



**SMITH'S WEALTH MANAGEMENT**

YOUR PROSPERITY, OUR PRIORITY

## **Discover the 5 Simple Steps to Take Control of Your Money**

### **Introduction**

Taking control of your money is an essential step towards financial freedom. In this guide, I will break down five powerful and actionable steps that will set you on the path to mastering your personal finances. You will learn about habits, where beliefs come from, and how to conquer yourself. Whether you're just starting your financial journey or refining your current habits, these steps will provide clarity and direction.

### **Chapter 1: Understand Your Money Mindset**

It's important to know how the brain works to reroute how we think. We have underlying belief systems about everything in life that typically stem from childhood, good or bad. The first step to changing your belief is acknowledgment. Your mindset towards money shapes how you handle it. Understanding your money mindset is crucial for taking control of your finances. Does it make you anxious, overwhelmed, scared, happy, or sad, what emotion do you feel when you think about the word money? Are you a spender, a saver, or someone who avoids thinking about money altogether? Where does this stem from and why is that feeling associated with it? Your beliefs influence your behavior with money, and by shifting these beliefs, you can make more empowered financial decisions.

### **Actionable Steps:**

- Dig deep, how were your parents with money? Are their decisions influencing yours?
- Reflect on what feeling is associated with money.
- Do you avoid thinking about it or feel anxious when spending? Why?
- Write down your feelings associated with money and identify if those beliefs are a truth or a lie.
- Write down your financial goals and align them with your core values (e.g., security, freedom, growth).

First, you must identify the belief system that you have about money. If that mentality isn't serving you, your family, or the Lord, that's a problem. By changing your mindset, you can create a healthier relationship with money, build a solid foundation for future success, and start living the way the Lord destined for you to live—free!

## **Chapter 2: Assess Your Current Financial Situation**

How can you take control of the unknown? You can't. It's vital to understand where you stand financially. This includes tracking income, expenses, debts, and assets. Create a zero-based budget to direct and take charge of where your money goes. If you don't feel confident enough to assess and track your financials on a consistent basis, you must hire a financial planner. This step is CRUCIAL! By gaining insight into your current financial situation, you can make informed decisions about your next steps.

### **Actionable Steps:**

- Start by listing all of your income sources (e.g., salary, investments).
- Create a zero-based budget
- Track your monthly expenses and identify areas where you can cut back on excess spending. *(No, I'm not telling you to never buy yourself anything. Set a budget for a personal fund. This will help with not splurging on things.)*
- Calculate your net worth by subtracting your liabilities (debts) from your assets (savings, property).

This assessment will allow you to create a clear financial picture, assess your current status, and pivot toward making improvements.

### **Chapter 3: Set Clear Financial Goals**

Setting specific and measurable financial goals is essential for staying focused. "Where there is no vision, the people perish." - Proverbs 29:18. Without a clear goal or direction, people tend to lose focus and fail to achieve anything significant; essentially, a lack of vision leads to a lack of progress and potential downfall. By clearly defining your objectives, you create a roadmap for the future of your family, finances, and business (if you own one).

### **Actionable Steps:**

- Write down short-term goals (e.g., pay off credit card debt) and long-term goals (e.g., save for retirement).
  - *Tip: Be open to changing these. Things may come up that shut doors but others may open. Don't be so set on what you want that you lose focus of the direction and purpose the Lord has for you.*
- Use the SMART method (Specific, Measurable, Achievable, Relevant, Time-bound) to make your goals actionable.
  - What are SMART goals? Check this out: [SMART Goals with Examples](#)
- Break your goals into smaller, manageable tasks to prevent feeling overwhelmed.

With clear goals, you'll have a concrete direction for your money and a sense of purpose in your financial actions. Take initiative, do the work, and see results.

## **Chapter 4: Build an Emergency Fund**

An emergency fund is your financial cushion for unexpected expenses, such as medical bills, car repairs, loss of income, and much more. Having an emergency fund in place prevents you from going into debt when life throws a curveball. No, a HELOC (Home Equity Line of Credit) or Credit Card is NOT AN EMERGENCY FUND.

### **Actionable Steps:**

- Aim to save 3-6 months' worth of living expenses in an accessible account.
- Start small—set up automatic transfers to your savings account, even if it's just \$20 a week.
- Use a high-yield savings account to ensure your emergency fund grows over time.

Having an emergency fund will provide peace of mind and help you avoid relying on credit cards or loans when unplanned costs arise, which leads to higher monthly expenses and increased stress levels.

## **Chapter 5: Take Control of Debt**

Debt can feel overwhelming, but by approaching it strategically, you can regain control. Prioritizing high-interest debt, creating a plan, and avoiding new debt are all essential steps. Avoid purchasing items unless you can pay for them in cash—unless you intend to strategically leverage debt, such as financing a vehicle and using the money you would have spent upfront to invest and generate higher returns.

### **Actionable Step:**

- List all debts and categorize them by interest rate, focusing on high-interest ones first.
- Use the debt snowball method (paying off smaller debts first) or the debt avalanche method (tackling high-interest debt).
  - *TIP: The debt snowball is very effective because it creates excitement when something is accomplished, even if it's a \$200 credit card. It makes you feel that you're tackling things "quicker".*
- Avoid accumulating new debt by sticking to your budget and using cash instead of credit when possible.

By taking action on your debt, you reduce financial stress and pave the way for a debt-free future, living a life of freedom.

### **Bonus Resources**

#### **Money Books to Read:**

- 'The Psychology of Money' by Morgan Housel
- 'Think and Grow Rich' by Napoleon Hill
- 'Rich Dad Poor Dad' by Robert Kiyosaki
- 'Financial Freedom' by Grant Sabatier
- 'The Simple Path to Wealth' by JL Collins

**Finance Apps to Try:**

- Mint (Budgeting and expense tracking)
- Personal Capital (Investment tracking and net worth)
- YNAB (You Need A Budget)
- PocketGuard (Spending tracker and budget)
- Charles Schwab + Thinkorswim (Investing app)

These resources will provide additional tools and insights to help you continue on your journey toward financial empowerment.

**Conclusion**

Taking control of your money is a journey, but with these five simple steps, you can build a strong financial foundation. Start by understanding your mindset, assessing your situation, setting goals, building an emergency fund, and managing your debt. With consistent effort, these steps will help you achieve financial peace and security.

Remember, every small action you take brings you closer to your goals. Stay focused, keep learning, and take control of your money today.

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