard times, to my clients who continually amaze me. Early on in life I learned how powerful women can be. My mother was the primary breadwinner. Through her position as a guidance counselor, she helped steer me towards a career in the finance industry.

If you stop and think about your life, no matter who you are, there are a million things to be grateful for. The sun rises every morning; you have two arms to hug your loved ones and two legs to walk around the house. When you are making your gratitude list, try starting with the people in your life. If you are on your way to meeting your financial goal, make sure to say thanks for that accomplishment too.

DESTINY

When I held my breath and took a leap away from the "sweat shop," hanging out my own shingle, I chose to call my business *Destiny*. Destiny means many things to me. It is:

- My own path, the one that I was meant to travel
- A destination approved by God
- A way to help other people find meaning in their lives
- The outcome of the journey that we are all on

I believe that your destiny is the one you map out for yourself in the first stage of your journey. Your task is to stay on the path, through roadblocks and detours, bringing your family along for the ride. My destiny is to help you and others like you find their way to happiness through financial planning. It may seem like the two have little to do with each other, but money can open doors for you and your children.

Successful Black women can change the narrative in our country. Our job is to ensure adequate funding for retirement, but there is so much more to life than that. Destiny does not simply "happen." It requires planning and work, sometimes sacrifice, but it is all worth it. Your destiny is the outcome of your journey, and I would like to see you achieve it.

UNDERSTAND YOUR "WHY"

This book has largely been a "how-to" book. How to:

- Define your intention
- Preserve your cash flow
- Win in the third quarter
- Purchase insurance
- Manage your assets
- Research retirement plans
- And more

What we haven't discussed is "why." What is your motivation behind the journey? Why do you get up in the morning to go to work, instead of doing something different, or giving up altogether? What makes the daily progress worth it?

I don't know your "why," but I can share my own, and maybe that will help you pinpoint your own reasons. I get up every day for my family. I enjoy what I do, and it feels good to help people achieve their dreams. But in the end, it is really for Wanda and our children that I continue to put in the work.

I was taught the value of work from an early age. My mother modeled success and she did it through education and dedication to her family. My Dad worked two jobs throughout my childhood and displayed a work ethic like no other. I went into finance because it made sense to me. If you want to be well off, you have to understand money and the way it works. Through financial advising I can use my knowledge to help other people achieve their own destinies.

Take a moment to just think about your "why." Here are some questions that might help:

- *What did your parents say to you about work?*
- *What did your parents teach you about work, from their behavior rather than their words?*
- *Who are the most important people in your life?*
- *How does your work support your people?*
- *What would you be doing if you could have any job in the world?*
- *What can money help you achieve that is missing in your life?*

- *What regrets would you have if you knew you were going to die tomorrow?*
- *What are you passionate about?*
- *Where do you get your validation?*

Destinies are reached and determined by decisions and decisions are indication of values and values will tell you your “why.” Put another way…knowing your “why” will help you make better decisions, and those decisions will get you to your destiny.

“Why” is rarely obvious, though it may seem so at first glance. We all want money; we all want the things that money can buy. Looking deeper into your own motivations may help you uncover some roadblocks or even tools that will boost your success. Maybe you grew up poor and want to save your children from that fate. Your “why” can be a powerful motivator on your own unique journey.

DON’T BE AFRAID OF FAILURE

Everybody loves a winner. Everybody loves winning. There is nothing better than taking home the trophy, landing the account, or stepping on the bathroom scale and seeing the right number. As many times as we win in life, we lose or fail a hundred times more. That’s okay, everybody fails. To prove you are in good company, here are some famous tales of people who failed:

- Oprah was fired from an early job as a news reporter, before becoming one of the richest people in the world.

- Stacy Abrams lost her bid for governor in 2018 but was instrumental in helping to elect the president two years later and deliver Georgia's two senate seats to the Democrats.
- Bob Johnson tried to launch C-SET, a sports entertainment network. It failed to achieve the acclaim of his primary venture, BET, and closed its doors after only one year.
- One of Shonda Rhimes' early projects, a movie called Crossroads, starring Brittany Spears, tanked, very nearly earning her an award for worst movie of the year in 2003. She went on to pen some of America's most watched TV shows including *Grey's Anatomy*, *How to Get Away with Murder*, and *Scandal*.
- Rosalind Brewer was COO of Starbucks at the time that two young Black men were arrested while waiting for a friend. She continues to speak out for DNI, educating the country as well as corporate America. Her recent move to Walgreens has placed her in the position of the only *current* African American woman to run a Fortune 500 company.
- Before Rosalind Brewer, Ursula Burns broke the barrier by being the *first* African American woman to run a Fortune 500 company after becoming a CEO of Xerox from 2009-2016 and Xerox chairwoman from 2010-2017.

All of these people have one thing in common: they failed multiple times before achieving success. Failure is not an end to your journey; it is a lesson learned. Failure may even be a necessary component of success. If you rid yourself of the fear of failure, your ability to try out new ideas and take risks increases. You can't win if you never play the game, and you can't play the game if you're afraid of losing. Actors do not wish each other "good luck" before a performance. They say, "break a leg," which some claim translates into "don't be afraid to fail spectacularly."

If there is one universal truth, it is that we all fail sometimes. You will never achieve your destiny without trying and failing at least one endeavor. Be kind to yourself, pick yourself up and carry on. You never know what amazing success might be waiting for you around the next corner.

CONCLUSION

This book has been brewing in my mind for a long time. I enjoy helping my clients one by one, and I noticed some similarities in their stories. Most of my clients are women and it seemed natural to write a book specifically for women. I wanted to share all the advice I give to my clients; the details as well as the big picture. I hope I have shed some light on the lifelong financial journey. To revisit the most important steps, it is important to:

- Identify your destination. Where do you want to go? What will bring you peace of mind? What quality of life would you like to enjoy in retirement? Asking these questions and talking to a financial advisor will help you map out your journey.
- Networking is key. It might be uncomfortable, but you should go where the movers and shakers are.
- Plan for the worst:
    - Purchase insurance.
    - Diversify your holdings and your cash flow.
    - Create an emergency fund.

- Invest at your own risk. Know your comfort level.
- Take advantage of employer benefits. If there is a 401k match, take it.
- Start saving now.
- Plan your spending. It can help you stay on track and even help you enjoy yourself. Work rewards into your budget.
- Enjoy your life. Take your vacations. Share memories with people who are important to you.
- Leave yourself extra time to deal with detours and roadblocks.
- Money isn't everything.
- When you reach your destination, give back to the community. Plant seeds along the way. Give time talent and treasure to causes and organizations important to you.

WHERE TO GO FROM HERE

Congratulations on finishing this book! Keep it and refer to it as needed to answer any financial questions you might have. Your first and most important step, if you haven't already done it, is to find your financial advisor. I've given you a list of questions to ask in *How to Find the Right Advisor* in chapter 4. Using this book as a resource, find someone you trust and set up an initial consultation.

When you make that first phone call, be sure the person you selected really listens to you. Once you establish that relationship, you will be able to begin mapping out your own financial journey. I am available any time by phone call or online. I have developed a website that can help you find a lawyer, research insurance options, and understand difficult financial concepts. If you are interested in setting up an appointment to speak with me, please go to my homepage at:

Destiny Financial Group
https://www.destinyfg.com/

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