***The Crazy Man in the Pink Wig Presents:***

**20 Things Every Person Should Know About Money**

***The Crazy Man in the Pink Wig, Mike Finley, is a local financial literacy expert who has experienced his own successes with financial literacy; he has written several books and his mission is to spread the word about how you can live a life of financial freedom.***

1. Create the right environment around **YOU**. Surround yourself with individuals who will build you up instead of tearing you down. Focus on lifelong learning as you learn from the right **independent sources** while avoiding the wrong sources (salespeople).
2. It’s not the size of the paycheck that matters the most. It’s how much you can save from that paycheck that will make the biggest difference in your life. Develop a habit of **saving 20%** of your monthly gross income each and every month. Your life will never be the same.
3. Place that 20% (or more) of your income in savings, a retirement plan at work, a Roth IRA outside of work and/or pay extra on debt when high interest rates are involved. **Be strategic in where you place your savings** so that your money works for you in the most efficient way.
4. Get an **emergency account** started with at least $1,000 as fast as you can. Increase that amount over time to equal three months of monthly living expenses or more. That cushion will provide you a sense of relief when catastrophe strikes, and it will at some point.
5. Keep your emergency account (savings) at a place that will earn you a decent rate of return, which is something close to the yearly inflation rate. The **Vanguard Prime Money Market Fund**, currently paying 2.5%, will do just that. It’s all about getting your money working for YOU.
6. Identify and write down your short and long-term goals as you create **a financial plan** to help you make the needed changes and sacrifices (spend less and save more). The person with the right goals (your goals, not someone else’s) will do what is necessary to reach them.
7. Develop a simple and sustainable system to **track your monthly expenses** PRIOR to making a budget that will help you achieve your future goals. Knowing where your money is going is a critical step in developing a process that helps you take control of your finances.
8. **Track your net worth** (subtracting your total amount of debt from the total value of your assets) as you identify whether you are going in the right direction or the wrong direction with your daily, monthly and yearly financial decisions.
9. Work at **improving your credit score to 760** and beyond. This will get you the best interest rate when buying that next home or car. Here are two ways to do just that. (1) Pay your bills on time each and every month. (2) Use less than 10% of your available credit.
10. **Educate yourself on credit cards**. A credit card is neither evil, nor wonderful. It’s just plastic. What really matters is how YOU use that credit card. Here is a simple rule. Pay it off in full every month (avoiding any interest being charged) or get rid of it until you can.
11. **Educate yourself and shop around** for low cost car and home insurance. Raise deductibles on those insurance policies to $1,000 or more to reduce your yearly premiums. File only on the big claims. Use the emergency account for incidents costing under $1,000.
12. **Educate yourself on life insurance**. When someone relies on you financially, buy inexpensive term life insurance. When no one will suffer financially, avoid buying life insurance. Take that savings and pay down debt and/or invest in your future in retirement accounts.
13. **Educate yourself on the car buying experience**. When possible, pay cash. Avoid the monthly payment approach and focus on how much the car cost and what interest is being charged with a loan. Vehicles are wealth depleting assets. Buy as few of them as possible in your life.
14. **Educate yourself on the home buying experience**. Start with saving 20% for the down payment. Avoid “creative financing” and 100% no money down promotions that end up placing you in a home you can’t afford. Renting can be the right decision for many people.
15. **Manage debt wisely**. Pay down debt quickly with high interest rates (above 5%). When the interest rate is lower, make minimum payments, and invest your savings in a **retirement plan** at your work place (401k, 403b, TSP, 457, etc.) and outside of work in a Roth IRA at Vanguard.
16. **Create wealth** by reducing your purchases on depreciating assets (vehicles, clothing, gadgets, etc.) while increasing your purchases with appreciating assets that produce passive income (stocks, bonds, and real estate). Financial freedom awaits!
17. **Invest wisely** at all times. When investing in a retirement account, focus on owning mutual funds (pooled assets with other investors) that diversify you all over the world in stocks and bonds. Place most of **your savings in stocks** (80% or more) for higher returns over time.
18. **Invest in a Roth IRA** when possible for your future needs. Roth IRA contributions go in after tax and the earnings come out tax free years down the road. The compounding effect of those yearly contributions and earnings can equal many thousands of dollars for YOU.
19. When investing your hard-earned savings, **keep your costs as low as possible with no-load index mutual funds.** Fees are directly related to your returns. Lower those yearly fees (get your portfolio cost below .10% per year) and returns will grow BIGGER. Index funds do just that.
20. **Your life is what YOU make it.** Create a laser focus on taking control of your money and what you do with it. This means taking full responsibility for your thoughts, your words and your actions. You can truly **transform your life** at any point, in any environment, in so many ways, once you have decided that you are ready to change. YOU are the answer! P.S. Once you have done it, circle back and show others the way. That will be your ultimate reward with this challenging, yet rewarding journey. Lead the way. Onward!

Why a pink wig? The pink wig represents Mike’s personal commitment to his financial life. “I am willing to stand my ground even if that makes me “crazy”. I don’t want to be with the crowd. The crowd is broke!”

[**www.thecrazymaninthepinkwig.com**](http://www.thecrazymaninthepinkwig.com)

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**Websites for additional resources on each aforementioned topic:**

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| 1. | Recommended reading resources for learning: [**http://www.thecrazymaninthepinkwig.com/recommended-reading/**](http://www.thecrazymaninthepinkwig.com/recommended-reading/) |
| 2. | Nerd Wallet, how to save: [**https://www.nerdwallet.com/blog/how-to-save-money/**](https://www.nerdwallet.com/blog/how-to-save-money/) |
| 3. | Article, saving vs. investing: [**https://www.thebalance.com/saving-money-vs-investing-money-358062**](https://www.thebalance.com/saving-money-vs-investing-money-358062) |
| 4. | Emergency accounts: [**http://www.thecrazymaninthepinkwig.com/the-emergency-account/**](http://www.thecrazymaninthepinkwig.com/the-emergency-account/) |
| 5.  | Vanguard Prime Money Market Fund:[**https://investor.vanguard.com/mutual-funds/profile/VMMXX**](https://investor.vanguard.com/mutual-funds/profile/VMMXX) |
| 6. | Make a financial plan: [**http://www.thecrazymaninthepinkwig.com/financial-plan/**](http://www.thecrazymaninthepinkwig.com/financial-plan/) |
| 7. | Track your expenses: [**http://www.thecrazymaninthepinkwig.com/tracking-your-spending/**](http://www.thecrazymaninthepinkwig.com/tracking-your-spending/) |
| 8. | Track your net worth: [**http://www.thecrazymaninthepinkwig.com/net-worth-statement/**](http://www.thecrazymaninthepinkwig.com/net-worth-statement/) |
| 9. | Improve your credit score: [**http://www.thecrazymaninthepinkwig.com/credit-good-or-bad/**](http://www.thecrazymaninthepinkwig.com/credit-good-or-bad/) |
| 10. | Article on credit cards: [**https://www.thebalance.com/using-credit-cards-4073400**](https://www.thebalance.com/using-credit-cards-4073400) |
| 11. | Educate yourself on home & car insurance: **http://www.thecrazymaninthepinkwig.com/insurance-basics/** |
| 12. | Educate yourself on life insurance: [**http://www.thecrazymaninthepinkwig.com/life-insurance/**](http://www.thecrazymaninthepinkwig.com/life-insurance/) |
| 13. | Educate yourself on car buying: [**http://www.thecrazymaninthepinkwig.com/buying-a-car/**](http://www.thecrazymaninthepinkwig.com/buying-a-car/) |
| 14. | Educate yourself on buying a home: [**http://www.thecrazymaninthepinkwig.com/buying-a-home/**](http://www.thecrazymaninthepinkwig.com/buying-a-home/) |
| 15. | Debt management: [**http://www.thecrazymaninthepinkwig.com/debt-management/**](http://www.thecrazymaninthepinkwig.com/debt-management/) and company retirement planning: [**http://www.thecrazymaninthepinkwig.com/company-retirement-planning/**](http://www.thecrazymaninthepinkwig.com/company-retirement-planning/) |
| 16. | Article on building wealth: [https:**//www.listenmoneymatters.com/building-wealth/**](https://www.listenmoneymatters.com/building-wealth/) |
| 17. | Investing wisely:[**http://www.thecrazymaninthepinkwig.com/investing-101/**](http://www.thecrazymaninthepinkwig.com/investing-101/) and asset allocation: [**http://www.thecrazymaninthepinkwig.com/asset-allocation-basics/**](http://www.thecrazymaninthepinkwig.com/asset-allocation-basics/) |
| 18. | Roth IRA: [**https://www.rothira.com/?mc\_cid=16304049dc&mc\_eid=%5BUNIQID%5D**](https://www.rothira.com/?mc_cid=16304049dc&mc_eid=%5BUNIQID%5D) |
| 19. | No load index mutual funds: [**https://www.youtube.com/watch?v=brOZ-bJ-QnI&t=20s**](https://www.youtube.com/watch?v=brOZ-bJ-QnI&t=20s) |
| 20. | Inspiration life video: [**https://youtu.be/SjPzt9tQ2HY**](https://youtu.be/SjPzt9tQ2HY) and personal finance videos: [**http://www.thecrazymaninthepinkwig.com/personal-finance-videos/**](http://www.thecrazymaninthepinkwig.com/personal-finance-videos/) |
|  | **Mike Finley’s books:**[**http://www.thecrazymaninthepinkwig.com/my-books/**](http://www.thecrazymaninthepinkwig.com/my-books/) |