

Your Sherpa, LLC

Audio Session #11

Recap

You Can't Begin to Save if You Have Too Much College Debt
You Can't Save if You Can't Get and Hold a Good Job, *and*
Making Daily Decisions to Save & Build Wealth

Outline for session #11:

Virtuous cycle in life:

- Achieve financial goals -> take control of life -> unlock & realize your potential

Problems:

1. Soaring College Debt

- You Can't Begin to Save if You Have Too Much College Debt

2. Career Uncertainty

- You Can't Save if You Can't Get and Hold a Good Job

3. General lack of financial literacy

- Need to Learn to Make Daily Decisions to Save and Build Wealth

Outline for session #11:

Soaring college debt

- **Define problem** – A broken system:
 - Self-perpetuating cycle: college is expensive, loans too easy to obtain, players do not discourage loans, students make emotional decisions, schools raise costs more
- **Solution** – Attain career goals with minimal debt:
 - Pursue your passions (career choice)
 - Estimate your earnings potential (you pay off debt with future earnings)
 - Choose a school you can afford (size debt appropriately; 1x starting salary)
- **Key insights:**
 - Your future likely rests more with *you*, not the school you choose.
 - Ask, is college right for you?
 - Only *look* at schools you can afford (visiting expensive schools is needlessly tempting)
 - Have open communication between parents and students about money saved for college

Outline for session #11:

Career uncertainty

- **Define problem** – Causes of career uncertainty:
 - Technological change, globalization, skills gap, demographics, etc.
- **Solution** – Proactively stay employable:
 - Adopt a mindset that welcomes and embraces change
 - Keep investing in yourself
- **Key insights:**
 - Adopt a realistic perspective – “nobody owes you a career”; your *business* is you!
 - Expect to change jobs or careers
 - Expect to have to be your own advocate
 - Know your degree is not the be all and end all
 - Learn on the job and in life, *beyond school*

Outline for session #11:

General lack of financial literacy

- **Define problem:**
 - Even when people are in *position* to save (minimal debt & a good job) many simply do not know how to save
- **Solution** – Learn to make daily decisions to save and build wealth:
 - **Why** we must save – many future needs, it is our responsibility, money grows
 - **How** to save – mindset is critical, “save first”, live for today
 - **What** to do with savings – savings vs. investments, allocation, diversification, risk mgmt.
- **Key insights:**
 - You *need* compounding
 - You control your mindset
 - “Save first” (**Income – Savings – Needs = Wants**)
 - What’s your butter?

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Thank you!

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