HOMEWORK

1. Get Your Head Out of the Sand

At the beginning of the chapter, we talked about the Ostrich Effect. What might you be avoiding when it comes to your finances? Journal about the Ostrich Effect and how it's affecting (see what I did there?!) your money and your life.

What are some money goals you're "supposed" to set, and what do you want to achieve?

EXAMPLE:

"I should buy a house."

"I could go buy, and yet I choose to rent because I like the flexibility."

2. Goal Setting

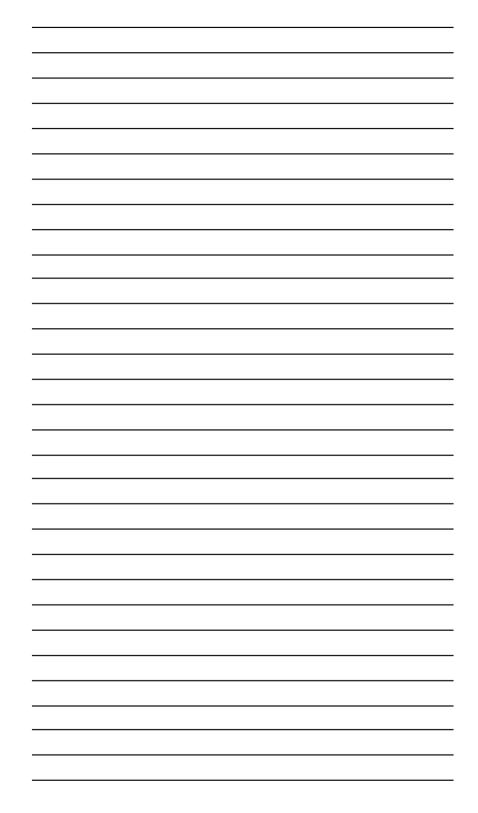
Take a look at your accounts and consider some of the financial goals you want to accomplish: Do you wish you had emergency savings? Do you have debt you're trying to eradicate? What are some other life goals you wish you had money for?

In this homework assignment, you're going to turn your wishes

into goals by getting specific and setting timelines, determining your Why, making plans, automating, and manifesting a visual of what that goal is.

Set goals that are specific, timely, and mission driven. Write

them in the past tense, as if they've already happened, and then sketch out a plan to achieve them.



3.	The	Financial	Priority List
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Next, we are going to order our goals using the Financial Priority List. Simply check off where you're at—no judgment if no boxes are checked yet.

BUILD an emergency fund (three months of living
expenses in a high-yield savings account).

Only if applicable: Contribute as much as is needed to your 401(k) or 403(b) retirement savings account if your employer matches that contribution.

PAY down high- interest debt (anything with interest over 7 percent).

INVEST for retirement while simultaneously paying down low- interest debt (anything with less than 7 percent interest).

SAVE for the Big Life Stuff.

Organize your goals according to the Financial Priority List.

4. Build Your Budget

Now comes the exciting part, building your no- budget budget. Go through my 3 Bucket Budget and build it out. What costs/ expenses/goals are in each bucket?

STEP 1: Calculate how much you earn per month. If you're a freelancer, use the minimum monthly amount you've made over the past year as a starting point.

STEP 2: Add up all your necessary expenses to figure out the dollar amount that should be in Bucket #1.

STEP 3: Subtract your Bucket #1 expenses from your monthly income. What's left over will give you a starting point for determining how much should go in Bucket #2.

Now list all the Bucket #2 items you can automate, while making sure you maintain a buffer in your checking account.

STEP 4: After subtracting your Bucket #1 and Bucket #2 expenses from your monthly income, the amount of money that's left over is your discretionary spending, or Bucket #3. Remember your three Value Categories? Jot them down: a majority of your Bucket #3 should be spent on those three things.

1	
2	
2	
3	

Final Steps: Automate and Build Visuals

Automating your buckets is a *game changer*. There's a reason they say "Set it and forget it"— because you truly will forget all about it! Beat the anxiety monster at its game. Take thirty minutes: set up auto- pay on your bills, an automated transfer from your checking to your savings account, and (if applicable) automatic contributions to your workplace retirement account.

Finally, to stay on track with your budget and goals, set visual

reminders! I like to write on Post- it notes and vision boards. Give yourself a visual representation of your Why, or write down/type a few favorite affirmations for when you're feeling like you can't make it.

