

# **MONEY MANAGEMENT MADE EASY**



**The Absolute Beginner's  
Guide To Money  
Management**

**Augustine Mwanje**

## **NOTICE**

This report is for your personal use and may not be sold or given away for free.

Copyright © 2012 Augustine Mwanje. All Rights Reserved

This publication contains the ideas and opinions of the author. The information contained herein is strictly for educational purposes only.

While all attempts have been made to verify information provided in this publication, the publisher assumes no responsibility for errors, omissions, or contrary interpretation of the subject matter herein. Any perceived slights of specific persons, peoples, or organizations are unintentional.

In practical advice books, like anything else in life, there are no guarantees of income made. Readers are cautioned to rely on their own judgment about their individual circumstances to act accordingly.

This publication is not intended for use as a source of legal, business, accounting or financial advice. All readers are advised to seek services of competent professionals in the legal, business, accounting, and finance field.

## Contents

Introduction.....	4
Awareness Before Change .....	5
Avoid Financial Stress .....	8
Stop Living Paycheck to Paycheck .....	11
Change Your Money Habits .....	14
Conclusion .....	17

## Introduction

Dear Friend,

Thank you for downloading this special report.

The information contained herein is useless unless you take action on what you learn. I encourage you to go through it again and again until you understand all the concepts I'll reveal here.

There is no question that more people are concerned about their finances today more than ever before. In this report you'll discover money management tips that will help you handle your money better.

It's my sincere hope that this report will add value to you.

To your success!

*Augustine Mwanje*

[www.SecretFormulaForWealth.com/blog](http://www.SecretFormulaForWealth.com/blog)



## Awareness Before Change

The starting point for you to take a proactive approach to improving your personal finances is to know exactly how to interpret your personal financial statement.

Failure to do so is one of the major causes of a life of financial struggle and money pressures. Good money management begins with the ability to understand the basics.

There are four broad categories that make the bulk of your personal financial statement – income, expenditure, assets and liabilities.

Each of these categories reveals very important information about whether you are headed for financial disaster or prosperity.

Let us take a quick look at each of these categories:

### Income

This is money that you earn over a period of time from your job or money that you take out of your business as a salary.

Most people believe that if they can only increase their income, all their financial problems will be solved.

As a result, they spend all their efforts trying to work on only this one category of their personal financial statement, and wonder why they are not getting any results.

All four categories work together, and therefore you need to understand how they relate to one another.

### Expenses

We all have bills to pay on a regular basis like mortgage payments, car maintenance, utilities, and credit cards and so many others.

These are expenses.

Unfortunately, most people fail to master the skill of matching their expenses with their income, which explains why they continue to struggle financially however much their income increases.

### Assets

An asset is something of value that has the ability to generate cash and or increase in value.

Whereas most people only work to meet their daily expenditure, financially prosperous people take a step further by investing surplus income in assets.

As a result, they are able to take advantage of the direct correlation between reducing their expenses and increasing their assets without increasing their income in the short run.

## Liabilities

A liability is broadly anything that you owe. This is normally some form of debt. Ideally your liabilities should support your assets.

What this means is if you borrowed any money, it should have been used to acquire assets.

This also explains why consumer debt constitutes the worst kind of liability, since it is rarely used to create an asset.

Striking a delicate balance between these four categories is what makes all the difference.

These are the main components of your personal financial statement.

Your aim should be to *deliberately* increase your income, a big percentage of which should be used to purchase assets, while at the same time reducing you personal expenses and liabilities.



## Avoid Financial Stress

Let's face it the economy is a mess, and it's not showing any signs of getting better any time soon.

One thing that's for sure is that you are either going to learn how to swim with the economic tide and take advantage of the hidden opportunities, or drown.

That thought alone is very scary to most people.

This is because regardless of what they may be going through, they're too scared to make any changes that stretch them beyond their comfort zone, causing them to suffer from financial stress.

Don't let this happen to you. Here are three ways in which you can beat financial stress and come out victorious:

### Know Your Numbers

Get a calculator and start making sense of your bills.

If you're in debt, how much do you owe?



What do you own?

How much are you spending on a monthly basis?

Is it in line with what you are earning?

I know this assessment sounds like a boring exercise but it pays off.

There is an old saying that goes 'what gets measured gets improved'.

If you do not know what is causing the symptoms of your financial stress, then it will be very difficult to find the right cure.

It is important to work with facts because sometimes your financial problems may not be as big as you imagine them to be.

### **Get Your Financial Priorities Straight**

You get an increase in pay and suddenly find yourself with some extra cash.

You are wondering whether you should pay off your mortgage or secure another loan to pay off your credit card debt.

Money is an emotional subject and so it is extremely important to understand how you respond to cash windfalls, deliberate or accidental.

Do not get into more debt by buying stuff you don't need, and spending money without a plan.

When you have your priorities straight, you can choose financial freedom over trying to keep up with the 'Joneses'.

The power is in your hands. Just follow your own plan.

## Stop Thinking About What You Do Not Want

Most of us are programmed to think negatively to the extent that we are so quick to list what it is that we do not want.

Examine your thoughts and you will see exactly what I mean.

You do not want to rent, you do not want to pay all those bills, you do not want that job and you certainly do not want to be broke. Now look at these statements very carefully.

Do you realize that they depict a negative way of looking at life and can actually increase your financial stress?

When you start thinking about what you want instead, you will find yourself looking for it and for sure you will find what you are looking for.

It takes the same amount of mental energy to think negatively as it does to think positively.

Because of the personal nature of financial matters, people who suffer from financial stress are often in denial until it gets out of hand.

However, it does not always have to be like this.

If you're leaving your financial future to chance, then you may very well be on your way to struggling financially.



## Stop Living From Paycheck to Paycheck

Should you find yourself living from paycheck to paycheck year after year, chances are, you've not yet mastered the art of personal financial management.

Now some people argue that if you're earning peanuts, it's impossible to save any surplus, but in most cases those same people will never save any money irrespective of how much they earn.

If you're employed, get used to the fact that you have more control over your expenses than you do over your income.

Here are four strategies that can help you finally put a stop to living from paycheck to paycheck.

### Create A Budget

The only way you can control how you spend money is by creating a budget and sticking to it no matter what.

The advantage with operating under a budget is that you know precisely how much money you're likely to spend during the week rather than dreading the mounting stack of bills.

With a budget you are able to match your income with your expenses.

### **Simplify Your Life**

Most people whose money cannot take them through to the next paycheck normally make impulse purchases.

Do you really need to buy the latest toy widget or accessory because everybody is raving about it?

When you simplify your life, you only spend money where you really must.

Simplifying your life is only temporary, until you can build a solid financial fortress.

### **Avoid Payday Loans**

Payday loans serve as a bridging finance mechanism for most people with poor money management habits, or with unexpected emergencies.

Do not go for credit just because it is available.

Payday loans will keep you in a vicious cycle and you will grow to depend more on avoidable debt.

### **Increase Your Income and Maintain The Same Level of Expenses**

Your first target should be to get the next paycheck without completely consuming all of your current pay.

Then when you increase your income sources, you have to make sure that you maintain the same level of expenses, irrespective of how much more money you're earning.

Living from paycheck to paycheck sometimes has little to do with your level of earnings. I know employees who earn six figures and they are only a paycheck away from financial disaster.

Resolve to jump off that 'earn and consume' treadmill once and for all, and take responsibility for your financial future.



## Change Your Money Habits

**I**t's interesting how so few people realize that they can become rich just by changing their money habits.

Think about it. How many people do you know earn a lot of money and are not even close to being rich?

Few people are comfortable talking about their financial matters and most of those who do so will open up when they are drowning in a sea of debt.

As a result, money habits (good or bad) are passed on from generation to generation, mainly through modeling or imitation.

Here's how you can get started with changing your money habits.

## Avoid Consumer Debt Like The Plague

Get out of debt immediately.

Most people fall into the trap of thinking that once you start to earn, you're entitled to having whatever you want whether you can afford it or not, because you *deserve* to have the good things in life.

You can see where this has taken a large percentage of hard-working people today. Yes, you do deserve the good things in life, but aim to fund them with cash.

If you are already sinking in debt, you have to create a strategy to stop borrowing from Peter to pay Paul, and start paying off your creditors systematically.

It is amazing how so many people hope to wake up and find all their debt gone away!

The most realistic way to pay off debt is to commit to making small payments until the debt is all gone, instead of waiting for that one big break that may never come.

### **Only Lend What You Can Afford To Lose**

Your friend, an acquaintance or a member of your family comes up to you and asks you to lend them some money.

Without any form of assessment of how the borrower will be able to repay you, \$100 goes out of the window just like that.

Lend five more people, and \$500 is gone forever.

If you are in the habit of doing this, stop.

Ask yourself how much money you have you lost so far in this manner.

You have to get into the habit of saying no when you are not in position to help. When you are lending close relatives and friends, especially those who you know are not going to pay you back, lend what you can afford to lose.

This money habit will make a big difference in your finances.

### Stop Handing Out Fish

For one reason or another, there will always be lazy people who wait for handouts from those who work hard.

Now giving handouts to lazy people may sound noble but in the long run, it turns out to be counterproductive.

An ancient Chinese saying advises against giving a man a fish, for you will feed him for a day.

However teach him how to fish, and you feed him for life.

Giving lazy people free money in the hope that you will solve their problems will only create money problems for you, because you are addressing the symptom of a larger problem.

Please understand that I am not advocating that you should not tithe or give to charity, because charitable giving is a vital ingredient to creating wealth.

You need to understand the effects of your money habits on your finances and it will become easier to understand the importance of managing money wisely. Before you know it, your new money habits will become second nature to you.

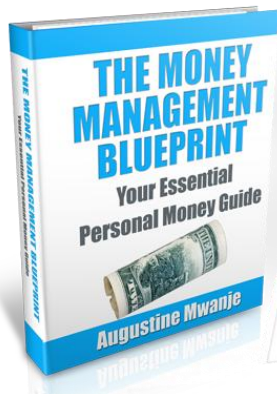


## Conclusion

No matter where you are in your finances right now, it's always possible to make things better. Once you decide to take charge, you'll automatically start turning things around for the better.

### Are You Ready To Take Action?

Get started today with **The Money Management Blueprint**. This power-packed guide will reveal practical steps and 'hands on' strategies you can use right now to start managing your money with ease.



**Your FREE ACTION GUIDES**



### Inside You'll Discover:

- How to gain power, confidence, and total control over your money so as to accomplish your financial goals
- **Why you spend, spend and spend without knowing where all the money goes and what to do about it**
- How to create a new reality where stress about money and finances no longer have the ability to rob you of your happiness, relationships and your health
- **And so much more...**

**>>> [Click Here To Download Your Copy](#) <<<**