Chapter 1: Our Story

If you are like my wife and I, you love that feeling when you get your paycheck, get everything paid off at the end of the month, and have unexpected money left over. This does not happen enough for most of us, so it is a great feeling when it does occur. At the same time, though, it always seems that an unexpected expense comes up: your car breaks down, or the price of your cable TV goes up. There goes your extra money. These unexpected costs irritate my wife and me, and it got us thinking about what we would do if something more severe happened. Unexpected breakdowns and price increases are annoying, but they are usually not something that would plunge us into debt.

What if something did happen that had the potential to plunge us into debt? How would we pay our bills if one or both of us could not work for a while? What if my wife or I lost our job, or worse, lost our job because we were severely sick or injured? These are the questions you dread asking as an adult.

Thinking of these things usually gives me a sick feeling in my stomach. You know you need to think and plan for these things, but it is often unappealing and definitely not something you want to spend money on. As responsible adults, my wife and I needed to start asking ourselves these tough questions.

Thinking more about it, we were not sure how we would cover our expenses after a severe injury or illness, not to mention cover any expenses left over from health care costs. We both have health insurance, but it might not cover all the expenses associated with a hospital stay, medication, or ongoing care. We have not stopped to think about what we would do if either of us became severely sick or injured. I know, as I said, it is not a fun thing to think about and even less enjoyable to have to spend money on. It is one of these not-so-pleasant things you must think about and plan for when you are an adult. We began thinking of how we could financially pay for the care we would need while also paying our regular bills and mortgage, in addition to putting food on the table. We do not have that kind of money and would probably go into debt rather quickly. Our lifestyle, savings, and investments could all disappear if we do not start planning and finding a way to make it successfully through a financial hardship.

I have written this book to share with you how my wife and I have recently learned to protect our assets and savings while also preparing ourselves to overcome a severe adverse health event that could threaten our way of life. What we have learned and implemented makes it so we no longer have to worry about money to cover expenses after we pass away. We will have money to pass along to a loved one after we die. We will have money to cover our expenses and secure our assets if we ever become severely sick or injured during our lifetime. Living without financial stress during a time like this allows us to focus on the most important thing: recovery. This comes with minimal cost to us, minimal effort and is something that everyone should be taught and should start early in our lives.

“Half of all US adults are concerned that a major health event in their household could lead to bankruptcy, an increase from 45% measured in early 2019.” (https://news.gallup.com/poll/317948/fear-bankruptcy-due-major-health-event.aspx)

From this study, half of all US adults are concerned that a major health event in their household could lead to bankruptcy, but how many of you are doing something about it to protect yourself? How many of you discard the thought because it is something that scares or overwhelms you? How many of you simply just do not know how you can plan for or protect yourself from a major health event? Are you one of the few concerned about this who acted and are now protected if there is a major health event in your household? Into which category do you fall?

You should think about these things in your younger years, but we often do not because we are too busy spending our money on the fun stuff. We think that planning for financial security will come later in life. My wife and I have always been hard workers and pretty good with our money. We now wanted to take it to the next level and be great with our money. To do that, though, we realized we needed to be more efficient, organized, and smart with the way we use our money. Our new goals moving forward include financial planning for our future, investing, and having security to protect our life and assets if one or both of us lost our job or should become severely sick or injured. It is not fun to think about how quickly your life can change and how fast things can be taken away from you. Financial planning, though, often seems too overwhelming. A person usually tries not to think about it or figures nothing bad will ever happen to them. We did not want to think like this anymore. We needed a plan and security for our money as we get older.

My wife works at a community college, and I design websites, work part-time at an elementary school, and have created several passive income streams. We make pretty good money, live in our own house, have one rental property, and have been putting extra money away for retirement each month. We want to start being smarter and more efficient with our money and feel more financially secure if anything unexpected ever comes up. We want to find ways for our money to start working for us instead of us working for our money. I guess you could say we were taking on an attitude of hope for the best and plan for the worst.

To become smarter and more efficient with our money we needed to start learning better ways of using our money.

Through this learning process, I came across three resources that have changed the way we think and use our money. The first was a book by Robert Kiyosaki entitled, "Rich Dad Poor Dad". This book was a good starting point because it taught us to think differently about the way we use money. It taught us to structure our spending differently, and it taught us to set aside money for ourselves before anything else. The second way we learned to be better with our money came from the books by Rachel Richards (Money Honey, Passive Income Aggressive Retirement). These are great books for constructing a highly efficient budget that will save you money, they will introduce you to ways of making more money while lowering debt and shows you ways to invest your extra money. Our final financial resource came from Dave Ramsey. Dave Ramsey is best known for giving personal finance advice and is a well-known popular radio host and author. What we incorporated into our financial life was Dave Ramsey's, Baby Steps method for paying off debt and preparing for retirement. In the end, we took all three of these resources and made our own custom financial plan.

As we have been getting older, we are becoming more concerned about the chance of something happening to one of us that could take away the lifestyle we enjoy. Unfortunately, on top of that, we now see some of our friends and family getting cancer, having injuries, and even having severe adverse health events that they are not financially ready to face. Knowing bills are not being paid while you are trying to focus on recovering and regaining your health is not a comfortable feeling. Where do we start, though?

We started by asking ourselves this first question. How would we pay our bills if one of us or both of us could not work for a while? This scenario did not necessarily mean that one of us would get sick or injured; it could just as easily mean one or both of us might have lost our jobs. We first needed to take inventory of our bills and create a budget. We sat down and listed out all the things we pay monthly. Our next step consisted of going through our expenses and categorizing each into a necessity group and a luxury group. The necessity group of bills comprised of things we must pay for, like utilities and our house payment. The luxury group of bills consisted of cable TV, streaming services, membership fees, miscellaneous spending, etc. We took the luxury group first and eliminated things that we did not need. For example, we got rid of our cable TV service and switched to paying for significantly cheaper streaming services. We ended up getting a lot more for our money. Next, we eliminated things like fees for being in a club or store memberships. One example was a membership fee of ours for being wine club members at one of our favorite local wineries. The membership was a little expensive, and we paid more into it than what we got out. The winery was only fifteen minutes from our house, so we could always drive out and have the exact wine we want for a lot less than we were paying by the month.

When eliminating luxury bills, you don't have to cut out all things fun that you enjoy. Keep the things you enjoy if the enjoyment justifies the amount you are paying. To explain, if you need to buy that coffee every morning and it brings you enjoyment, that justifies the amount you pay for it. In addition, instead of cutting things out completely, try finding different ways of doing them that will save you money. A good example of this is a gym membership. If you are paying a gym membership but not going consistently, that doesn't justify the cost. Instead, cancel the gym membership, use the money to get exercise equipment, and find great workouts on Youtube. Be creative and find ways to enjoy the same things, all while reducing your monthly spending.

After cutting some bills and trimming others on our luxury list, we moved to our necessity list. This list does not always allow for much cutting or even trimming. These are must-haves and things you need for daily living. Since we could not cut any of these bills, we tried finding ways of doing them differently. For instance, we got smaller cans for garbage and recycling, which reduced our garbage cost. We reduced our electricity bill by installing energy-efficient equipment and turned off lights when not in use. We reduced our utility bill by using less water. Suppose your TV cable bill is on your necessity list. In that case, you can reduce your cable bill by getting a package with fewer channels or, like us, cancel cable altogether and go with a significantly cheaper streaming service or two.

There are numerous ways to save money. You need to be creative and maybe even more aware of how much you can save by doing things differently. After trimming our lists, using many techniques on budgeting from Rachel Richard's book, and finding how much money we could save, we now put together a monthly budget. With this new budget, we could now save extra money and know exactly how much money we were spending and saving each month. We also took it one step further by using Robert Kiyosaki's information and changing our thinking about how we use our money. To explain, since we now knew how much to spend on bills, we decided to do things differently when we get our paychecks. Instead of getting our paycheck, paying bills, having some fun money, and then putting some away for savings, we reversed the process. Our usual way of saving would depend on how much we had left over after paying for everything each month. Instead, we determined a set amount of money that would go into our savings first. Then we would pay our bills, already knowing how much to pay using our new budget. We could use whatever was left over in any way we wanted. Thanks to this new way of thinking and our fine-tuned budget, we could take the next step.

Our next step helped to solve the problem of…what if we lost our jobs? Following one of the Baby Steps from Dave Ramsey, we decided we needed an emergency fund. The purpose of our emergency fund was to have money that we could fall back on if we had no income at all for a while. We figured on a worst-case scenario, which was that both of us lost our job at the same time and had no income. We wanted the luxury of having our emergency fund pay for everything we currently enjoy while being employed. Being conservative and planning for the worst, we agreed we needed to have at least three months of savings to cover all our expenses.

Our emergency fund would allow us to have the things we currently enjoy, and it would give us three months to find a new job. We took the total amount we pay each month with our new budget and multiplied it by three to get the amount we needed to save. With what we were saving from our new budget, we could put extra into our three-month savings. It still took us several months to accumulate enough in our emergency fund to meet our goal. Once we finally met our three-month savings goal, it was reassuring to have that money in case of a rainy day.

We could now focus more on retirement planning, investing, and learning different strategies for using our money to make more money. This is often common thinking, but how many people first stop and think about how they can best build those investments on a firm financial foundation. Many people just see dollar signs and want to start making more money and investing. They rarely think about how quickly it can be lost if their health or life takes a turn for the worse. We needed a firm foundation, and a way to protect our money, savings, and investments if either of us were to have an adverse health event that would threaten our planning, strategies, and investments.

Coincidentally, at about the same time, my long-time friend, Casey, had joined a financial education company. The company specializes in educating people on how to use money correctly, how to invest money, how to create additional assets to make money, and how to protect it all if you fall on hard times. This was essential information that we should have learned in high school. Casey does a better job than I, explaining their mission. “The company I work for is a group of no-fee based independent agents in the financial services and life insurance industry focused on educating our clients about money. Like most financial services companies, we help people build and grow their money. But where we differ from most companies is the time we spend educating our clients on protecting their financial household and assets from loss due to factors like stock market loss, taxes, a death in the family, and even major medical life events that can cripple families financially. We work with large, established companies that offer products that primarily fit into the protection approach that we take with our clients. These companies provide the most revolutionary asset protection products in the industry. Many of them have been in business for decades to over one hundred years. These companies help us reach the end goal of educating our clients and helping them to build a foundation of protection around their financial household so that they can sleep well at night knowing their financial future is sound and secure.”

Casey not only found a new job that he loved, but with this new job, he also found a way to help people. Knowing of our newfound interest in finance and planning for our future, he invited us to a free money education class. We were initially reluctant, thinking it was all just something to get us to spend money or some type of money scheme. Casey and I grew up together and were the best man for each-others weddings. Casey was someone we could trust, and we knew he was not inviting us just to make money or suck us into some scheme. Because of this, we agreed to be part of the next money class. We went into the class with low expectations but open minds. Surprisingly, the class introduced us to new and different ways of making, saving, and protecting our money. The best part was that the class educated us on better ways of using our money that are not often taught. Yes, and it is also legal. The best part is they never tried to sell us anything, and the whole thing was strictly educational. After the meeting, we were open to new ideas and new ways to use our money. It was one of these ideas that sparked our interest. It was the same reason why Casey was so enthusiastic and grateful to use it as a tool to help people of all ages. It was something that we went on to pursue with Casey, and eventually, we thought it was so important for people to know that I got licensed in life insurance and decided to write this book. We believe that this tool we learned should be everyone’s first and best financial asset for saving and protecting money. This asset is called Living Benefits.