



FINANCIAL CONFIDENCE GUIDE

SIMPLE STEPS TO A STRONG FINANCIAL FUTURE

EMPOWER YOURSELF

A **LEGACY RESOURCE**

WELCOME

We are glad you are here!

If you are reading this guide, you are likely going through a life transition. Depending on the circumstances of your life, you may be feeling overwhelmed, confused, scared, grief stricken, or just eager to feel more confident when making financial decisions...

This Financial Confidence Guide is designed to inspire, motivate, and support you in building a strong financial future.

Inside, you'll find a workbook layout with space to reflect and engage with each section.

At the end of the guide—and just below—you'll find a QR code linking to our Financial Strength Assessment, where you'll receive a personalized financial plan score highlighting where you stand in key areas of your financial journey.

Eager to know your financial plan score now?
Jump to the assessment by scanning the code below!

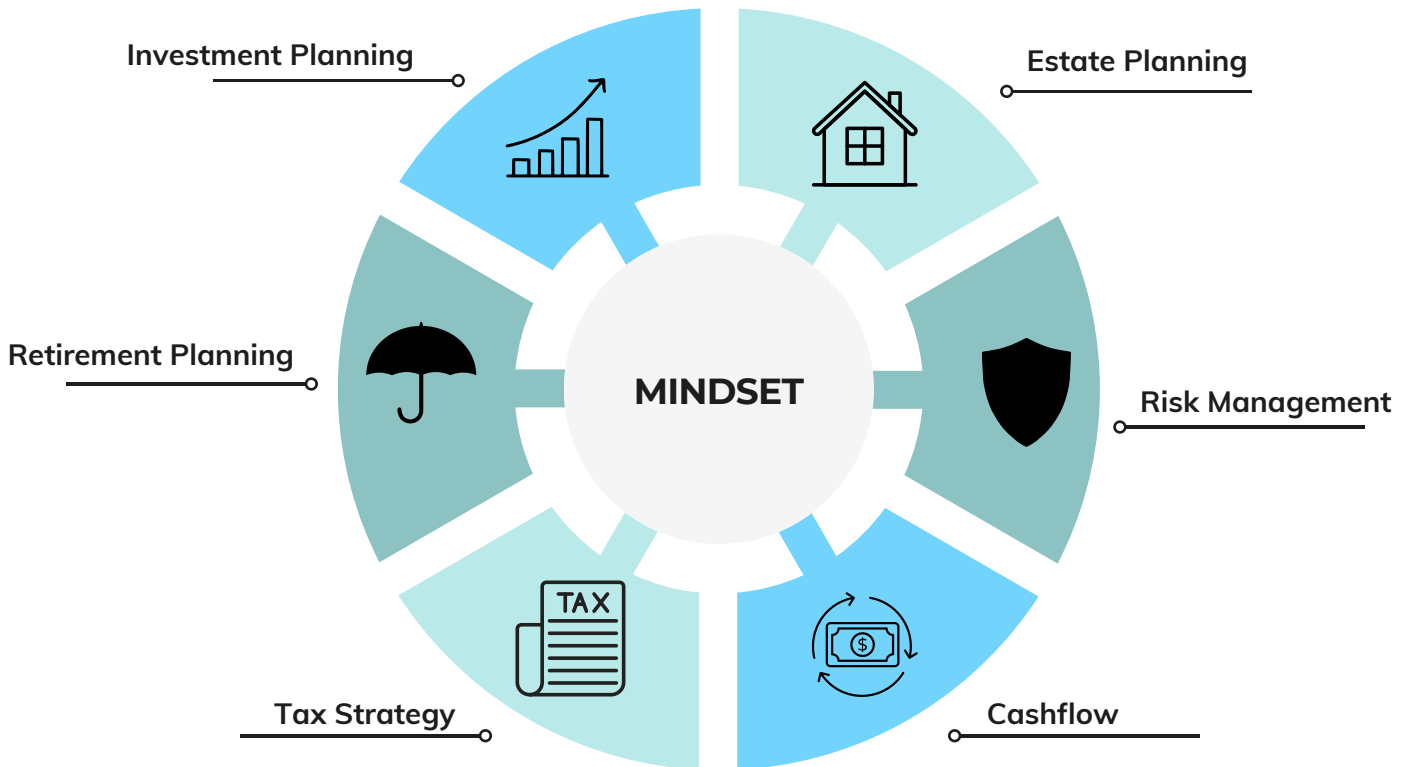


We're here for you.

As a team of financial advisors who have helped hundreds of people navigate their financial journey after divorce, a loss of a spouse, or other major life changes, we understand the unique challenges you face.

We created this guide to give you a strong financial foundation so you feel more confident as you make financial decisions.

We've laid this foundation out through seven building blocks which include your money mindset and the six key components of a strong financial plan:



By learning the simple but important financial steps you'll find in this guide, you are ultimately giving yourself the gift of understanding that will allow you to achieve your personal goals while increasing your financial confidence.

To supplement the insights shared in this guide, we've put together short videos that allow you to learn more about each category. You will also find reflection questions at the end of each section.

Click here for a short introductory message from the creator of this guide, Sten Morgan, CFP, ChFC:

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If you'd like personal guidance for your unique financial situation, you can find our contact info on the last page of this guide.

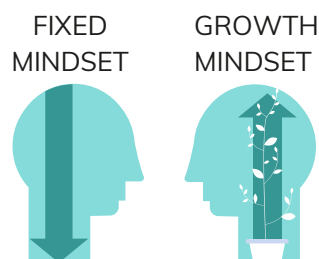
We're here to stand alongside you and empower you on your financial journey!

Sten + The Legacy Team

1. _____ MINDSET

CULTIVATE CLARITY AND CONFIDENCE IN YOUR RELATIONSHIP WITH MONEY

Before we help you optimize the six key components of your finances, let's take a look at how your mindset may be affecting your financial reality - and your level of confidence.



Is Your Money Story Holding You Back?

Most of our money beliefs form in childhood and continue shaping our financial decisions as adults, often as unconscious beliefs.

- ▶ These beliefs either support us or hold us back.
- ▶ When unconscious beliefs conflict with conscious ones, the unconscious ones usually win.
- ▶ Bringing awareness to your unconscious beliefs allows you to choose new ones that align with the financial future you want to create.



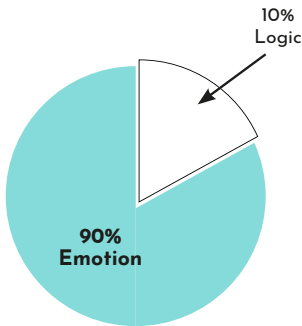
If you experience anxiety or frustration around money, a good place to start is by exploring your beliefs.

Ask yourself: Is this money related belief always true?

How Do Emotions Drive Your Money Decisions?

“A study performed by Nobel Prize-winning psychologist Daniel Kahneman showed that we make financial decisions based 90% on emotion and only 10% on logic.”

—City National Bank



Click here to watch Sten explain the two most common fears when it comes to financial decisions - and how to overcome them:

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ACTION STEPS

1. Journal about your money beliefs for 10 minutes.
2. Create three positive money affirmations.

By exploring your beliefs, emotions, and identity around money, you can transform your financial reality.

Awareness is the first step—action follows.

REFLECTION QUESTIONS

► MINDSET

— What is one of your earliest memories about money? —

— What belief did you form from that experience? —

— What emotions arise when you think about finances? —

— How would you like to think/feel about money moving forward? —

2. CASHFLOW

BUILD YOUR FINANCIAL FOUNDATION

Every financial plan starts with cash flow. Understanding your cash flow— money coming in and going out—creates the foundation for all other financial decisions.

Many people make choices based on their current account balance, missing the bigger picture of upcoming expenses and long-term needs.

Regardless of your income level, you need a plan to align your financial resources with your needs and values—so that your money supports the life you truly want.

THREE KEYS TO CASH FLOW



1. REGULAR MONEY DATES

Set aside dedicated time for your finances: your “Money Dates.”



2. TRACK YOUR MONEY

Monitor all income and expenses for at least two months so you know what comes in and goes out.



3. CREATE A SPENDING PLAN

Align your money with your values and goals, while understanding the difference between needs and wants.



Plan for both expected and unexpected expenses by maintaining cash reserves.

Watch our cashflow overview video to learn about differentiating between needs and wants. Plus, Sten shares how to address the fear of running out of money.

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ACTION STEPS

Schedule your first 3 Money Dates

Date 1:

Date 2:

Date 3:

Money Date 1:

- ▶ Make a list of what you own and what you owe - your assets and liabilities.
- ▶ List and make sure you can open all your checking, savings, credit cards and investment accounts.

Money Date 2:

- ▶ Start to track what's going in and out each month - your income sources and typical expenses in a month.
- ▶ Make a list of everything you pay for that is not a regular monthly expense and assign a dollar amount to each item. (hair, make up, self care services, health care, clothes, gifts, travel, holidays, retreats, courses etc)

Money Date 3:

- ▶ Identify the amount of your annual net income - the amount of money you have access to make decisions with.

- ▶ If your income is the same amount every month, look at your bank statement and multiply by 12 months to get your annual net income.
- ▶ If you have a periodic income (i.e. Realtor, Musician, Entrepreneur etc) take the average from the last 3 years to get your annual income.
- ▶ If you get paid every other week, look at the amount of one paycheck and multiply by 26 to get your annual net income.

1. Add up all your monthly and non monthly expenses from your last money date and determine what your life costs for the year.

2. What is the gap between your annual net income and your annual expenses?

- ▶ What do you notice? Does your life cost more or less than you thought?
- ▶ How much is available to invest toward taking care of your future self?
- ▶ What different decisions do you want to start making?

REFLECTION QUESTIONS

► CASHFLOW

Financial confidence comes from the way you think and feel about money and knowing your numbers.

Based on the data you have gathered from your Money Dates, what are you thinking and feeling about your money? Are things better than you thought or worse than you thought?

Your actions will follow what you think and feel. What thoughts and feelings need to shift in order to take actions toward the results you are most wanting with money?

List three next steps you would like to take to move you forward toward the results you are wanting. Write a date next to each to hold yourself accountable.

- 1
- 2
- 3

List any obstacles that could prevent you from taking action.

What could you do to remove the obstacles?

3_____INVESTMENT PLANNING

PRESERVE AND GROW YOUR MONEY

Making the right investment choices allows your money to work for you so it can help you support your financial goals.

Before you invest or consider reallocating your investments, it's important to keep in mind that most investments carry a level of risk.

Some investments are riskier than others, while some are more stable.

The general rule to remember is that lower-risk investments typically offer a lower return than higher risk investments.

Higher-risk investments may offer a higher return, but the trade-off is your willingness to stomach the ups and downs.



If you currently have most of your money sitting in cash in a bank account, you are likely losing money due to inflation and missing out on potential returns.

So how do you get started with investing?

GETTING STARTED WITH INVESTING

1

Consider your goals and your risk tolerance.

If you can't stomach the idea of your investments dropping in value, even temporarily, you might want to start with more conservative options.

2

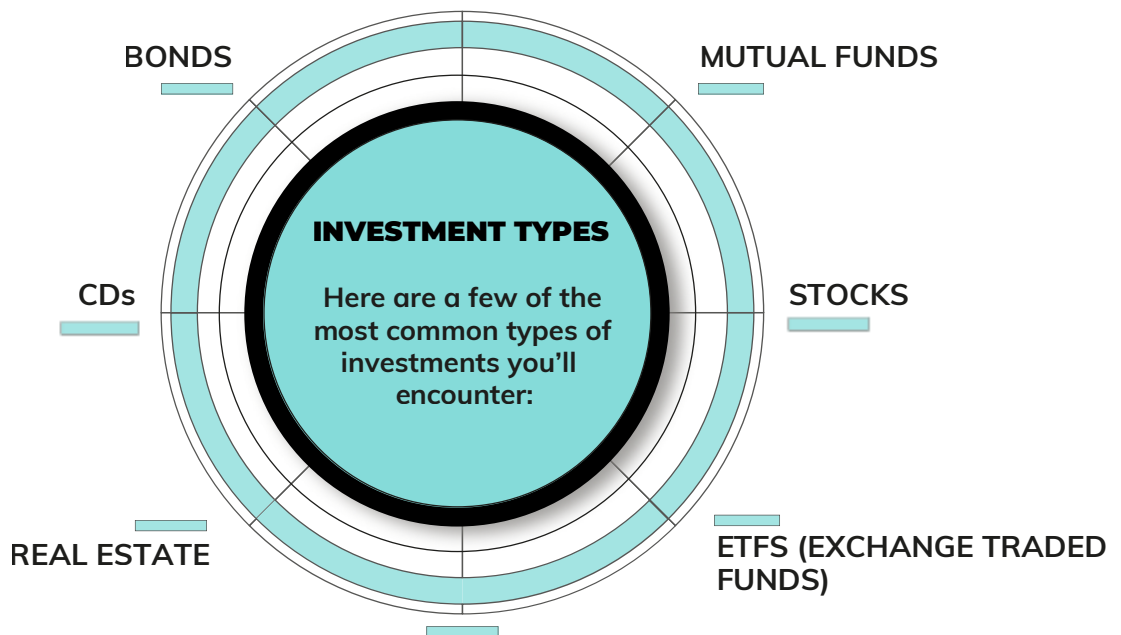
Diversify

Having a mix of several different investments is the best way to reduce risk while creating a portfolio that will match your risk tolerance.

3

Start with what you can and be consistent.

Many successful investors began with small, regular contributions to their investment accounts.

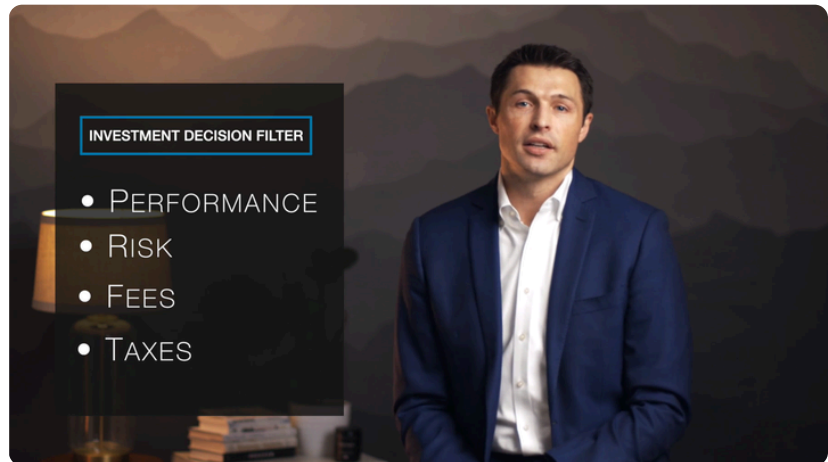


You may already have some of your money invested in the investment types listed above, but maybe you are not sure how to evaluate them.

Or perhaps you inherited or received investments and are not sure how they align with your goals and risk level...

Watch our video to learn about the four Investment Decision Filters to help you select and evaluate your investments:

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ACTION STEPS

- ▶ Determine your risk tolerance by taking a risk tolerance questionnaire online. (Here's just one of many examples).
- ▶ Think of the most recent investment decision you made and run it through the Investment Decision Filters noted in the video above.
- ▶ Pull up your most recent investment statement and highlight anything you don't understand so you can clarify these items with a financial professional later.

REFLECTION QUESTIONS

► INVESTMENT PLANNING

— What is the purpose of investing for you? —

— Are you more afraid of losing money or missing out on growth? Why? —

— What would you need to feel more confident about your investments? —

4. RETIREMENT PLANNING

PREPARE FOR FINANCIAL INDEPENDENCE

While retirement will look different for everyone, ideally it means you have the freedom to pursue your interests - whether work-related or not - without financial stress.

Is retirement still ahead of you? The sooner you start planning, the more options you'll have down the road. Here are four steps to get started:

Step 1: Define Your Retirement Vision



Before diving into numbers, envision your ideal retirement:

- ▶ What does your daily life look like?
- ▶ If you choose to work, what would you like to do?
- ▶ Where do you want to live?
- ▶ What hobbies or passions will you pursue?
- ▶ What causes will you support?

Having a clear vision will help you determine how much money you'll need to support your retirement lifestyle.

Step 2: Calculate Your Retirement Expenses



Based on your answers in step 1, try to estimate your potential retirement expenses. Use our guidance from the cashflow section to start drafting your budget

Step 3: Estimate Your Retirement Income



To plan effectively, you need to estimate your income sources in retirement.

This can include:

- ▶ Social Security Benefits
- ▶ Investment Income
- ▶ Real Estate Investments
- ▶ Business Ownership & Other Income

Step 4: Identify Any Income Gaps

Add up all of your retirement expenses and income and find the difference to identify any shortfalls or surpluses.

Watch Sten explain which question is the most important to answer before you can start planning for retirement more effectively:

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ACTION STEPS

1. Check your estimated Social Security benefits at SSA.gov.
2. Create your retirement budget.
3. Review and increase retirement account contributions

The only certainty about retirement planning is that things will change—markets fluctuate, life circumstances evolve, and unexpected expenses arise.



By taking action towards your retirement today, you empower yourself with choices and confidence for the future.

REFLECTION QUESTIONS

► RETIREMENT PLANNING

When would you like to retire? Do you feel like you are on track to do so? If not, what do you think are some things preventing you from achieving that goal?

How much monthly income will you need to achieve this lifestyle?

What does your ideal retirement look like? Where do you live? What are you doing on a daily basis? What are some things you want to do as soon as your time and/or finances allow you to do them?

5. TAX STRATEGY

OPTIMIZE YOUR TAX PLAN

Smart tax planning helps you keep more of what you earn from your income, investments, inheritance, and other sources.

If you don't already have one, we recommend finding a tax professional you can trust to help you optimize your tax strategy.



How Taxes Work: A Simple Breakdown

- ▶ The U.S. tax system uses progressive tax rates, meaning you don't pay the same rate on all of your income.
- ▶ The higher you go, the more you pay on that additional income, but your lower layers remain taxed at the lower rates.
- ▶ Your tax rate is also determined by your filing status (single, married filing jointly, married filing separately, head of household).

Avoid Overpaying or Underpaying

Monitoring your tax returns is key to avoiding large surprises at tax time. A big refund means you're giving the government an interest free loan, while owing a large amount indicates you may not be withholding enough.

Aim for a small gap between what you owe and what you get back. If there's a large discrepancy, consult your CPA to adjust your withholdings or estimated payments for the following year.

Investment and Taxes

The choices you make about your investment and retirement account types impact your tax liability. Watch the video below to learn more.

Watch the Tax Strategy video to learn about the 3 main tax buckets and how they apply to each of your investment and retirement accounts:

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ACTION STEPS

- ▶ Create a “Tax Prep” folder to collect important tax documents throughout the year.
- ▶ Review whether you received a tax refund or owed money last year and consider if you should speak with a tax advisor about adjusting your withholding or estimated payments this year.
- ▶ Check IRS.gov for the latest retirement contribution limits and see how they compare to your current contribution levels.



The more you understand your tax situation, the lower chances you have of overpaying.

REFLECTION QUESTIONS

► TAX STRATEGY

Do you prefer to get a tax refund or owe money at the end of the year? Why?

When reflecting on previous tax seasons, do you notice feeling rushed or not fully prepared? Reflect on how you typically feel around tax season and why.

Do you feel hesitant to learn new tax strategies because you don't want to deal with the complexity? If so, how can you address this reluctance to take action?

6. _____ ESTATE PLANNING

SECURE YOUR LEGACY

Many people delay estate planning, thinking they'll get to it "someday." But life is unpredictable, and having a solid estate plan means you're prepared no matter what happens.



Estate planning isn't just about determining what happens to your assets after you're gone—it's equally about protecting yourself and your wishes if you become unable to make decisions.

What are the key components of an estate plan? Watch our Estate Planning video to find out:

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ACTION STEPS

After watching the video above, put a checkmark next to all the parts of your estate plan that you have in place?

☐ Will ☐ Trust ☐ Power of Attorney ☐ Healthcare Proxy

Are your beneficiaries up to date?

☐ YES ☐ NO

Do your loved ones know your wishes?

☐ YES ☐ NO

Communicate your wishes

Estate planning is about creating peace of mind for yourself and your loved ones. Taking action now ensures that your legacy is protected and your wishes are honored.

Special Considerations for Parents

If you have children, estate planning becomes even more critical. Key decisions include:

- ▶ Naming guardians for minor children
- ▶ Setting up trusts to manage children's inheritances
- ▶ Determining when and how children receive assets
- ▶ Protecting children's financial future through life insurance
- ▶ Documenting your wishes for children's care and upbringing

REFLECTION QUESTIONS

► ESTATE PLANNING

What does it mean for you to leave a legacy? _____

Do you prefer gifting during your lifetime so you can witness the impact, or leaving or leaving it as part of your estate? Why? _____

Are there any important personal items or family heirlooms you'd like to pass down intentionally? _____

What concerns do you have about how your estate would be handled if you passed away unexpectedly? Is there a specific outcome you hope to avoid? _____

7_____RISK MANAGEMENT

PROTECT YOUR FUTURE

Risk is a part of everyday life, and financial risks are no exception. While it's not possible to eliminate all risk, we can better understand all potential risks and put strategies in place to manage them effectively.

Just as you wear a seatbelt to protect yourself while driving, financial risk management tools help shield you from unexpected setbacks.

Insurance: Your Financial Safety Net

- ▶ Health Insurance
- ▶ Auto Insurance
- ▶ Life Insurance
- ▶ Disability Insurance
- ▶ Homeowners/Renters Insurance
- ▶ Long-Term Care Insurance

Watch our Risk Management video to learn about the difference between Covered and Uncovered Risk and how you can best plan for each:

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ACTION STEPS

1. After watching the video above, make a list of your potential risks and categorize them as “covered” or “uncovered”.
2. Are there any risks that you feel you should cover? Start your search by getting a quote on that insurance coverage.
3. Organize key documents (e.g. insurance policies, ID, legal paperwork) in one accessible location.



Having the right insurance coverage in place gives you the freedom to focus on your goals, knowing you have protection for life's unexpected moments.

REFLECTION QUESTIONS

► RISK MANAGEMENT

— What financial concerns and risk do you tend to worry about most? —

— What role does fear or optimism play in your decision-making around insurance and risk management? Do you tend to over-insure or underinsure? —

— Are there any risks you've been avoiding addressing because they feel overwhelming or unlikely? Why? —

DISCOVER YOUR FINANCIAL PLAN SCORE TODAY!



POWERED BY **LEGACY**

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