Freshen up your finance

A complete guide for financial success

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INTRODUCTION:-

Financial makeover means transforming your financial life for financial success. You must be thinking why you need to makeover your finance. Let's go through following example.

This is story or Mr. Kumar, Mr. Kumar is 30 years old, He has a job in MNC and he earns good salary. Like rest of us he works hard, earns well & make sure that he enjoys the life from the money he makes. Despite of good income sometime Mr. Kumar face crunch of money at end of month, not only that he finds difficulties in managing his finance.

Now let's meet Mr.S Kumar (Colleague of Mr. Kumar) with same salary, Mr.S Kumar always remains in good financial situation, he has spare money at end of every month. Not only Mr.S Kumar has good amount of saving and investment for his future. So, Mr.S Kumar has financially sound present and future. Why? What's changed?

Mr.Kumar   Mr.S Kumar

It is because Mr.S Kumar has better management & control over his finance. So if you want to be like Mr.S Kumar or if you are in situation like Mr. Kumar you need financial makeover.

Now ask following question to yourself and if you could not get satisfactory answer of any question than, you must go through this guide & implement steps suggested for runaway financial success.

- Do you know about your saving capability?
- Do you know what you have for future goals?
- Do you have SMART goals?
- Do you know where your money goes every month?
- Do you have an empty bank account, or it's in a negative balance by payday?
- Do you have Emergency Fund?
- Do you have enough saving?
- Do you want to clear your credit cards and other debt but somehow fail?

Financial Makeover is one of the best ways to save your money, build an emergency fund, get rid of debt, and start to take control of your finances.

So let's start with financial makeover, believe me it won't be so difficult to revamp your finance. Therefore, in this guide I will be sharing my knowledge which will help you to makeover your finance. To make this process simpler we will divide process in to small actionable steps.

I promise that if you take action which is defined in this guide it will cause complete financial makeover to your life.

Journey of Thousand miles start with little step, so let's start our journey by taking few steps which is required for financial makeover.

Step 1:- Increase your saving rate:-

Before turning yourself to be good investor you need to be good saver. You must be saving some amount every month; First step in financial make over is to increase your personal saving & investment rate every month.

What is your maximum saving capability?

If you have not started your journey towards saving money then start as early as possible. Saving big chunk of money at single go may be difficult for you but saving small amount is easy, based on your monthly income decide what percentage of amount you will be saving say for 1^{st} month you can save & invest 5%, A few month later raised this rate by 8% , than to 10%-25%. Stretch your limit as much as you can & see the magic!

If you don't like percentage game keeps it simple and straightforward save 2000 Rs/- per month, keep it aside if possible open separate saving account where you can deposit this saving automatically every month. After three month increase this amount to 5000 Rs/- and then after few month try to stretch is up to 10000 Rs/- or may be more.

Salaried persons who have fix income this limit can be stretch at certain extend but for business man extending limit may be possible every month. Do this exercise for 4 to 6 months. This is most guaranteed & simple way I 'have found to find saving capability limit with respect to your income.

Take away from this step is you will know your maximum saving capability.

Step 2:- Know what you have:-

In order to work on finance you must have your financial picture in your hand, yes I am talking about making list of asset what you have? This list will allow us to calculate your personal net worth (your assets – your liabilities).

Net worth is a single amount representing how much money you would have if you sale all your assets and pay all your debts.

Take pencil & paper or open spreadsheet and make two column assets & liabilities. Note down what you have in asset column like cash, funds in bank accounts, value of stocks, bonds, mutual funds, PF balance, current market value of property, market value of jewelry. Once you are done with listing assets write-down about your liabilities. **Liabilities** are any debts or payments you owe to someone else; this includes home loan, education loan, personal loan etc.

Make sure you write accurate value of your assets. Once you have asset list with total value, subtract your debts and you will know your personal net worth.

Do you know what you have for your future

Net worth is showing everything you have but we want to find out net value which you can use for your goals, don't get confused; In your net worth you have mention everything you have like price of jewelry, current market value of property (your home), value of your car etc, it is but obvious that you won't sale this things for fulfillment of your goals.

So what you need to do is subtract/remove this type of asset from list and recalculate total amount you have for your goals. Keep this value in mind.

Take away from this step is you have calculated your Net Worth and resource/ money & investment you have.

Step 3:- Decide your Goals:-

You must be thinking that why I have not started financial makeover guide by goal setting. This could have been better but before setting goals it's important to do self-appraisal in terms of knowing maximum saving capability (Step-1) & usable money / resources for future goals (Step-2). Hopefully you have exercise first two steps well.

You must have seen some dreams, in order to convert this dreams in reality you must set your goals. Deciding goals is not easy task. Let's simplify entire process of setting SMART financial goals.

Let me ask you simple question imagine yourself after 5 years in your professional life. Where you would like to be? You answer will be you want to be good manager or may be successful or gain leadership skill etc. For some of you It may happen that you have to stretch your mind to know answer. This happens as you are unable to map your own future or in other word could not set goal today, that where you will be in coming years.

Remember: - "Planning is bringing the future into the present so that you can do something about it now"

If I ask what is your financial goal. More than 50% from you will reply that you want to be Rich, but no one can answer definition of becoming RICH. How much rich? When? This happens as we are not clear about our financial goals & how to set it.

What is SMART Goals?

You have to be smarter and set goal which are SMART. Let's check out what is SMART goal

So, your goal should be specific, measurable, attainable, relevant and time bound. Your SMART goal could be building retirement corpus of 3 Cr. at age of 58 year.

Now take a moment to think about all your future need which requires money and make SMART goals for the same. Make sure to consider inflation while making these goals. Once you have list of goals, start assigning priority to your goals. Will you be able to do them all simultaneously? Will one need to be achieved before you can start on another? If so, label that in your list of goals.

You may classify this goal as short-term, mid – term and long-term goals. Your task does not end here these goals are not like "Fire and forget missile which will attack on target and destroy it once fired".

You have to be smarter and need to occasionally re-evaluate where you are with your goals, considering possible life-changes and new desires.

To make lighter mood I can say that, you are now director of your film "Finance makeover" you have set LIGHT (Step 1, Step 2) and Camera (Step 3) it's time to take action.

Step 4:- Invest regularly as much as you can:-

By now you are aware about how much you have invested, how much you can invest (your saving capability). More importantly in future what are your goals for which you need to invest money?

How to select right Investment Option?

So, task today is to find out various investment options which suits your risk profile & goal. Like if you have mindset to protect your capital and get return on capital you can opt for "Debt" as investment option, and if you are ready to take risk you can opt for "Equity" based investment. Explore other investment class such as real estate, gold, mutual funds etc. Ideal is to make diversified portfolio. You may reshuffle your existing investment and money (Calculated in Step 2) based on your goals.

Right investment option selection is most important task in financial management, let's do small exercise to find out right investment option for your goal, take pencil, paper & calculator or open spreadsheet write down your goal amount, investment option and expected ROI for that investment option in separate column. Now calculate based on ROI &

your saving capability (investment amount) which investment option is most suitable for achieving your financial goal.

Make final table like:-

Sr No	Financial Goals of Life	Date by	Amount Required	Investment Option	Expected ROI	Investment amount per Month
1	Retirement	01/07/2038	37500000 Rs/-	Equity	15%	12000 Rs/-
				Mutual Funds	12%	9000 Rs/-
				Fix Deposit	10%	3000 Rs/-
				PPF	8%	2500 Rs/-
2	Second Home	01/01/2025	4400000 Rs/-	Equity	15%	6000 Rs/-
				Mutual Funds	12%	3000 Rs/-

Once you are done with above its time to invest your money systematically. We do most of the thing regularly like we earn & spend money regularly but when it comes to investment do we invest regularly?

It is very sad fact that for most of the investors, investment is either lump sum investment without logic or at the end of year for tax saving purpose. The best way to make investment is to the moment you have saved your money.

This will serve two purposes:-

(1) Your investments get the maximum time and hence you get maximum benefit for power of compounding.

(2) Regular investment makes sure that you don't overspend.

As you know that life is full of uncertainties, future investment returns and inflation rates are not known to anybody. However, I can guarantee you that if you have invested money in right asset class with proper planning you will have lot of money at the time of retirement.

So, take away from this step is Invest as much as you can regularly (systematically).

Step-5:- Know Your Monthly Expenses:-

Financial success comes from consistently managing your expense below your income level. When spending is more than your income it will cause imbalance & may inspire you to take loan.

In this step we will be reviewing your monthly expense. This monthly expense sheet will show you what is your actual cash flow, more importantly on which item you are spending more, hence you can control your expense effectively, not only that it will help you in making your monthly budget and deciding additional information like requirement of emergency funds etc.

How to find your monthly expense?

So, let's start exercise of knowing your monthly expense. First task you need to do is break your expense in list of categories like grocery, cloths, utility bills etc. Make sure to include both fixed (e.g. rent) and variable expenses (e.g. groceries).

For making list more accurate you can use your bank statement. This is applicable if your spending is through check or credit card & if you spend money in cash than get maximum information from last month bills.

Now, Take pencil and paper or open spreadsheet make four column with title-date, category, expense & type as shown in following table.

Date	Category	Expense in Rs/-	Type
03/01/2012	Groceries	1,500	Variable
05/01/2012	EMI	6,300	Fixed
05/01/2012	Cable Bill	320	Fixed
12/01/2012	Electricity Bill	830	Variable
18/01/2012	Insurance Premium	2,200	Fixed
20/01/2012	Medical	325	Variable
21/01/2012	Mobile/Telephone Bill	723	Variable

You can use online free service like Mint.com, which will help you in tracking monthly expense as well as alert you by sending SMS if you exceed your limit.

Step-6:- Make Your Budget:-

Now you know your monthly expense it is time to make budget. Creating a budget may not be exciting task, but it is vital in keeping your financial house in order. Budgeting is also required to control your expense. Draw your monthly and yearly budget based on monthly expense sheet.

When you were going through list of expenses you might have notice that some expenses are necessary, but can vary from month to month. Examples include groceries, utility bill, dining out, entertainment etc.

Determine the expenses that fall into these variable categories. If you feel you are spending more on any category item, create simple budget (amount) for that category and monitor your spending's with respect to budget limit you have set.

If you make purchase with credit card or debit card make sure to check your statement on weekly basis to see you are within your budget or not. If you are spending money by cash, then withdraw monthly budgeted amount at beginning of month and only spend the cash that you have.

If you reach budget limit, stop spending money till next month. This is most simple method to control your expense. If you have reached budget limit & you meet with unusual expense which you can't avoid you may spend money & subtract same amount from next month budget.

Step-7:- Reduce Your Debt:-

Debt can be a good thing. It can help you to buy a house, car, invest in your education or improve your standard of living. However, if level of borrowing exceed certain limit it can lead to many problems in your personal and financial life.

You may get in to debt due to unavoidable financial circumstances. If your tough time is over, then it is time to reduce your debt. No miracle can help you in getting out from this debt instantaneously. But reduction in debt will cause big financial relief so we must try that.

How to reduce your Debt?

So let's try to reduce unwanted debt. First task you need to do is list down your debt and set priority according to amount & interest rate. You can adopt following technique to reduce your debt.

(1) Best method to reduce debt is through maximum repayment. Plan to pay as much as you can on highest priority debt. If you pay off first debt, move to next and continue till you kill your debt list.

(2) Another method to reduce your debt is Negotiate with creditor to lower down interest rates, make sure that creditor is not increasing repayment period on behalf of reducing interest rate, otherwise you'll likely end up paying more over time than you would.

(3) If your negotiation attempt fails you can plan for transferring your debt with another creditor (Bank) that can offer same loan with lower interest rate.

(4) If it is simple credit card debt than it can be reduced by simply asking for lower rate or transferring your balance to card with lower interest rate, calculate how much you'll save by transferring your balances.

Remember:- "Some debts are fun when you are acquiring them, but none are fun when you want to get rid of it"

Step-8:- Building an Emergency Fund:-

Creating Emergency fund is planning for unplanned event; It is one of the most important aspects to protect yourself against financial disaster. Bad/unexpected things may happen in life which drains all your cash and force you to take heavy debt. Financial emergencies can come in the form of a job loss, unwanted medical expenses or something you've never dreamed of.

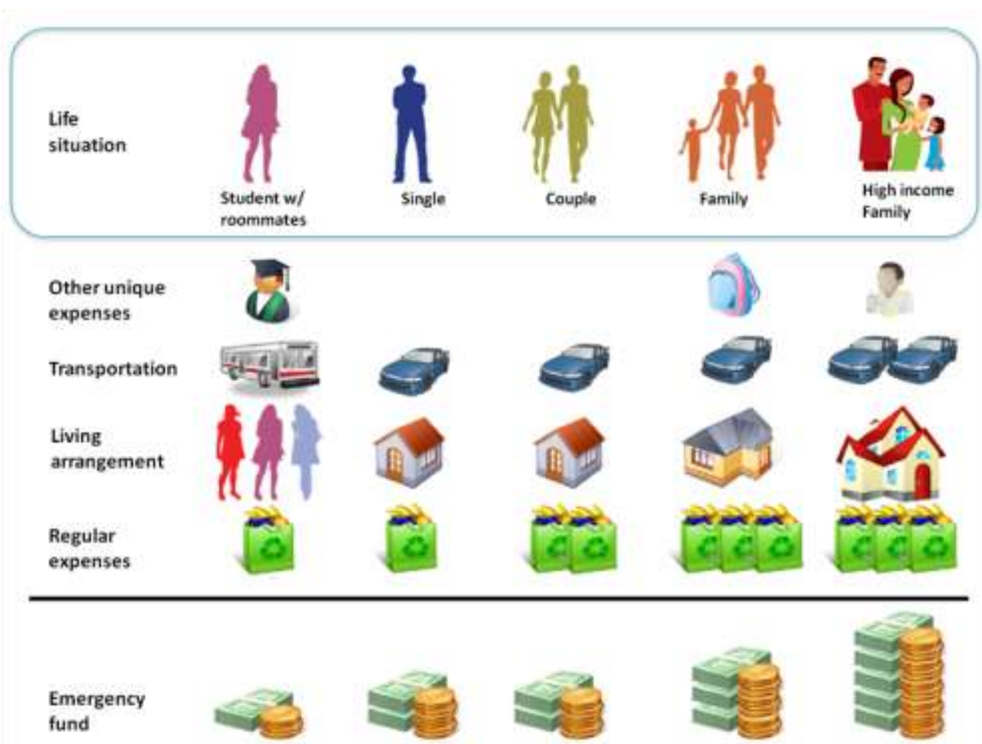
How to build Emergency Fund?

(1) Measure your need:-

First step in building emergency fund is figure out how much is your monthly expense (Step 5). Once you know your monthly expense you have to wisely decide how much is required as emergency fund. As per thumb rule you should keep six month of living expense aside, but still this need depends on stability of your income. If your family depends on single income or if your income is heavily dependent on commission or bonus you should keep six month fund aside.

At later stage if your income gets stabilized you can reduce the fund. Also, keep in mind that your emergency fund is not limited for you. If your parents or grown-up children are likely to take call on you in a crisis, you might need to maintain additional amount to support their emergency in addition to yours.

Emergency fund need also depend upon life situation & resources you have, if you are single as you need less emergency fund as compare to highly income family.



(2) Find right location for your fund:-

Life is full of uncertainty and you will never know when unplanned event take place, so you should keep emergency fund at location which is accessible at any time and safe enough. Not only that, if you can get some return on investment nothing like it.

You can open separate saving bank account ("what if account") to keep your emergency fund other option is to open Bank Fix deposit where your money will be safe also and you will get good returns.

(3) Build it fast:-

If you are starting from scratch, make sure you save fast make practice to save 20000 Rs/- every month for emergency fund, continue this cycle till your emergency fund is built.

If you can't save that much amount per month divide this amount in part and continue.

(4) Assess but don't use:-

Once your emergency fund is built revisit it once a year, but don't ever try to use this fund for any other purpose, remember this fund is for unplanned necessary expense only.

If you're spending increases due to life events like marriage, new baby or rise in salary etc, with rise in spending you must add additional money to your emergency fund.

Step-9:- Get Yourself Insured:-

Insurance is necessity today; Life is full of uncertainty and if you are the only earning member in your family you should take life insurance.

Let me ask you simple question, who will take care of your family if tomorrow something unfortunate happens to you? If this question is bugging you, then you should take life insurance.

Under any situations, the loss of a loved one is a shocking experience. But, if your family is left with inadequate money to meet basic living needs, they will face financial crisis at the same time. It may so happen that due to financial crunch your family has to drop down their standard of living. Life insurance provides financial security to your family in your absence.

So, if you don't have life insurance policy, consider purchasing life insurance for you. If you have already purchase life insurance policy, just check if it is enough for you or not.

How much is enough?

Many people says that just multiply your salary by 10 and that will be required amount for life insurance but according to me you need to calculate what it would take for your family members, to maintain their current lifestyle their monthly living expenses plus what's needed to meet your financial commitments. That means your outstanding debts like home loan etc, plus big expenses like your children's college education, marriage.

This amount will vary from person to person. Once you have calculated this amount select best insurance policy that suits you.

Which Policy?

Most suitable policy for everyone is term plan, where you will get maximum sum assurance in minimum premium. In market so many insurance policy are available like money back, whole life policy, ULIP etc. Remember each and every policy has its own advantage and disadvantage so, before get in to any policy you should explore and understand every feature of policy.

If anyone give suggestion of purchasing life insurance policy other than term plan, then ask number of questions, don't purchase any plan, till you are convince that you need that plan or not.

Step-10:- Spruce your Expense:-

You're organized and you have discipline in terms of saving and investing now, time has come to find ways to manage your expense in better manner.

As you know there are many ways to save money, but there are as many (or more) opportunities to even waste it. That's why it is very important to spruce your expense.

Trimming your expense is one of the fastest ways to improve your financial situation. So, open your monthly expense sheet and try to differentiate between need and want I mean to say essential and non-essential expense. Take a close look at how you are spending your money and you will be able to see very quickly where a good chunk is going. Cutting back in that area will free up cash each month for other expenses. Mostly fixed expense cannot be compromised but variable expense you can control like utility bill, eating out etc.

I am not telling you to become stingy, but I want you to spend your money wisely & within your limit so that you can save more.

Trimming your monthly expenses is about realizing that, yes, "money saved is money earned";

Hopefully I have given you some ideas that will reduce your expenses. Reducing your expenses means that you have more money in the budget each month - which is really like increasing your income. Spend it wisely, All the Best!

Step-11:- Smart Shopping Smart Saving:-

Recently we have discussed about spending money wisely, now I want you to be smart shopper & thus smart saver. Don't allow your shopping trips to turn into a spending fury.

How to be smart shopper and smart saver?

Many simple tricks can help you save money. So, let's check out how you can do shopping smartly.

(1) Avoid credit card or debit card take cash while you go for shopping, in this way you are likely to spend less. Handing over the actual money you earned is tougher than swiping a debit or credit card. In fact, for many it hurts a lot to take hard earned money out of a wallet and say goodbye to it.

(2) Another way for smart shopping is bargaining. You or your partner have to be good bargainer, at certain places it works well and will give you added advantage to purchase more in fewer prices.

(3) Make list of item before going for shopping and purchase only that item which is in list. By this way you can eliminate impulse purchases.

(4) Try to buy from whole sale shop whenever possible. It is generally observed that price of goods in whole sale shops are less. This approach can cost you less.

(5) Buy merchandise when it's going out of season. E.g if you are planning to purchase Air conditioner than buy it in winter or in rainy season it will cost you less.

(6) Shop at discount stores or in sale. Discount shop can save you lot of money. You can try purchasing form Big Bazzar or D-mart.

(7) Avoid brand names when equivalent alternative is available. Most of time it is observed that branded item will cost you more.

(8) Don't buy item that you won't use often. This item may be available at cheaper rate but if you are not going to use it don't spend money on it.

You can apply strategies shown above for smart shopping which will help you to stay in budget and get more with less.

Step-12:- Tax Saving & Tax Planning:-

Taxes are part of our financial life and we cannot avoid them. We all know that taxes are must for the Government of any country. Government collects tax so that they can spend it on welfare of the country. So we have to pay tax for the betterment of our country. But when we see the large amount of tax to be paid, we get tensed and sometimes even we changed our mind also. But there are many ways to reduce your tax liability and by applying those we can save our tax amount to some extent. So, take a look on some ways which helps to reduce tax burden.

Income Tax:-

You can reduce your Income tax liability by availing all deductions. Deductions may be claimed in respect of certain payments made towards saving/investment. Maximum deduction claimed is 1 lakh under section 80 C. If you have taken home loan you can claim additional benefit of 1.5 lakh on interest paid. Other permissible deductions are on mediclaim and on charity. These donations can reduce your taxable income and lower your tax payment.

If you invest your money correctly you can get the advantage of deduction. Try to invest your fund in ELSS, PPF, Insurance, Mediclaim etc.

Capital Gain Tax:-

Capital Gain tax is applicable if you sale any capital and earn profit. If you sale property, shares, bonds & precious material and earn profit on it within predefined time frame you are supposed to pay capital gain tax. This period varies based on asset class. Avoid selling of these types of capital assets before this time period to save on short term capital gain tax.

If you are not aware about long term, short term capital gain tax take advice from expert before selling any capital assets.

Service Tax:-

Service tax is applicable on mostly all services only 17 services are exempted from this tax bracket. It is not possible to avoid this service tax, so to save tax spend only on those services which are absolutely necessary for you.

I have talk about tax saving but apart from saving on tax it is mandatory that you do proper tax planning and not only tax saving.

Efficient tax planning does not mean to saving maximum tax, it is to take legitimate advantage of all tax exemptions, deductions rebates and allowances while ensuring that your investments are in line with your long term goals. Do not blindly invest money; you might end up making mistakes.

Another important point to remember here is make your tax plan every year in advance, do not wait till last month you may end up making mistake in last minute hurry.

Step-13:- Save On Healthcare Expense:-

“Health is wealth”, your health is the most precious wealth that God has given you. It is your responsibility to look after it properly. However, it is also true that the life is full of uncertainties and you never know what will happen in the next few hours. So, you must plan for your health care expense. Health care expenses are necessary but there are some ways by which you can minimize your spending on health care.

So, let’s check out what you need to do for your Health Care.

Purchase adequate Health Insurance:-

As you know quality health care is very expensive that’s why it’s necessary to purchase health insurance. If you have not purchased health insurance policy by now, then it’s probably wise decision to purchase it. Make sure you cover your entire family under this plan, better is to go for family floater type health insurance.

If your employer provides you benefit of health insurance than please check maximum limit of coverage provided, if required purchase Top up plan.

Regular Health Checkup:-

Regular checkup is valuable tool in maintaining good health. Taking proper care of your health at the right time can prevent a lot of problems in the future. It's good to find out that you have a problem, before it is too late to cure it.

The main aim of a check-up is to detect illness at an early stage, or to prevent illness occurring in the first place. Early detection may help you in saving money. Most of health insurance plan provides facility of annual health checkup so go for it regularly.

Avoid Smoking, Drinking:-

If you have bad habit of smoking or drinking than it will cost you not only money sometime life also. Smokers and drinker are unaware of the amount they spend on lighting every cigarette or on drinking.

Long-term smoking or drinking increases the risk of developing various diseases, and the drugs and treatments for these disorders are very expensive. Smokers/drinker will have to pay more for insurance premiums.

Better option is to avoid smoking and drinking.

Lastly I would say that stay healthy & fit by doing regular exercise and take good care of your diet.

Step-14:-Start earning extra money on the side:-

If you feel that your current earning is not enough than you can think or earning extra money. This will also help you to get rid of debt or save money for future expense. If you have time and energy part time job could be better option for earning extra money.

A part-time job could be a way to break into a other career or line of business that could end up giving full time earning. Closely look at your calendar and see if you can spare time for part time job. Make sure to compare pay, benefits, work environment and future growth.

Remember that this part time job is not for life time in most of cases it is a temporary only.

Apart from part time job there are plenty of ways to earn extra money, you can select most appropriate way which suits to you.

You can utilize your current skill by doing part time job or part time work. Not only that you can develop specific skill set which can earn you more money like if you are good at teaching you can start tuition part time and earn side income. If you have skill for marketing you can be good life insurance advisor and earn good commission.

If you have limited time you can start consultancy or freelancer type work at any time. This idea provides great flexibility in terms of time, amount of work and money.

Step-15:-Organize and Preserve your financial documents:-

Organizing and preserving your important financial document is vital step in financial makeover. The more complicated your financial life, the more important it is to keep yourself organized. There are real costs to disorganization, such as lost tax deductions, hours spent searching for a receipt or even worse.

Financial records up keeping and consolidation at single place brings clarity and allows you to find document quickly as and when required. Properly protecting your records means you won't be starting over if a fire or other incident leaves you in a bad spot. You can get your financial house in order by in simple manner narrated below:-

What to keep?

One of the most challenging aspects of personal document management is to know what to keep and what to throw. First you need to divide your financial record in various categories such as:-

Insurance policy
Investment documents
Bank Transaction documents
Income Tax documents
Salary & PF related documents
Property documents
Invoice, Bills

Once you divide your document in these categories your task will becomes easy. Keep set of documents that are particularly difficult to replace. I use simple folder or box file to file this, and it helped me to stay organized. You can place this folder in a safe place such as a safe deposit box or fireproof safe. Document you can include is your Income Tax return, your property documents, Insurance and Investment related documents. Apart from this you can also keep nonfinancial document which are difficult to replace, like PAN Card, Passport, Birth certificate, Marriage certificate.

What to throw?

You probably don't need old utility bills; same is true for old credit card statement and ATM receipts. You can throw even your bank statements three years after the tax return was filed.

Before you throw any of these documents make sure to destroy it properly, consider buying a paper shredder to help protect yourself against identity theft.

You can reduce the amount of paperwork in your house by scanning important documents and storing them electronically, if you don't have scanner you can simply take photograph of these documents using mobile or simple camera. You can keep one e-copy on your PC and one on DVD or store it on online drive like SKYDRIVE. Make sure to use password protection or encryption method for these e-documents.

Keeping your financial documents organized isn't just about making things easier to yourself. You'll also be helping your spouse and other loved ones if something ever happens to you and they need to find important papers to understand your financial situation.

Step-16:- Plan a money meet with your life partner:-

Remember: - "Together you can achieve more" Keeping this in mind, I share everything and keep my life partner informed about all monetary information.

Some of you keep your finance separate from your spouse and someone may share everything like we do. You might be thinking that keeping finance separate is good idea, but at some point of time if you can bring your spouse on same page it helps a lot. Being married (combine legally) it is sensible to know about money situation of life partner.

If you are single than you might not have any one to discuss your money issues, if required you may discuss your money related issues with trusted friend or family member.

So, I want you to organize regular "money meetings" with your life partner. Try to spend at least 1 hour every month for this meeting. You can discuss about household expense, your current financial situation, dreams, and goals and other important financial decision.

Seek input from her. Whenever you find conflict instead of fighting with each other try to find way out. Your partner may have certain dreams, goals, don't overlook your partner's need. It is most important point for your partnership. Treat your partner as associates. Listen to your partner, consider his/her need and respond.

Use this time to brainstorm & find creative solutions to problems. Not only that you can generate ideas to improve your future. The main idea behind this meet is to have discussion about where you are, where you want to be, and what action you should take for getting yourself there.

Step-17:- Involve Your Kids:-

You may be surprise in reading about involving kids in financial matter, and thinking why we should do it. Please involve your kids in financial matters if they are few years old (may be 12 years or above).

By putting your family's finances in perspective for your kids, you are helping them to understand the reality of a family's money. By asking for their input and ideas you are giving them the opportunity to contribute their financial suggestions. All of this helps prepares your children to be better money managers now and in their future as adults.

Kids can be financial burden if you let their spending get out of control. By involving them in the family finance & explaining them importance of money they can be wise spender.

If they don't know about your financial prospective they may think that you have endless well of cash and they can use it as and when required.

Once your child grows and joins college motivate them to start earning money on own by doing part time job, tuitions etc. This is required not to help you in terms of money but to make your children financially independent and responsible.

Do involve your kids in to your financial life this is required not to make them worry about money, but to make them master of money.

Step-18:- Make Your Will:-

Making provision for will is very important for people with young children, because wills are the best way to transfer guardianship of minors. A will is also important because it shows how your assets like bank accounts, real estate, jewelry, cars, and other property are divided up among your love ones when you die.

Without a will, there's no guarantee that when you die your money will go to the people you want, your children may not be cared well by the person you believe.

If you have lot of assets but don't have a will, then take action today to make your will. Here are a few ideas to start you off:

- Make a list of all your assets, including bank accounts, investments, real estate, life insurance, and personal property.
- Decide exactly whom you want to inherit what, and when. For example, you might want your daughter to receive her grandmother's gold bracelet when she turns 18.
- Choose legal guardian for your children.
- Choose an alternate guardian in case your first choice is unwilling or unable to do the job.
- Choose an executor to carry out your wishes and handle the necessary paperwork after you die.

Once you are ready with all information you can prepare computer generated or hand written document. You must specify in this document that this document is your will. Once you are done you must date and sign this will. This should be done in presence of two witnesses and witnesses must confirm this by signing on your will.

Once this document is ready you must get it notarized & if possible get it registered with government agency, to avoid any future conflicts.

To simplify this process you can concern lawyer.

Step-19:-Brush up Your Online Profile & Resume:-

Being in technology arena now a day's online presence is very important. For healthy career and business it is important to regularly brush up online profile.

Jobless:-

If you are Jobless, first thing you need to do is prepare or update your resume. Another thing is submit your resume on job portal like moster.com, naukri.com. If you have already submitted it, make sure you update it regularly this may help you lot in landing up good job.

Employed looking or Job change:-

You are already employed and looking for better job than time has come to reevaluate your online profile, survey shows most of company go through facebook and linkdin profile before selecting candidate for employment. Keep your Facebook, Linkdin profile updated because it is good way to market yourself to world, Stop putting crazy & junk things on you wall it may cost you adversely.

Self-employed:-

You can brush up your online profile & by using online tools & technology; by this you can market your business and effectively collaborate with your customers.

You can start your own website using various online tools to increase your reach.

Take away from this step is market yourself in better manner to increase your current and future earnings.

Step-20:- Cultivate Your Financial Intelligence:-

*"Learning is good earning", e*very day you have some opportunity to learn and discover new things. To learn and apply knowledge in financial world is very important.

"Practice makes perfect", over the time more you learn & apply that by doing practice, you can manage your finance in better manner which is important for financial success.

Learning helps to sharpen your knowledge and skills; no one is master of finance from birth. They learn and acquire skills over a period of time, so you can also. I can write this book today as I have adopted approach for continuous learning and applying it in right direction.

In order to cultivate your financial intelligence you can purchase & read good book on personal finance, subscribe to related blog, or you may sign up for some money management course.

Feed yourself with real financial knowledge regularly, it does not mean reading news one in while in newspaper on finance. You should constantly invest your time and energy for getting good financial education for your own growth. Make commitment to cultivate your financial intelligence by learning new thing every day.

CONCLUSION:-

So now we have come to the end of the guide on Financial Makeover. I hope this guide had helped you in revamping over your finance.

I would like to congratulate you for taking an interest in improving your personal finances and getting your financial life in order.

If you find any difference in your finance after reading this guide, do share this voice of wisdom with your friends and relative, give them chance to restructure their financial for financial success.

If you have any queries, please feel free to write to me at info@moneyexcel.com

For more information kindly logon to: - http://moneyexcle.com