



# THE MONEY FINDER

The Money Finder is an Extract from Geoff Doidge's best seller:

***The 10 Golden Rules of Property***

## MONEY FINDER - Step by step

The way the MONEYFINDER works is surprisingly simple. The steps are as follows:

- 1 INCOME: "WHAT COMES IN"**  
You calculate your income after tax and super have been taken out. Make sure you include income from all sources e.g. rent, part time work, shares, trusts, pensions, etc.  
Total this amount: **TOTAL INCOME (i).**
- 2 SPENDING - MUST PAY (Fixed): "WHAT GOES OUT"**  
These are your costs you will have every week that must be paid every pay. You estimate what you would spend on each item. You know they will have to be paid every pay period. You may notice credit cards in the column. Treat these with care! If you don't pay them by the due date and you are paying interest on them, CUT THEM UP! Pay them off and only use cash in future or don't buy!!  
Total this amount: **TOTAL (Fixed) EXPENSES = (A).**
- 3 SPENDING - MUST PAY (Variable): "WHAT GOES OUT"**  
Add up all your 'MUST PAY (Variable). These are varying costs which arrive from time to time but you have little choice to reduce them. There still is some scope for savings in this list. e.g. parking. You may decide to leave the car at home and get a lift - use public transport or walk. With excess water charges you could put water savers on the showers, use dual flush WC systems etc., to reduce costs.  
Total this amount: **TOTAL (Variable) EXPENSES = (B)**
- 4 SPENDING - DISCRETIONARY "CHOOSE TO PAY"**  
By far the largest category of expenditure is discretionary. This is what you choose to spend your money on after your basic needs are met. These items make up your 'lifestyle' but need to be tightly controlled or they will strangle your future financial freedom. A lot of the expenses are so small they seem unimportant but together they can easily total the negative cash flow of a \$150,000 rental property. Remember, if you can trim the items on this list by about \$70/week you have earned yourself a rental property with the potential to grow at 7% to 10% or \$10,500 to \$15,000 p/a. It will also bring in rent of about \$10,000 p/a. You need to decide what is more important. So take your razor to some of these expenses and carve your future for yourself and your family. It's worth it.  
Total these items: **TOTAL (Choice) EXPENSES = (C).**
- 5 TOTAL YOUR SPENDING**  
= TOTAL FIXED (A) + TOTAL VARIABLE (B) + TOTAL CHOICE (C)  
= (A) + (B) + (C) = TOTAL EXPENSES = (E).
- 6 SUBTRACT THIS SPENDING FROM YOUR TOTAL INCOME (i)**

TOTAL INCOME		(i)
LESS TOTAL EXPENSES		(E)
SURPLUS/DEFICIT	=	(?)

### I'VE FOUND \$5,200

If the MONEYFINDER gives a surplus, let's say \$5,200, you are indeed in a fortunate position. You now have the potential to become a property investor in the next 12 months. Don't worry about where it has been going all these years. If you get paid weekly you divide the \$5,200 by 52 weeks = \$100 per week. You immediately open an account called 'Financial Freedom' account or 'Leave Work Early' account. Without fail you deduct \$100 per week from your pay directly into that account. It is not to be touched for any other reason. You will find some things you didn't take into account. You may have to sacrifice some of the items in total (C). However, I guarantee you at the end of 12 months the \$5,200 in that account will open new horizons for you.

### OK! YOU FOUND IT, NOW LET'S SPEND IT !

You start looking for an investment property secure in the knowledge you have the cash flow to run it. Shortly afterwards you join the 6% of people who have taken control of their financial destiny and become property investors.

### I'M SPENDING MORE THAN I EARN !

If you find that instead of a surplus you spend more than you earn, do not despair. Take positive action and slash the spending on total (C) the 'choose to pay' items. Pizzas are out, lotto goes. It really is time you threw those smokes in the bin forever. Walk for free instead of aerobics. Read the magazines in the library. There really is a lot of scope to cut costs in this column. Take control of your finances otherwise they will control you. You really have no alternative. Just don't cut back until you break even. Cut back until you are saving about 10% of your net income. It's called pay yourself first. The pizzas won't make you wealthy. A planned approach with the MONEYFINDER will.

### Key Points of the MONEYFINDER

- You found money you didn't know you had.
- You cut out unnecessary expenditure.
- You've increased your gross assets by over one hundred thousand dollars.
- You created a second income with the rent.
- You have taken the first step to financial freedom.
- You know you can repeat this process again and again if you choose.

# THE MONEY FINDER

	\$ Per Pay Period	\$ Per Year		\$ Per Pay Period	\$ Per Year
<b>1 INCOME - "What comes in"</b>			<b>4 DISCRETIONARY - "Choose to Pay"</b>		
Salary (after tax & super)			Alcohol - wine/beer/other		
Salary - spouse (after tax & super)			Cigarettes		
Salary - other (after tax & super)			Restaurants/Cafes		
Family Payment			Take-aways/Lunches		
Welfare Payment			Movies		
Rental Income			Videos/DVD's/CD's		
Investments, Shares, etc.			Other Entertainment		
Interest			Holidays		
Other			Photographic		
<b>TOTAL INCOME (i)</b>			Sports/Hobbies/Lessons		
<b>2 MUST PAY (Fixed) - "What goes out"</b>			Lotto/Gambling		
Rent Payments			Taxi Fares		
Mortgage Payments			Charities		
Rates			Gifts - birthdays		
Land Tax			Gifts - christmas		
Hire Purchase			Gifts - other		
Other Loans			Clothes/Uniforms		
Alimony/Child support			Books/Newsagent/Magazines		
Home Insurance			Internet/Pay TV		
Contents Insurance			Pocket Money		
Ambulance			Pets		
Membership Fees			Medical Insurance (Private)		
Club Fees			Life Insurance		
Union Fees			Baby Sitters		
<b>TOTAL (Fixed) EXPENSES (A)</b>			Hairdresser		
<b>3 MUST PAY (Variable) - "What goes out"</b>			Aerobics		
Food			Telephone Calls - local		
Oil/Petrol			Telephone Calls - O/seas		
Lubes etc.			Telephone Calls - mobile		
Car repairs/Maintenance			Private School Fees		
Parking/Fares			Appliance Purchases		
Gas/Electricity			Heating/Firewood		
Excess Water			Pool Maintenance		
Telephone/Fax			Laundry/Dry Cleaning		
Home repairs/Maintenance			<b>TOTAL (Discretionary) EXPENSES (C)</b>		
Appliance repairs					
Chemist			<b>5 TOTAL EXPENSES: (A)+(B)+(C) = (E)</b>		
Doctor					
Optical			TOTAL INCOME (i)		
Credit Cards			LESS TOTAL EXPENSES (E)		
<b>TOTAL (Variable) EXPENSES (B)</b>			<b>6 SURPLUS (DEFICIT)</b>		