

Understanding Your Financial Foundation



Know where you stand before deciding where to go.

Before making changes to your finances, you need a clear picture of where you stand. Most financial uncertainty comes from not knowing the basics: what you own, what you owe, and where your money goes each month. This module gives you that clarity.

Your Financial Snapshot

Net Worth:

Net worth is the difference between everything you own (assets) and everything you owe (liabilities). It is not a measure of success. It is simply a snapshot of where you stand today.

Assets include:

- Bank and savings accounts
- Retirement accounts such as a 401(k) or IRA
- Property you own
- Other investments

Liabilities include:

- Credit card balances
- Loans
- Mortgage

Assets minus Liabilities = Net Worth

This number is not a judgment; it's a starting point. Even a negative number is useful. It shows you exactly what to work on.

Cash Flow:

Cash flow is the relationship between the money coming in and the money going out each month. It drives every financial decision you make.

Positive cash flow:

- Income is greater than expenses
- You have room to save and invest
- You can build toward future goals

Negative cash flow:

- Expenses exceed income each month
- Financial stress tends to build over time
- Progress toward goals becomes difficult

Understanding your cash flow is one of the most powerful steps you can take.

Even small improvements to your monthly balance can open up meaningful opportunities over time.

Identifying Your Financial Pressure Points

As you look at your finances, you may notice areas of particular pressure. These are common and fall into a few clear categories. Identifying which one applies most to you helps you focus on what matters most right now.

- Not enough extra cash flow to save each month
- Expenses regularly meet or exceed income
- Spending on wants is competing with saving for needs
- Have not built up enough assets to feel secure
- Retirement savings feel behind or non-existent
- No emergency fund to handle unexpected expenses

The goal of this module is not to fix everything at once.

It is to help you understand where you are so you can take the next step with confidence. Clarity leads to better decisions, and better decisions lead to progress over time.

Questions to Ask Yourself

- Do I have a clear understanding of what I own and what I owe?
- Am I aware of where my money is going each month?
- Do I feel like I have room to save, or does everything feel tight?
- Which area causes me the most financial stress right now?

Take Action

- List your main assets and liabilities
- Estimate your monthly income and expenses
- Identify one area where you want more clarity

Awareness leads to meaningful progress.

To learn more, please visit www.julyservices.com.

Phone support is available Monday through Friday, 7:00 a.m. to 6:00 p.m. CT | 888.333.6315