

# How to Achieve Financial Freedom



The New Year may be several months away, but the time to financially prepare for it is right now. While it may take patience and discipline, financial freedom is within your reach. Whether you're trying to pay off large debts or boost your savings for a rainy day, large purchase or retirement, make 2017 the year you achieve financial freedom.

## SAVE MORE OF WHAT YOU EARN

Only **39%** of Americans have a “rainy day” fund that could cover at least three months of expenses.<sup>1</sup> An unexpected bill, an emergency or a job loss could put many Americans in a situation where they can't make ends meet. Even if money is tight, there are still ways to save more of what you earn.

1. **Know where your money is going.** This will help you figure out where you can adjust your current spending.
  - a. **List your fixed expenses**, such as your utilities, groceries and debt payments.
  - b. **List the expenses you have a few times a year**, such as taxes, car maintenance and vacations.
  - c. **List what you spent in the last month on the “extras,”** including shopping, going out to eat, morning coffee, etc.
  - d. **Total your expenses and compare them to your net income.** If you're spending more than you earn, make cuts to your “extras” first and then look for ways to adjust spending on your fixed expenses.

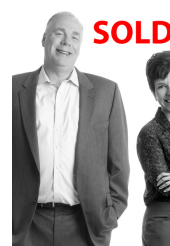
2. **Set a budget.** More than **82%** of Americans have a budget.<sup>1</sup> A budget helps people plan their finances and mitigate the impact of any surprise bills or expenses.

3. **Look for ways to save.** Some bills, like your utilities, vary each month, which makes it easier to save money by being more efficient with your use. For bills with a more fixed cost, such as cell phone, cable or internet, shop around for reduced service rates to help you save more money each month. Use your newfound savings to grow an emergency fund.

4. **Set up automatic savings if you haven't already done so.** That way, you don't have to think about transferring money over each month.

5. **Continue to track your spending.** This may be the most important step; after all, what good is a budget if you don't follow it? Track your receipts, review your budget and look over your bank statements online or on paper.

Less than **40%** of Americans can cover an unexpected emergency bill between \$500 and \$1,000. Of those, **25%** said they'd cut back on spending, **16%** would ask family or friends for a loan and **12%** would use their credit card.<sup>2</sup>



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