



We are marching toward the finish line.

Before moving on to Assignment #4, I have a request. If you enjoy the Money 101 experience, please write a recommendation for the program on my LinkedIn profile. However, LinkedIn has a particular way of accepting recommendations, so please follow these steps:

- **ESTABLISH A LINKED-IN ACCOUNT** – You must have a LinkedIn account (they are free)
<https://www.linkedin.com/>
- **FIND MY PROFILE and send me a connection request:**
<https://www.linkedin.com/in/diane-drey/>

THEN ... when I receive your connection request, I will accept and send LinkedIn a request for a recommendation. You will get a note to write down your thoughts – so please.

- **RESPOND to the message.**
 - Write whatever recommendation is appropriate, and you want to share with the world.
 - LinkedIn will share it with me first, and then I will accept it so that it is posted in my LinkedIn profile recommendation section– (feel free to read what others have said about me.)

THANK YOU – so much. Diane

ASSIGNMENT #4

1. **COMPARE your work on Maria’s Cash Flow Statement to the Attached 3.11d.** Note how the form has been adjusted to eliminate lines where Maria had no entry. When you do your own, delete any lines that do not apply to you.

Also, look at the percentage column. There, it shows what percentage each cash-in item contributes towards the total cash-in and what percentage each cash-out item is of the total cash-out. Calculating and reviewing the percentage IS essential because you should not sweat the small stuff.

The key, however, is to ALWAYS FOCUS ON INCREASING INCOME (no one gets rich by reducing expenses). It’s time for Maria to start thinking about making herself more valuable to get a raise or teach more often. If you want to increase your Net Cash Flow, think about how to increase income – there is only so much that can be done to change outflow.

2. **READ 4.00 Introduction to Personal Financial Statement** – This is a review of what was discussed in class #4.

3. **AYOP STUDENTS – DO 4.11 EXERCISE – Prepare Maria’s Personal Financial Statement**

In class #4, we prepare Maria’s Personal Financial Statement; if the class is large, it is done in “break-out” groups. It can be hard to follow the video as I move between different breakout groups.

Therefore, AYOP students should only listen to the first part of video #4, where we discuss what an asset is. What is a Liability? But when the live class group starts working on Exercise 4.11, turn off the video and try to do the exercise on your own. SEND THE INSTRUCTOR Maria’s Personal Financial Statement on form 4.01.

3. **COMPLETE A DRAFT OF YOUR Personal Financial Statement using the 4.01 form format**

A PFS should be done annually to observe changes. I suggest preparing one on 12/31, but it could also be on the last day of any other month. The draft does NOT have to be perfect, but it should give you the big picture of your net worth. Remember, every bank account or debt should be listed on a separate line. As the PFS is being prepared for your use only, it is helpful to list the interest rate next to each debt. This allows you to focus on what to pay off first.

If you have a negative net worth – **do NOT fret...** all that matters is that you see where you stand and think about what steps can realistically be taken to improve your situation. Come up with a simple action plan, and **remember, measurement is NOT judgment.**

4. **READ HANDOUT 5.01 HOW TO GET A FREE CREDIT REPORT - and follow the instructions to get your FULL credit report** – It will not give you your credit score, but the details compiled on you – it can be done online. Save it as either a printout or on your computer. Only write to ONE of the three agencies because you are entitled to one free report a year – and you may want to go back to the other agencies later in the year to see if anything has changed.

5. **DOWNLOAD CREDIT KARMA onto your phone – it is free** – it will give you your credit score. I have found it to be very secure and reliable.

6. **READ HANDOUT 5.02 – WHAT IS A CREDIT SCORE? WHAT FACTORS DETERMINA A CREDIT SCORE** - we will review it in class. And as extra credit read 5.11 Credit Scores – How High is High Enough?

7. **EMAIL THE INSTRUCTOR - any questions you have on finances AND answer the following:**

- a. What do you wish you had known about money earlier in life that you know now?
- b. What actions will you take based on what you learned in the Foundation class?