



MY ROAD MAP TO FINANCIAL INDEPENDENCE

Financial independence does not have to be a dream, it is within your grasp. Use these four instruments and make this dream a reality.

• **Budget** • **Insurance** • **Savings** • **Credit**

These tools are designed to empower you on your journey to financial freedom. Use them to build a solid future for you and your family

Manage your money, don't allow it to manage you!



1. BUDGET

A tool that helps us better manage our money. It's the first step towards achieving financial independence.

COMPONENTS:

- A CASH FLOW keeps track of the money that has entered and the money that has left our hands over a certain period of time
- To reach financial independence, it is important to know our financial goals
- The budget is a plan of how to spend, save and invest our money to reach our goals

ADVICE FOR SETTING GOALS:

- Think about your 15-year plan. Where do you want to be?
- Set achievable and incremental goals, keeping in mind your income and obligations
- Assign a priority to each goal; starting with the most important ones

ADVICE FOR DESIGNING AND MAINTAINING A BUDGET:

- Your budget should be realistic and flexible
- Put the budget in writing
- Know the difference between the things you want and the things you need
- Be disciplined; stick to the budget
- Pursue additional streams of income



2. INSURANCE

Insurance protects you and your family against the risks of an uncertain future—it is like a financial safety belt

COMMON INSURANCE PRODUCTS:

- Health Insurance
- Life Insurance
- Property Insurance
- Motor Vehicle Insurance

ADVICE ABOUT INSURANCE:

- Know the conditions, coverage and benefits of the policy
- Never stop paying the insurance premium, It might be cheaper to make a single premium payment (annually) rather than pay monthly
- Consult with more than one financial advisor before choosing a product or option
- Stay informed about the status of your policy and the options for changing, canceling or renewing it



ADDITIONAL PROTECTION OFFERED BY INSURANCE:

- College Education - College is expensive, insurance proceeds can ensure that college loans are paid even if you are not there to help
- Pay estate taxes and create estate liquidity. When an estate is inherited certain taxes must be paid and life insurance may be able to cover your estate costs



3. SAVING

The act of creating, maintaining and increasing the value of assets or income over a period of time. It helps us achieve financial goals.

PICK THE MOST SUITABLE TYPE OF ACCOUNT:

- Chequing Account: comes with cheque book or a debit card
- Savings Account: pays interest, an ideal short or medium- term option
- Long-Term Share Account: a higher interest-bearing tax-free investment account (must be held for at least 5 years to get tax- free benefit)
- Contractual Savings Account: one in which you regularly deposit a fixed amount of money for a specified period of time. It pays interest at a higher rate

ADVANTAGES OF SAVING WITH A FINANCIAL INSTITUTION

- Your money is safe
- Interest is paid on your savings - this helps your savings grow faster
- Access to other financial services and benefits

ADVICE FOR SAVING:

- Pay yourself first - save a minimum of 10% of your monthly income
- Create an Emergency Fund consisting of 3-6 months living expenses
- Saving for retirement should commence as soon as you acquire your first job

WAYS TO SAVE MONEY:

- Design and maintain a budget - the best tool for saving
- Buy wholesale, it is cheaper
- Make a list before going shopping and do not buy anything that is not on the list
- Take advantage of sales and discounts

“Saving is the fuel for investment: because the wealth of a nation is dependent on the savings of its people.”

Mr. Earl Jarrett, General Manager, JNBS





4. CREDIT

Money that is loaned by a creditor— it helps us make investments.

SOME CREDIT PRODUCTS:

- Consumer loan: A sum of money that a creditor loans to a borrower for purchasing goods
- Investment loan: A loan used for starting or improving a business, or for other type of investments like education, and property acquisition.
- Home loan: A loan for improving a home or for taking out a mortgage on a new house
- Credit card: A renewable credit line in the form of a plastic card. It is used to make purchases in stores that accept cards or to withdraw cash from an Automated Teller Machine (ATM)

THE BENEFITS OF FORMAL CREDIT ARE:

- The ability to invest in necessities
- Establish a credit history
- Access additional services from financial institutions
- The ability to invest at greater levels

ADVICE WHEN ACCESSING AND USING CREDIT:

- Payments should not surpass 20% of your monthly income
- Read and fully understand the terms and conditions of the contract
- Pay credit card bill in full each month to avoid interest payment
- If your credit card is stolen, immediately call the bank to cancel it
- Borrow to acquire assets which generate income or assets which appreciate, not consumables



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