



Wiseman & Burke, Inc.

A BUSINESS AND FINANCIAL MANAGEMENT COMPANY
 HELPING OUR CLIENTS CREATE AND PRESERVE THEIR WEALTH
 NEWSLETTER • ISSUE 255



Financial Stress Test

There are two scenarios your finances can be in to some degree. Below is a list of what the worst financial picture might look like and then the best. There are specific actions you can take to improve any one of these conditions. The worst ones can be made better and the best can be expanded and improved endlessly as well. Nowhere to go but up!

Not in any special order:

HORRIBLE FINANCIAL SCENE	WONDERFUL FINANCIAL SCENE
Credit card debt on multiple cards	No credit card debt at all
Debt increasing	Debt diminishing or none at all
Limited or no cash reserves	Abundant reserves – could live for at least a few years on reserves
Owes taxes for current or prior years	No tax debt – current year covered fully
Hand-to-mouth financial existence	Have a solid financial plan that works
Don't have or follow a budget	Have budget and follow it carefully
Overspend constantly on credit or cash	Never overspend
One fixed income source / sporadic income	Steady income from multiple sources covers budget, reserves, and taxes; can be increased with hard work
Inadequate insurance: life, auto, home, etc.	Fully covered for every possible need
Bills paid late, creditor problems	All bills paid on time, creditors love you
Bad credit	Excellent credit
No prediction on upcoming financial slumps	Excellent foresight; ready for anything
No bookkeeping	Accurate bookkeeping providing data for useful analysis
Bad or uneasy relationship with bank	Bank considers you an excellent client
Investments losing money (if any)	Investments doing well and increasing
Get bad loans – high interest rates	Get best loans – lowest rates
No trusted source for financial advice	Good advisors with good track records you can always reach
No financial discipline	Can make and follow a map over a long period
LIFE SUCKS	LIFE IS GRAND

You can easily grade yourself on this list (just for kicks). Look at each line. On a scale of 1–10, 1 being the worst case and 10 being the best as written above, mark down a score for each line. Add it up.

18–72 is pretty rough. 90–126 is pretty good! 130 on up, you should be doing fine!

I am not saying money is the road to happiness, but I am saying life is a pain when you are leading a hand-to-mouth

existence and your finances are a mess. It leads to stress on you, your family and friends, and so on. Having a strong financial base is a Holy Grail of sorts. So many of us struggle through life just to achieve that. It's that cushion you need when other things go wrong. And life being like it is, something always goes wrong when least expected and least prepared. If you had \$1,000,000 extra saved away in reserves and investments, would you breathe easier? Of course you would.

It does take some discipline and hard work initially to get your finances in a groove, but once you do, it gets easier and



INTEREST RATES

	This Month	Last Month	Last Year
Fixed (30 year)	4.375% (APR 4.396%)	4.19%	3.75%
Fixed (15 year)	3.500% (APR 3.590%)	3.23%	3.00%
Adjustable	3.875% (APR 3.919%)	3.52%	2.875%

TREASURY BILLS

	This Month	Last Month	Last Year
	2.56	2.58	2.61



PRECIOUS METALS

	This Month	Last Month	Last Year
Gold	1,321.10	1,291.70	1,204.50
Silver	21.13	19.38	29.10
Platinum	1,476.00	1,480.00	1,557.00

easier. As you shift from the left side above to the right side and gain stability you'll find you never want to let all your hard work sift through your fingers.

If I were to prioritize a few of the items above I would say #1 is discipline; #2, a budget; #3, getting out of debt and being ruthless on overspending (#1 again); #4, saving money. But out in front of 1-4 is you, taking action, by working smart and hard to make money in a sensible way.

One other comment: if you are on the left side, it all starts with a decision to change your condition in life. Without that clear-cut decision, there can be no discipline. No one can *make* you do this. Eventually the world will come down on you – credit cards taken away, evictions, bankruptcies, angry creditors, rejection – UGH.

BUT you can reverse this course ANYTIME.

Do 1-4. Get some good advice. Follow winners – not losers! Almost magically life starts to sweeten up.

Please feel free to call us any time if you feel you need help or advice.

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Head Scratchers

The grandson is about as many days old as the son is in weeks. The grandson is about as many months old as the father is in years. The ages of the grandson, the son, and the father add up to 120 years. What are their ages in years?

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LAST ISSUE'S ANSWER:
He was walking.

LAST ISSUE'S WINNER:
James Smith

First person who e-mails or faxes the correct answer will receive a \$5.00 gift certificate and will be announced in the next newsletter.



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