Design Your Future Financial
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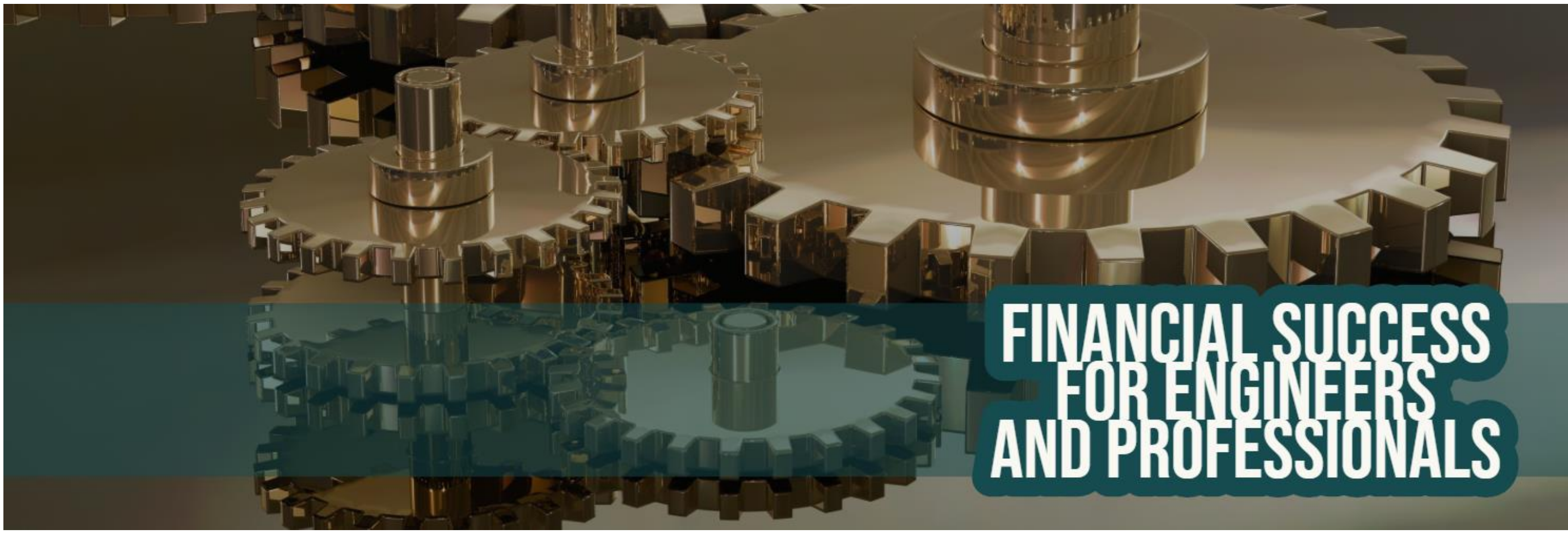

Case Study:

The Road Map for Financially Successful Engineers and Professionals

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Introduction:

Have you ever heard the phrase "Things don't happen to you, they happen for you."? What I have discovered during my 15 years of working internationally as an engineer and my 5 years in the financial industry is that you can take this phrase a step further:

"Things don't happen to you; they happen for you AND because of you"

I am a typical engineer: I am skeptical about everything that I hear or read, especially in the investment world. If I come across a strategy that looks interesting, I like to work through the numbers until I can clearly see if and how it works. That is how I discovered that most research and innovative strategies you hear or read about, are just plain garbage. Fortunately, having an engineering background helped me to shut out a lot of this nonsense. I did my own research for one reason: to enable an analysis of my own personal retirement. I am lucky to have the patience, opportunity and craving to share my findings with you and others. My goal is to help professionals retire on their own terms so they can build even better, stronger, and more prosperous communities.

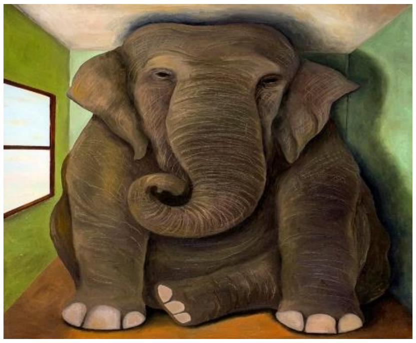
This Case Study "The Road Map for Financially Successful Engineers and Professionals", is the result of studying and researching what sets those who are financially independent from those who are not. From those who can retire on their own terms, from those who can't. These findings may surprise you, as we can all reach financial independence – it's not necessarily how much money you make, but what's important, is what you do with your hard-earned money!

This case study is structured similar to how an engineer would tackle a project or problem. It starts by reviewing information on the current state of Canadians and their relationship of money. It then looks at the problem and what needs to be determined. The solution is then provided.

This case study provides a lot of valuable information that will help you retire on your own terms – it may feel like drinking from a fire hose.

The best way to learn is to teach others. We only retain approximately 10% of what we hear and read. Visuals have been added to help retain the information provided, but to get the most value from this report - treat it like you will have to teach this to your family or co-workers. Having an open mind is crutial, you can not learn with a closed mind. You may already know some of the information provided. Often, we need to be reminded more often than you need to be instructed. To help the information become clear and increase the ability to teach others, ask yourself 3 Questions*: 1. How can I use this? 2. Why must I use this? 3. When will I use this? **Source: www.kwikbrain.com*

1.0 Canadians and Their Money



It's the elephant in the room. We don't talk about it. We don't open up about it.

It's a big elephant.

Sometimes feels like a little room. The elephant in the room is often money, and even success. We all want more money and to be more successful, but we don't often talk about how to make this happen – and we may even criticize those that have found a way to make more money and be successful.

Since we don't often talk about money and how to become successful, the following current status for the majority of Canadians may surprise you:

- The average debt to disposable income in 1980 was $0.80, today it is $1.73! That means we are spending $1.73 for every dollar we earn. $0.34 of every dollar goes to interest alone!!*
- 38% of people are increasing their debt year over year*
- 44% of people are overwhelmed by debt*

This is not just a debt issue:

- 34% of Canadians could not raise $2000 in a month for emergency expenses*
- 50% of people aged 55-64 that do not have a work pension have saved less than $3000**
- Only 10 per cent of middle-income Canadians retiring without an employer pension plan have saved anywhere near enough for retirement. These people, now aged 55 to 64, face a dramatic drop in their standard of living in retirement, and many will spend their senior years in poverty.**

Who's underwater? It's not necessarily who you think. It's the hard workers, the professionals. Those with Degrees and making over $100,000/year. Most Canadians *think* they need $756,000 to retire.** While that is the average amount individual Canadians believe they'll need to amass, up to 90 percent don't have a formal plan on how to get there. The fact is, most need much more to be able to retire on their own terms

Why is this important to know?

You are not alone if you fall into these statistics. If these stats do not apply to you, congratulate yourself, give yourself a pat on the back – you are part of the exclusive group of individuals of the 10% that are heading in the right direction to retire on your own terms.

90% of people are not going to be able to retire on their own terms. Divorces are at an all time high, there's little time for the "fun" things, chronic "tiredness" and illness are on the rise, as well as a dramatic increase in anti-depressants and obesity. One in three are kept up at night worrying about their debt and financial situation – It is affecting our mental and physical health! One may say it has become on the verge of an epidemic.

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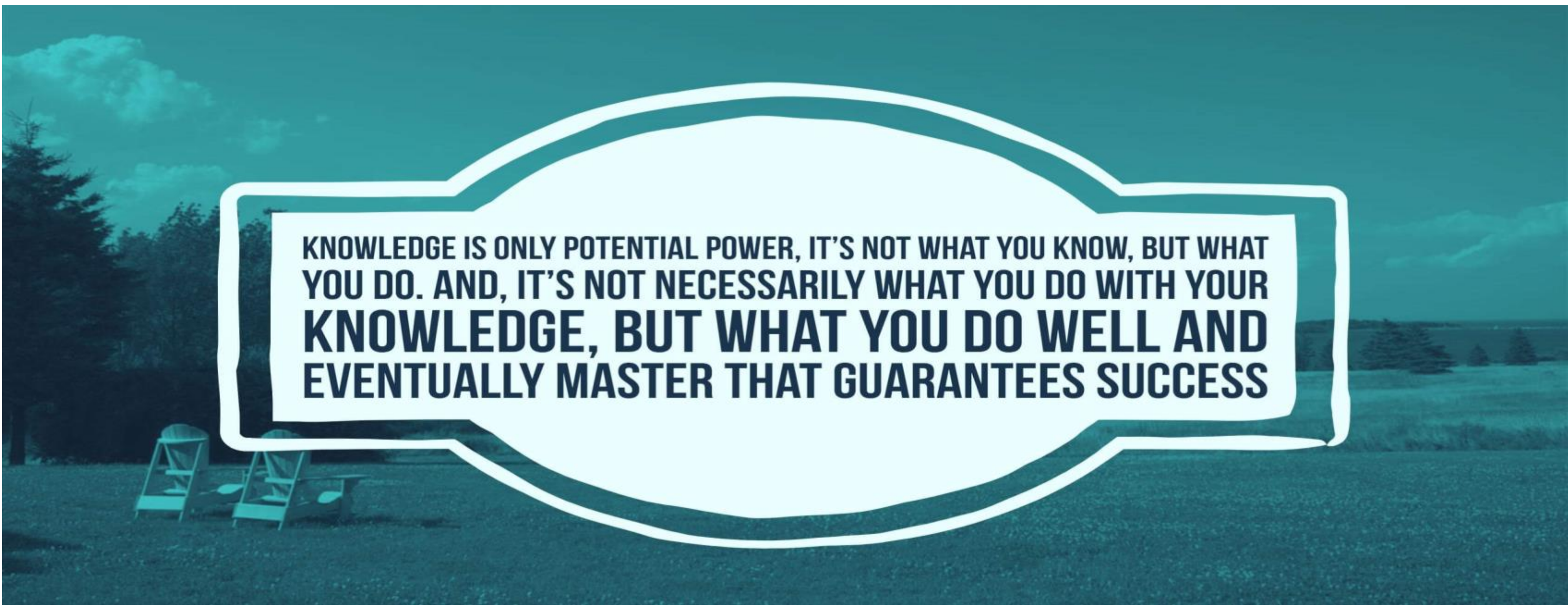
Why is this happening? Why such a large gap from the have and have nots?

Several "professionals" blame the lack of financial education, or the fact that we get most of our education about finances from the bank – an institution that makes huge profits from credit cards and providing loans (aka – keeping their clients in debt).

This may have been true prior to 15 years ago, but it is no longer the case.

It's no longer education or knowledge. We already know what to do to be a better leader, a better parent, or to be more successful - And if we don't know what to do, we can just google it.

Knowledge is no longer the gap from 10% being able to retire when and how they want, from the 90% that cannot. It's WHAT YOU DO WITH YOUR KNOWLEDGE. It's putting your knowledge into action. Knowing what to do, doing what you know.



We all know we need to invest, we know we need to focus on what is important. The big question then becomes if we know what to do, why aren't we doing it? Why do we feel the way we do about money and success?

It comes down to 3 things:

1. The Way Our Brain Works
2. Our Upbringing
3. Our Life Experiences

The next section, why we feel the way we do about money and success will focus on these 3 things.

** Source: Canadian Payroll Association*
*** Source: Broadbent Institute*

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2.0 Why We Feel the Way We Do About Money and Success

As mentioned, the reason why we feel the way we do about money and success comes down to 3 things:

1. How Our Brain Works
2. Our Upbringing
3. Our Life Experiences

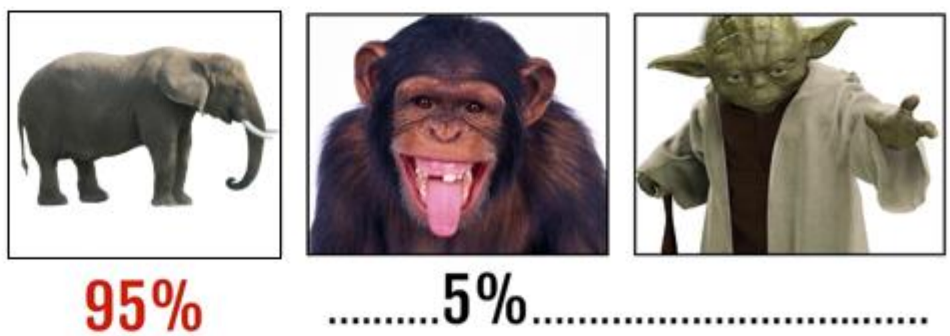
Let's examine each of these.

REASON #1 WHY WE FEEL THE WAY WE DO: OUR BRAIN

There has been more research and discovery about the brain in the last 4 years than the last 2000. I'm an not a brain surgeon and will keep this simple…

Basically, your brain can be divided into 3 categories:

1. **Instinctual:** Often referred to as the Reptilian, Dinosaur or Elephant Brain
2. **Emotional:** Referred to as the Limbic or Monkey Brain
3. **Rational:** Referred to as the Thinking, Sage or Yoda Brain



The human brain is not designed to make us happy and fulfilled. It's designed to make us survive. The elephant brain is always looking for what's wrong, for whatever can hurt us, so we can either fight it or take flight from it. An undirected mind operates naturally in survival mode. The monkey brain is looking for excitement, pleasure. This is where our feelings come from; love and lust. The monkey brain loves distractions. The single biggest threat to your financial well-being is your own brain. This is where we need the yoda brain to help. The yoda brain is the part of the brain that makes us human, what makes us think, wants us to be great, why we took engineering 😉.

Two (2) parts of your brain are fighting against you……how do you help redirect all three to help you? How do we help the yoda brain over power the dark side. To reduce the influence of the monkey and control the elephant?

The answer: Form good habits and have procedures with structure, that serve us.

REASON #2 WHY WE FEEL THE WAY WE DO: OUR UPBRINGING

This is different for all of us, and we all have a different unconscious bias towards money and success. Take the time to answer these questions to discover your bias.

- What is your earliest money memory?
- Think back to your first pay cheque how did that make you feel? Independent, powerful, uncomfortable? What about now?
- What was your upbringing? Did you grow up poor? Was money abundant at times and scarce at others?
- Did you talk about money? About what wealthy means? Who were your key influences?
- Are you the master of your money or is money the master of you?
- What is your unconscious bias towards money?

We all have unconscious bias… Are leaders born or made? Are successful people lucky?

NOTE: We often live in the past. We are all grown up now. We are now ready to make our own financial decisions. What matters most is how you see yourself today and what you want for the future. The Major key to success is YOU. You are your biggest asset.

REASON #3 WHY WE FEEL THE WAY WE DO: OUR LIFE EXPERIENCES AND PRESSURES

We've all heard the phrase, "keeping up with the Jones". Today, with our fast paced life and social media, Keeping up with the Jones is on steroids!

What do you see on social media? What do you post on social media? Generally, it's pictures on vacation, buying some new toy, having fun! But we don't get to see behind the curtain. The stats shared at the beginning of this case study could show the reality. Media, FB, solicitations, distractions are reaching out to us. We are not achieving more, we are only speeding up the treadmill. These devices are now wagging the dog, letting the monkey brain run wild. Our brain is 200,000 year old. We are becoming over stimulated, over stressed. It's how you use these tools and how they use you that will affect your ability to retire on your own terms.

Now that we have reviewed the current financial status of Canadians, understand how our brain works and where our unconscious bias towards money and success comes from, we can now limit the distractions and focus on the solution to be able to retire on our own terms.

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3.0 THE SOLUTION

Problem: 90% of Canadians are not financially independent and will not be able to retire on their own terms – how and when they want.

Need to Determine: What the 10% of Canadians that are financially independent are doing to secure their money? How can we retire on our own terms?

Solution:

Using the provided information that includes the current financially state of Canadians, that knowledge is only potential power - we must act on our knowledge, and the three (3) reasons why we feel the way we do about money and success (our brain, our upbringing, and our life experiences) the following solution is provided.

As mentioned, Knowledge is no longer the gap from 10% being able to retire when and how they want from the 90% that cannot. It's WHAT YOU DO WITH YOUR KNOWLEDGE - putting your knowledge into action. Know what to do, do what you know.

5 SIMPLE STEPS THE TOP 10% KNOW AND ACT UPON:

STEP 1: THE TOP 10% HAVE GOALS AND ARE VERY CLEAR ON THEIR WHY.

When it comes to money – they will set a target of how much they want and when they will have it. Unsure how much money you need to retire and maintain the lifestyle you want? Your **Financial Independence Number (FIN),** the amount of money you need to retire when you want and maintain your desired lifestyle, can be calculated.

The 10% are also very clear on their Why. Why do you do what you do? Why do you want to get even better? If you knew you had only one hour left on this planet, who would it be with? What would you talk about? What advice would you pass on?

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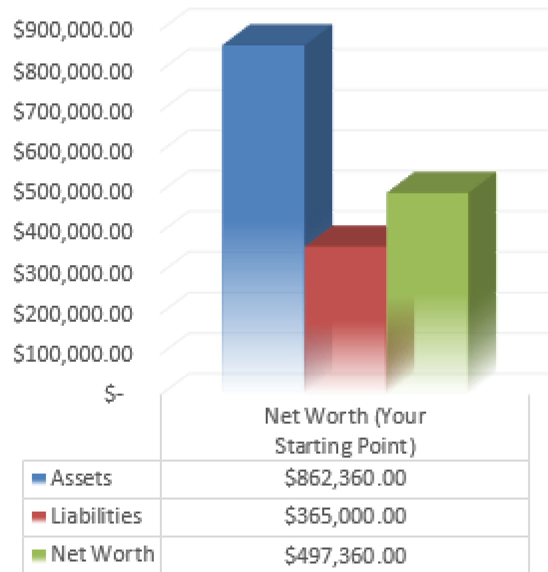
STEP 2: THE 10% KNOW THAT THEIR NET WORTH IS MVP, NOT WHAT IS IN THEIR CHECKING AND SAVINGS ACCOUNT.



Financial stress is reduced when you know where you stand, what your goals are and have a road map to guide you from your starting point to your destination. Before you begin the journey it is important to know your starting points. This means reviewing your current net worth, debt, income, expenses, and financial potential.

Net Worth is simply your Assets minus your Liabilities.

Based on the book "The Millionaire Next Door", Thomas J. Stanley uses a simple formula to calculate if you are falling short of your financial potential. A value of 2 or greater indicates wealth, a value of 1.0 is average and 0.5 indicates you are falling short of your financial potential.

The formula to calculate your financial potential is: Your Net Worth / Expected Net Worth

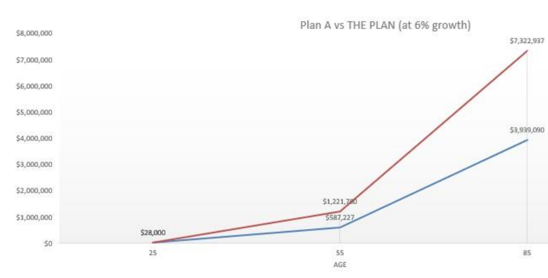
Where expected Net Worth = Age * Annual Income (Pre-tax) / 10

What's your current Financial Potential score?

STEP 3: THE TOP 10% PAY THEMSELVES FIRST AND THEN SPEND WHAT IS LEFT OVER.

The successful realize that the biggest asset is you. You are the Major Key to success. You are the driver of your financial vehicle.

The philosophy of the middle class is to spend first and invest what is left over. The philosophy of the wealthy is to invest first and spend what is left over. A general rule of thumb is to invest 30% of your income and live off 70%.



- 10% of your income should be going to retirement where you are **achieving tax free continuous compounding year after year**. You are robbing from your future self if you are not investing for retirement today.
- 10% of your income should be going to self-improvement. Courses, seminars, training, etc. Go from good to great.
- A further 10% of your income should be used for short term savings / vacations / emergency.

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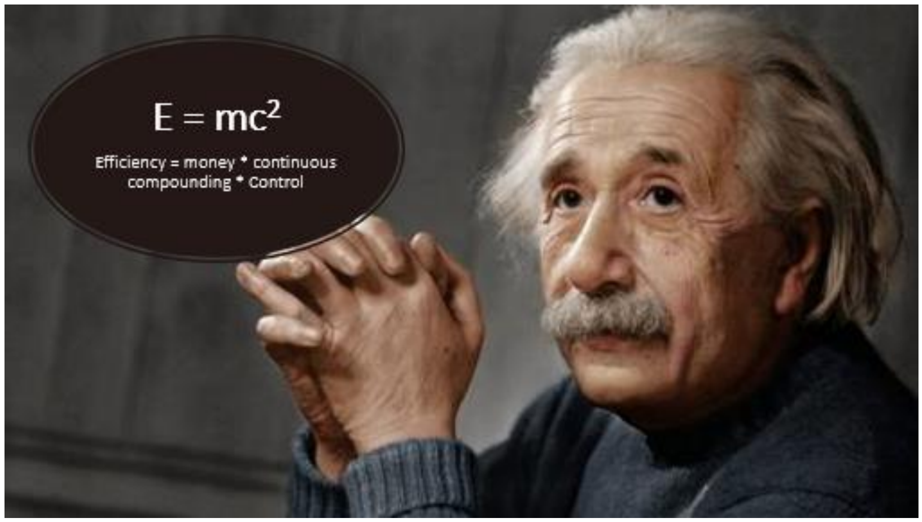
Albert Einstein once said that compounding interest is the 8th wonder of the world. **Taxes, fees and losses are detrimental to continuous compound growth, your wealth and ability to retire on your own terms.**

Efficiency is everything now that you now understand you are your biggest asset, you are the major key to success, and the importance of your clarity on your why. The need to optimize your money compounding (continuously – not up and down, but year after year), having control and access to your funds, while reducing taxes – all on automatic is very important. Making sure your actions that help your vision, values and help you reach your goals are made easier, while the distractions and habits that do not serve you are made to be more difficult, to make you think twice – "do I really want this, do I need this?". This leads us to step 4.



STEP 4: THE TOP 10% MONITOR CASHFLOW.

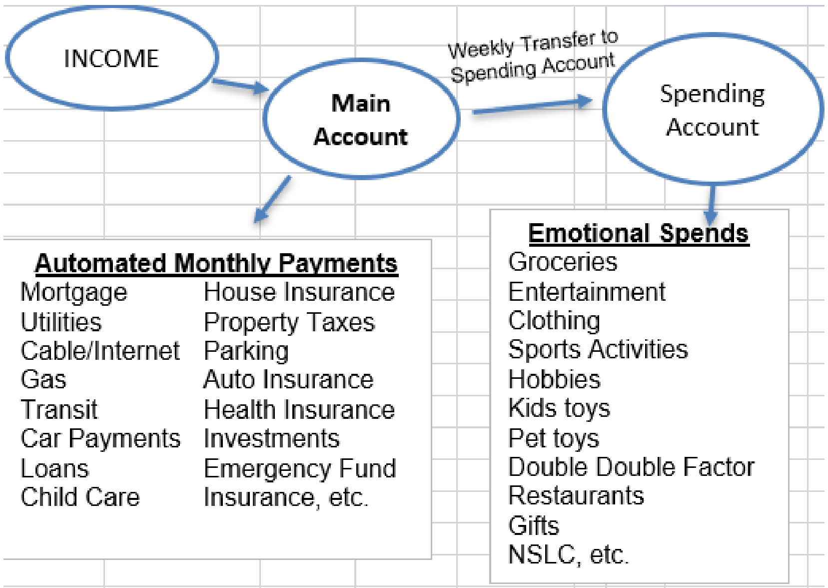
Cash flow is simply how you use your money. This is comprised of the money you have available to use and the money spent on expenses. This is different than a budget.

The objective of the cash flow management is to increase the money you have available in order to fund your priorities in life. The objective of a budget is to limit what you spend and is not aligned with the way our brain works.

The purpose of the financial management plan is to liberate funds that can be directed towards your goals and priorities. By realizing inefficiencies in your cash management and by plugging the leaks occurring in your spending habits you will liberate funds that can be directed to what is truly important in life.

Cash flow planning provides options for your money. The money available to you to use towards priorities in life, as a legacy or to increase life style. For the majority of people without a cash flow plan, these funds are usually victim to frivolous spending. But not you, not anymore. By having a cash flow plan in place, you control your finances rather than being controlled by finances.

Taking a closer examination of the debt you are holding may expose inefficiencies in interest costs and payment structure. To maximize your cash flow there may be an opportunity to lower the interest cost on debt. This not only will save you money buy may also increase the amount of funds which could be used to pay off debt sooner.



The majority of discretionary expenses fall into the spending expense category. These expenses usually bring happiness and enjoyment and often involve emotional or impulsive spending. It is important to automatic fund this account on a weekly basis or practise using cash.

Note: A cash flow plan is not to be confused with a budget**.** How you spend the total weekly transfer of funds into your spending account is at your discretion. A budget will restrict the amount you can spend on a line by line basis. This is not the case with a cash flow plan. How you use the funds in your spending account is up to you.

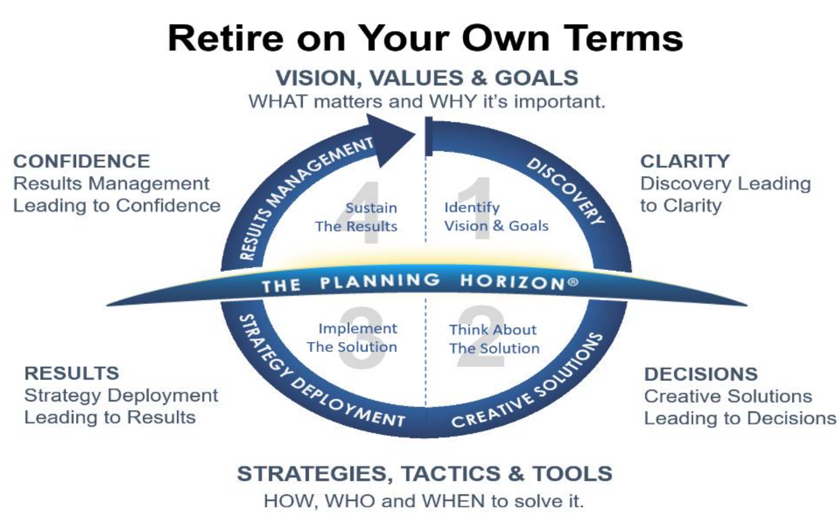
It is important to separate your expenses into the 2 accounts as described. It is also critical to automate payments from your main account – including a **weekly** transfer of funds into your spending account. This aligns with the way your brain works and makes life simple.

Now for the final step that the top 10% do so they can retire on their own terms…

STEP 5: THE TOP 10% GET PROFESSIONAL HELP.

You can achieve anything when you stop trying to do everything. Statistics show that a good investor will increase net worth, while a great investor is obsessed with avoiding losses. Why? Because we understand a simple but profound fact; **Money is Emotion.** The more money you lose, the harder it is to get back to where you started.

When you start the process of being able to retire on your own terms, you need to start of with a clear vision of your values and goals. This leads to decisions which leads to results, which leads to confidence. This is when you can start increasing focus on what is truly important – your career, health, and friends and family.



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Like time, when it comes to money, you manage emotion. This is why investors need simple systems, rules and procedures to protect us from ourselves.

As you grow older, you don't regret what you did, you regret what you didn't do. Make the leap, from what you are to what you want to be. Make the needed changes - your future self will thank you!

CONCLUSION:

We can all reach financial independence. In our hearts, we all know it's not the money that makes us rich – it's the loving warmth of our relationships with family and friends, it's finding meaningful work. It's the capacity to learn and grow, to share and serve. Having money allows you to amplify the person you are and want to be so you can focus on what's truly important.

With focus, time, energy, and the proper tools you can retire on your own terms. I sincerely hope this helped start you off on your journey. What I've learned through my journey thus far is that you do have to fight for your career and family. They are worth the fight. Things don't happen to you, they happen for you AND they happen because of you. Act now.

Feel free to reach me at: www.thefinancialengineer.ca and set up a 15 min appointment.

SKEPTIC ABOUT THE VALUE OF THE RIGHT ADVISOR?

While the wrong advisors can be detrimental to your financial health, the right ones can be worth their value in gold. A recent Vanguard study explored how much monetary value an advisor can bring to your investments.

- Lowering expense ratios: 45 basis points (0.45%) back in your pocket
- Rebalancing portfolio: 35 basis points (0.75%) of increased performance
- Asset allocation: 75 basis points (0.75%) of increased performance
- Withdrawing the right investments in retirement: 70 basis points (0.70%) ins savings
- Behavioral coaching: 150 basis points (1.50%) for serving as your practical psychologist

The grand total: 3.75% of added value! And that doesn't include reducing taxes and more!

Tony Robbins with Peter Mallouk, Unshakeable: Your Financial Freedom Playbook, 2017. "Putting a Value on Your Value", Vanguard Research (September 2016)

USE THE LAST AVAILABLE TAX SHELTER, CONTROL AND ACCULUMATE YOUR WEALTH

► GET THE BALL ROLLING: Set up a time here to see if you can use me as an additional financial resource to help implement proven strategies and systems that will allow you to retire on your own terms:

15 minutes can make a difference – click here to book an appointment:
https://letsmeet.io/thefinancialengineer/15-min-phone

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4.0 ABOUT DESIGN YOUR FUTURE FINANCIAL

Our goal is to help professionals retire on their own terms so they can build even better, stronger, and more prosperous communities.

► WHO GETS RESULTS: Engineers & Professionals that desire more and want to: Reduce Stress | Increase Productivity | Pay Less Tax | Make More Money | Make the World an Even Better Place. I work with individuals to implement proven systems and strategies to ensure you can retire on your own terms.

► WHAT I DO: I'm your GPS, you are still the driver of your financial vehicle. I help engineers and professionals make their money work harder and more efficiently for them year after year. I help implement proven strategies that will grow and protect your nest egg effectively and efficiently. The focus will be on working together to form a truly holistic plan that will give you the ability to focus on what is important – your career, health and relationships with family and friends. I also take it a step further and help individuals excel at their career with proven methods that will get you to the next level.

► WHAT IS INVOLVED IN THE PROCESS: The majority of advisors focus on the strategies, tactics and tools – mainly for investment and insurance purposes only. We will focus on your vision, values and goals first and foremost.

Effective planning requires that you make wise choices and the first step in making wise choices is clarity. That is the purpose of the Discovery Profile. Once The Discovery Profile has been received and reviewed, a Draft Planning meeting can be set 2-3 days later. From there, changes are made if necessary, we give your plan a trial run and a 2nd review meeting is set. Annual reviews are recommended. Simple. Powerful. Effective.

The Discovery Process
The Discovery Process will further define the nature of the problems you are facing and assist you in making choices about the scope of the planning required to accomplish your objectives. The Discovery process consists of the following steps.

1. **Discovery Profile and Review:** This is the step where you have some homework and we do the heavy lifting from here. Your income, your expenses, insurances, assets, debts will be needed and reviewed. To save time, we will email what is needed so you can gather this information. A draft planning meeting can be scheduled 2-3 days after this information is received and your vision, values and goals have been discussed.

2. **Draft Planning Meeting:** Once the requirement information is gathered, our next meeting is called the Draft Planning meeting and should take approximately 1-2 hours. During this meeting, we will complete the following tasks:
    - Discuss your vision, values and goals for the future
    - Create a prioritized inventory of the importance of each goal, possible obstacles and supporting resources
    - Discuss your most important relationships
    - Conduct a Financial Assessment

- ♦ Determine your current gaps and the place of most potential for action

3. **Give Your Plan a Trial Run:** Changing old habits, adopting new ones and facing some of the emotion around spending/saving can be tough and it can be fun! The first two weeks are about progress, not perfection!

4. **2nd Review of Financial Goals and Delivery of Planning Reports**: Following your commitment to the goals we will present the following:
   - ♦ **Goal Clarity Profile:** An affirmation list reflecting your goals for the future
   - ♦ **Financial Independence Number (FIN):** How much $$ you need to retire and live the quality of life you want.
   - ♦ **Financial Assessment:** A Personal Planning Analysis which consist of an inventory and analysis of your current financial situation.
   - ♦ **THE PLAN:** Based upon the factors outlined above, we will identify your planning gaps and make recommendations that offer the place of most potential for benefit at this time. A comparison of what is done currently vs THE PLAN is included.
   - ♦ **CRUSH Your Debt Calculator:** This calculator shows you different ways to pay off your debt.

5. **Annual Review**: A goal without a plan is often referred to as a dream. I'm sure you heard "We don't plan to fail, we fail to plan". A plan that is not measured, reviewed and tracked often falls apart. I'm here to help you reach your goals, follow your plan and make needed adjustments to ensure you stay on path to reach your financial potential. A review at least once a year is recommended and welcomed.

The Discovery process and the resulting report will be very useful to help you retire on your own terms.

It is the client's responsibility to:

- Provide all required information in a timely fashion as requested
- Attend all meetings and engage fully in the process
- Provide 48 hour notice of any appointment change
- Fully adopt the spending recommendations for 30 days once delivered

We will:

- Provide a customized plan based on the goals, vision, and information provided
- Create a unique go-forward spending plan
- Analyze and make recommendations for debt repayment, future funding and safety net

I look forward to working with you in developing a plan that meets your objectives and helps you fulfill your vision and values while helping you retire on your own terms. Reach out today!

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Disclaimer

The materials contained in this report are provided on an 'as is' basis. This report does not make any guarantees, expressed or implied, and disclaims and negates all other guarantees including, without limitations, implied warranties and conditions of the merchantability, fitness for a particular purpose, or non-infringement of intellectual property or other violation of rights

Financial independence will have a different meaning for each one of us. For some people, financial freedom means having the financial resources to do what you want, when you want. For others, financial freedom may simply mean having more money at the end of the month than month at the end of the money.

If you have any questions, concerns, or life happens - contact me at anytime. I'm an engineer, I'm here to help and provide guidance – go to www.thefinancialengineer.ca to set up a 15 min conversation to see if you can retire on your own terms.

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"Don't aspire to make a living, aspire to make a difference" - Denzel Washington
"YOU are the MAJOR key to SUCCESS" - Jim Rohn
"Your habits will become your philosophy of Success" - Darren Hardy
"Everyone has a plan until they are punched in the face" – Mike Tyson