



Sterling Investment Management

Stop Treating Your Money So Poorly
Workbook™

2005 Edition

By
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FOREWORD

Working with people and their money has given me an insider's perspective on how money affects people and on how people affect their money. For years, I managed people's money for them. But, I have spent the last ten years focusing exclusively on education (workshops, coaching and writing). As a financial trainer and coach, I work with a broad spectrum of people; some are college-educated professionals, others are men and women participating in welfare-to-work or incarceration-to-work programs or living in homeless shelters.

On the surface, it would seem that a college-educated professional would have little in common with a high-school drop out; nor does it seem likely that a person earning a high six-figure salary would have something in common with a minimum-wage earner. Yet, what I have discovered about the human experience with money is that when you set aside the economic, social and educational differences, everyone wants to: 1) feel confident that they are making the right choices with their money, and 2) feel in control of their money.

Many people, unfortunately, believe that confidence and control with money is a by-product of money only. But, money is never just about money! *Stop Treating Your Money So Poorly*™ (the workshop and workbook) was created to address the tangible and intangible factors that influence your success with money. What you will learn from this workbook is how to be smarter about and with your money...you'll learn precisely what you need to do to experience more financial confidence and control.

When completing this 48-page workbook, which consists of ten worksheets, do not feel obliged to complete it in any prescribed amount of time. Allow yourself to be truly honest and introspective about the choices you make regarding money. Be open to exploring how your choices impact the condition of your finances.

As someone once said, "knowledge is created by the learner, it is not given by the teacher." Working as a teacher and coach, I wholeheartedly subscribe to this quote and recognize that my job is to facilitate your journey of self-discovery. I do this by asking questions because questions give birth to answers. The questions prompted by these worksheets will provoke you to think about money differently, inspire you to identify and examine your habits and help you make the changes *you* desire. This workbook will lead you to the answers that are right for *you*.

Enjoy the journey!

INTRODUCTION

When it comes to money, people fall into one of four financial modes: Survive, Maintain, Thrive, and Excel. If you believe the money you earn determines your financial mode, you couldn't be further from the truth.

Your money mode is determined by how you use your money. The *Stop Treating Your Money So Poorly Workbook™* is a practical step-by-step guide that will give you the information, tools and ideas to help you gain more confidence and better control of your money so that you can progress towards and stay in Excel mode! (See diagram on page 5.)

The *Stop Treating Your Money So Poorly Workbook™* is a collection of worksheets that will help you:

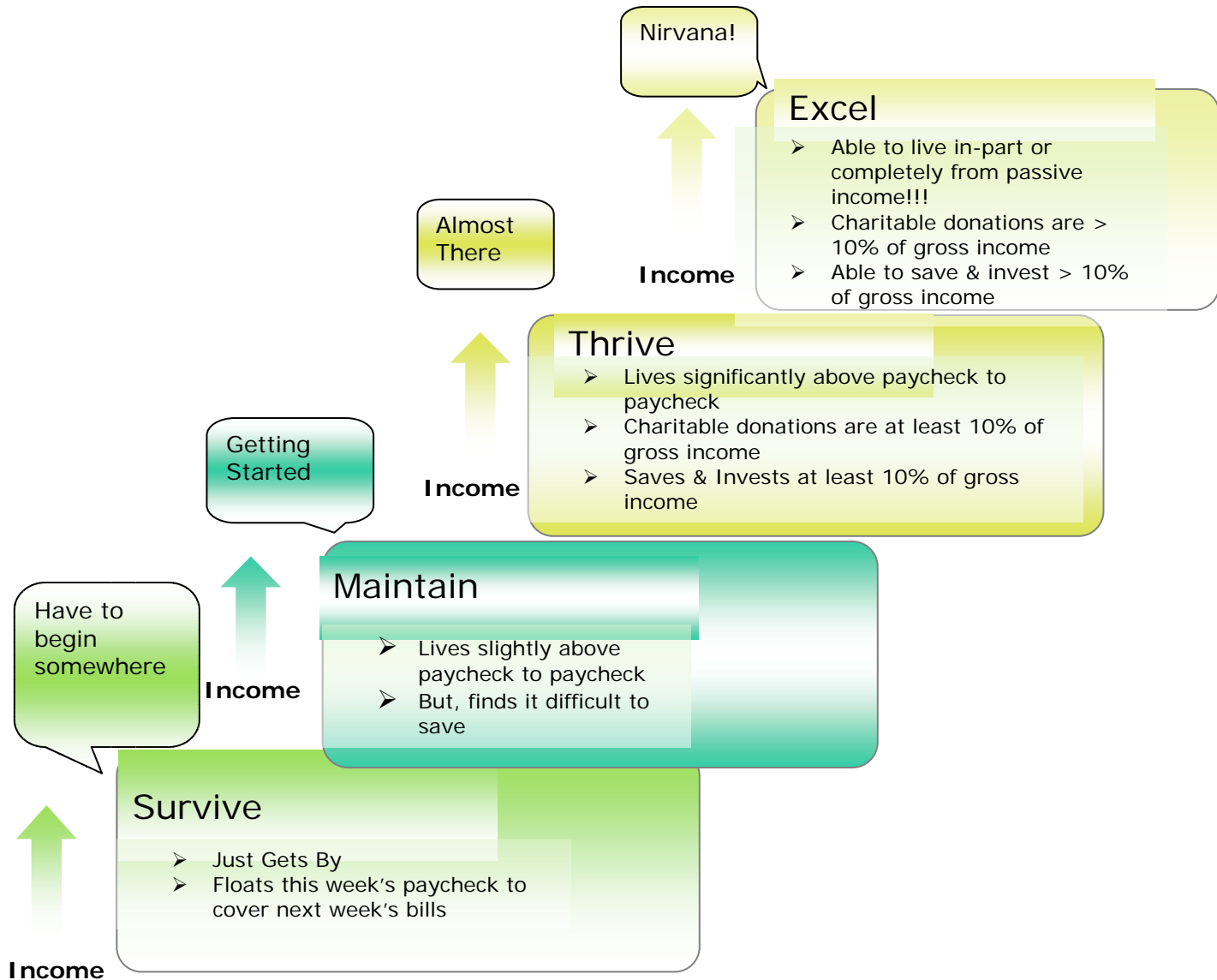
- I. Discover what you have, what you tend to do with what you have and why.
- II. Wisely use the money you have today to get to where you want to be in the future.
- III. Evaluate the assets you own (or plan to own) by teaching you how to properly analyze individual stocks, mutual funds and income-generating real estate.
- IV. Monitor and manage your portfolio, if you are a self-directed investor

- or -

Ask the right questions of your investment professional(s), if you've hired someone.

- V. Confirm that all of your important financial documents are current and filed in a safe place.
- VI. Take the proper precautions to protect your identity.
- VII. Become systematic, strategic and less emotional about money.

THE JOURNEY TO EXCEL MORE FINANCIAL CONFIDENCE & CONTROL (The 4 Modes of Money)



One approach to getting to and staying in Excel mode is to begin to manage your personal finances as though you were a business. Completing the *Stop Treating Your Money So Poorly Workbook™* is a journey to becoming the Chief Financial Officer – CFO- of “Me, Inc.” and it involves four stages (see page 6). Once done, you’ll be able to create the financial instruments – income statement, balance sheet and cash flow statement – businesses utilize to assess their areas of financial strength and vulnerability.

THE FOUR STAGES

Stage I consists of five worksheets:

- *Getting to Know My Money Story*
- *Daily Cash Flow*
- *Where's the Money Going?*
- *Where's the Money Coming From?*
- *Time Tracking Chart*

These worksheets will help you get a clear and objective understanding of what you have, what you tend to do with what you have and why.

Stage II consists of one worksheet, *Goal Tracking Chart*, which will give you an opportunity to paint a picture of the type of future you desire.

Stage III consists of three worksheets, *Balance Sheet*, *Debt Picture* and *Cash Flow Statement*, that will reveal how proficient you are at having your money work for you.

Stage IV consists of one worksheet, *90 Day Letter*, which provides a feedback loop to help you stay on track.

STAGE I

Helps you get a clear and objective understanding of what you have, what you tend to do with what you have and why...

GETTING TO KNOW MY MONEY STORY

Numbers reveal the facts, facts tell a story, and a story always gives you clues about the quality of your choices. The 16 questions below will give you insight into your money story. Your “yes” or “no” answers will provide a clear and objective understanding of what you have, what you tend to do with you have and why---the genesis of financial self-awareness. Circle “yes” or “no” to each question and then count your yeses.

- | | | | |
|----|---|-----|----|
| 1) | Do you know how much money you spent last year AND on what items? | Yes | No |
| 2) | Do you have a spending policy? | Yes | No |
| 3) | Do you go to the ATM machine more than 2xs per week? | Yes | No |
| 4) | Did you save and invest 10-20% of your GROSS income last year? | Yes | No |
| 5) | Do you own any income-generating real estate, stocks, bonds, mutual funds, money market accounts? | Yes | No |
| 6) | Are your investments diversified? | Yes | No |
| 7) | Do you donate at least 10% of your gross income to charitable organizations? | Yes | No |
| 8) | Do you have a giving policy? | Yes | No |

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Though there are sixteen questions, the goal is to have fourteen yeses and a “no” to questions #3 and 12!

Jacquette M. Timmons
President, CEO
Sterling Investment Management, Inc.

Jacquette M. Timmons, a national investment expert and financial coach, is the founder of Sterling Investment Management, an investment education and financial coaching firm. She has worked in the investment industry for nearly 20 years, dedicating the last ten to teaching intelligent people how to be smarter with their money. Ms. Timmons holds an MBA in finance from Fordham University's Graduate School of Business and a BS in marketing from the Fashion Institute of Technology.

Ms. Timmons conducts numerous personal finance and stock market investing workshops throughout the year and is a sought-after speaker on the subjects of personal finance and stock market investing. Her recent media appearances include *Bloomberg Radio*, *BET Tonight's "Nightly News"*, *WNBC's "Today in New York"* and *Fox TV's "Good Day New York"*. She has been quoted in magazines such as *Teen Vogue*, *Black Enterprise* and *Heart and Soul* and profiled in the June 2003 issue of *Black Enterprise* and in the 1997 book *Doing It For Ourselves – Success Stories of African-American Women in Business*. In addition, Ms. Timmons has written for *Kuji Magazine*, a life-style guide to self-enrichment, *Glory*, a Christian women's magazine and pens *Financial Profundities*, Sterling's e-newsletter. She has also hosted *The Street: Making Your Money Work for You*, a weekly televised investment education program.

Prior to creating Sterling in 1995, Ms. Timmons spent nine years with Bankers Trust Company (now Deutsche Bank). The last five years of her tenure were spent in the Private Bank. Among her many accomplishments was the successful launching of Private Investment Planning, an advisory business targeted primarily to emerging affluent individuals and smaller institutions. She served as the sole manager of this business unit for two years and was responsible for business development, client servicing and operations management.

Ms. Timmons is a member of the New York Chapter of the National Black MBA Association and is on the Board of Directors for Non-Profit Connection, an organization that provides management assistance to non-profit organizations. She is also a former member of the Board of Directors for the New York Chapter of the National Association of Securities Professionals, an organization she helped form.