



Making Money, Make Sense

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PODCAST

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MONEY

CNBC

Qube
Money

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PRESENTED BY LAWRENCE DELVA-GONZALEZ

IG HANDLE: @GQ_ACCOUNTANT

AND @THENEIGHBORHOODFINANCEGUY

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Also on

The Financial Griot

[LISTEN HERE](#)

The Financial Griot Team

Because We Can't Tackle Wealth Building Alone.

Over \$2.5M in Assets.

A total of 45 years of Experience in the field of Accounting, Taxation, Auditing, Finance, Small Business Incubation, Medical Insurance, Tech, Marketing and Sales.

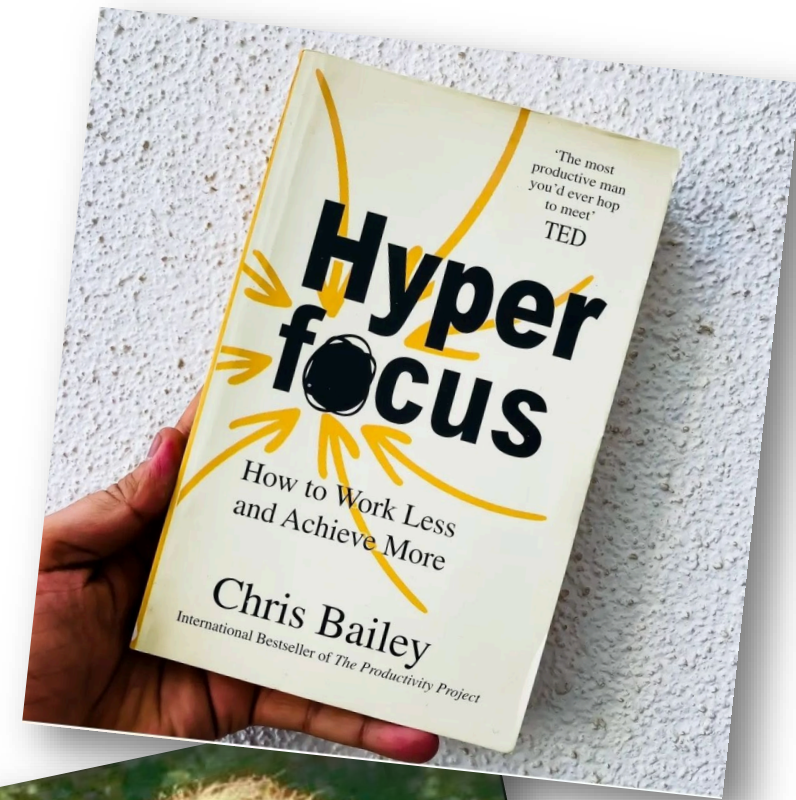
And, "[Way too much of Lawrence hating on Brunch.](#)"



Favorite Podcast Episodes

Because We Can't Tackle Wealth Building Alone.

- [Media Says Black People are Poor... Again](#)
- [Black Luxury Spending, Wealth and Debt - #PayMyTrip](#)
- [How to Create A Financial Plan that Builds Generational Wealth](#)
- [Modern Black Men are Trash? Wait, How is this the Holiday Episode?](#)



A Promise and Ongoing Commitment

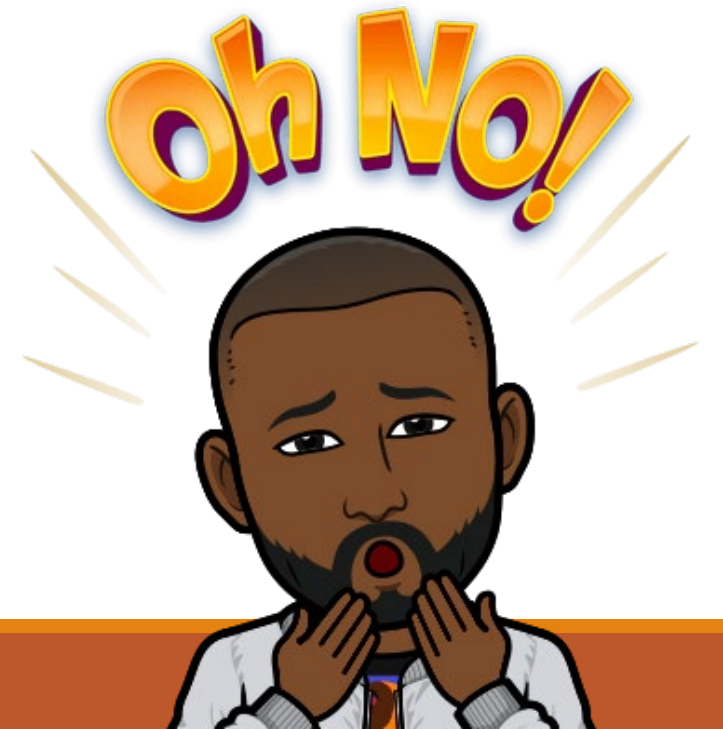
For more information,

TheNeighborhoodfinanceguy.com

[The Financial Griot Podcast](#)



How Does the Story Go Again?



Started From the Bottom

- Dropped out of Graduate School with \$110,000 in student loans (2012)
- Credit so bad, it was like pulling teeth*
- \$0 in savings, \$0 in retirement with [Negative \\$125,000 in Net Worth](#)
 - To fix this, I took on my first role as an Admin. Secretary (\$23,000/year)
- As of September 2022 - \$750,000+ in Net Worth with a credit score of 828.
 - Additionally, we [Traveled to over 24 Countries](#), Got Married and Got a Pandemic Puppy, and 2x Homeowner which includes an out of state, rental property.



Breaking News 2022



Pretty Average Facts

In 2022, the market plunged into Bear territory with Inflation hitting a 41-year high of 9.1% (June 2022).

41% of households do not have enough liquid savings to cover a \$2,000 expense

1 in 3 Americans Have Less Than \$5,000 In Retirement Savings. One in five Americans (21%) have **NO** retirement savings at all

Since 2021, housing costs soar as high as 30% which includes rent and home prices.

Americans carry over \$6,194 in credit card debt, according to the Experian Consumer Credit Review. **Minimum payments** would take 17yrs to pay.

Nearly 60% or 60 cents for every dollar.

ITEM	MONTHLY COST	ANNUAL COST	PERCENTAGE OF SPENDING
Housing	\$1,784	\$21,409	34.9%
Transportation	\$819	\$9,826	16.0%
Personal insurance and pensions	\$604	\$7,246	11.8%
Healthcare	\$431	\$5,177	8.4%
Groceries	\$412	\$4,942	8.1%



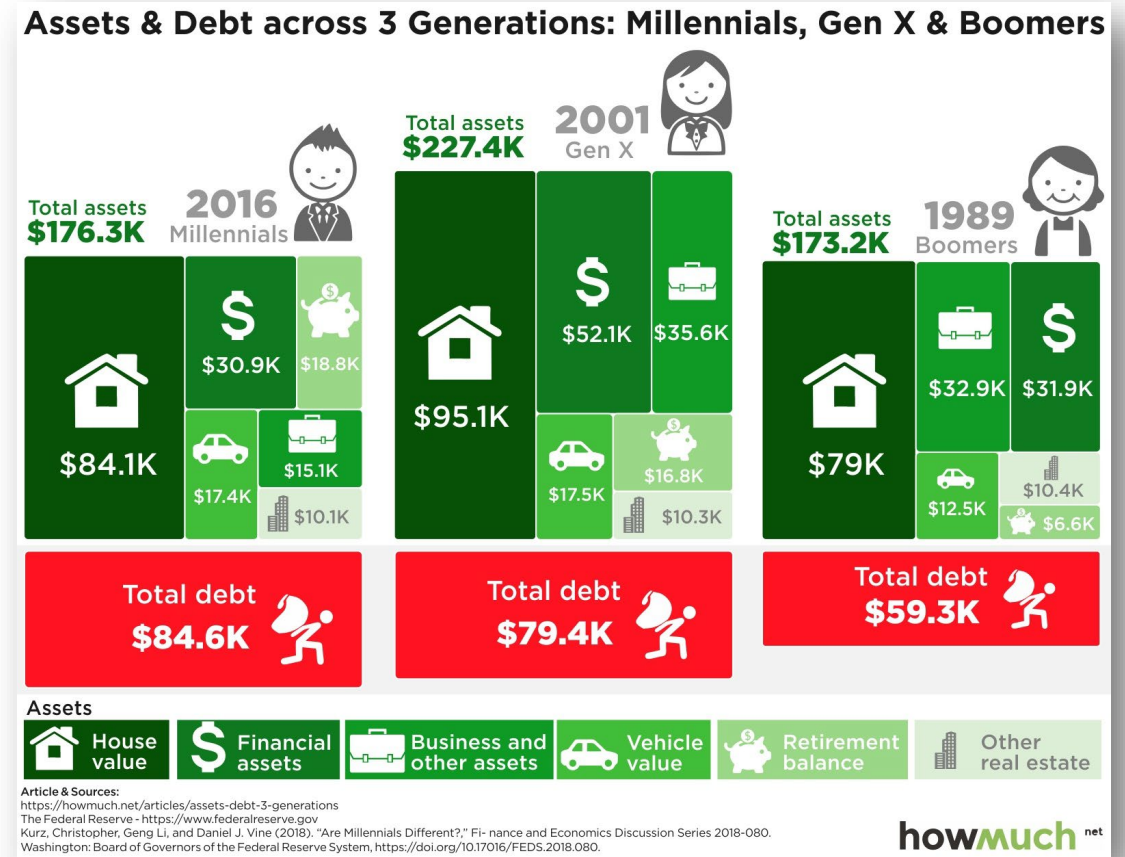
\$36,177 + \$2,375



Regular Lifestyle

As 2021, the avg. American Household made \$80k, and brought in around \$60k annually.

- I. *Savings and Pension - \$8,000/yr*
Avg. savings account across all ages \$41,600
- II. *Housing, Transportation and Food make up over 60% - \$39,000*
- III. *Indebtedness up 6.2% - \$155,622*
Avg. retirement balance \$73,100
Avg. social security pay out per year \$20,000
Avg. retirement expenses per year \$45,000

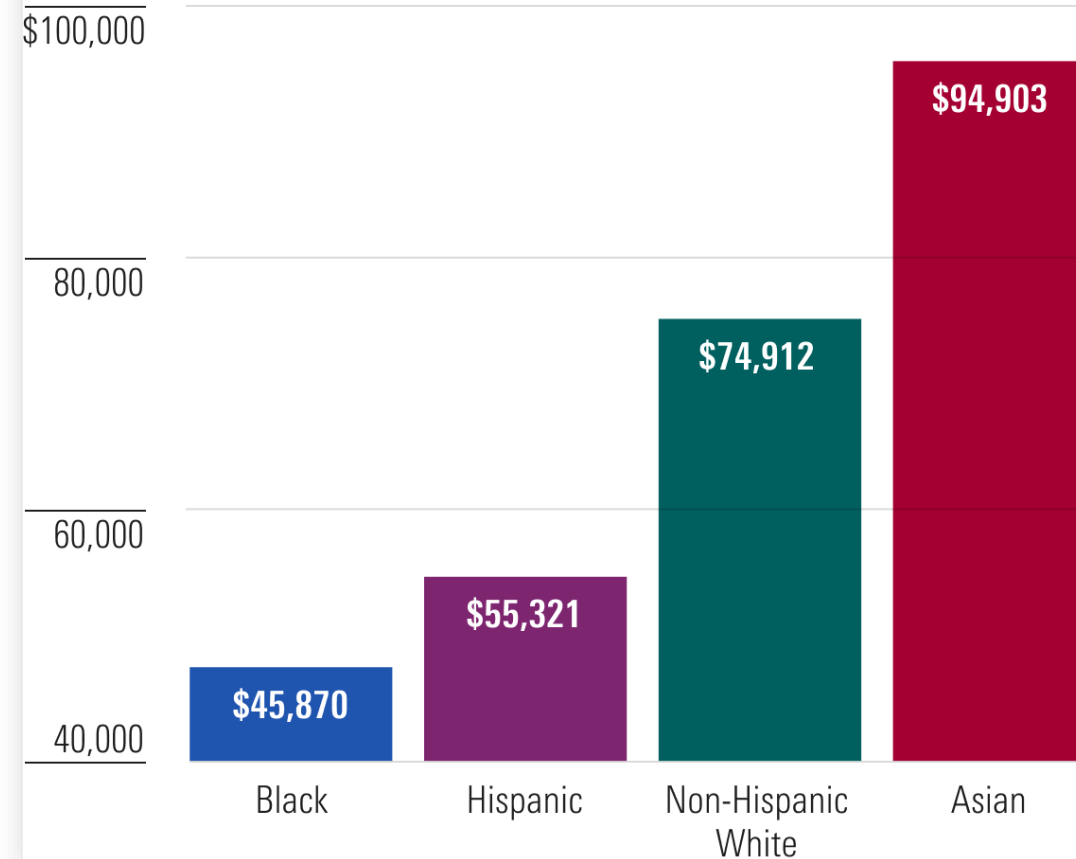


Wealth Stats by Race

Income, Spending, Debt and Wealth

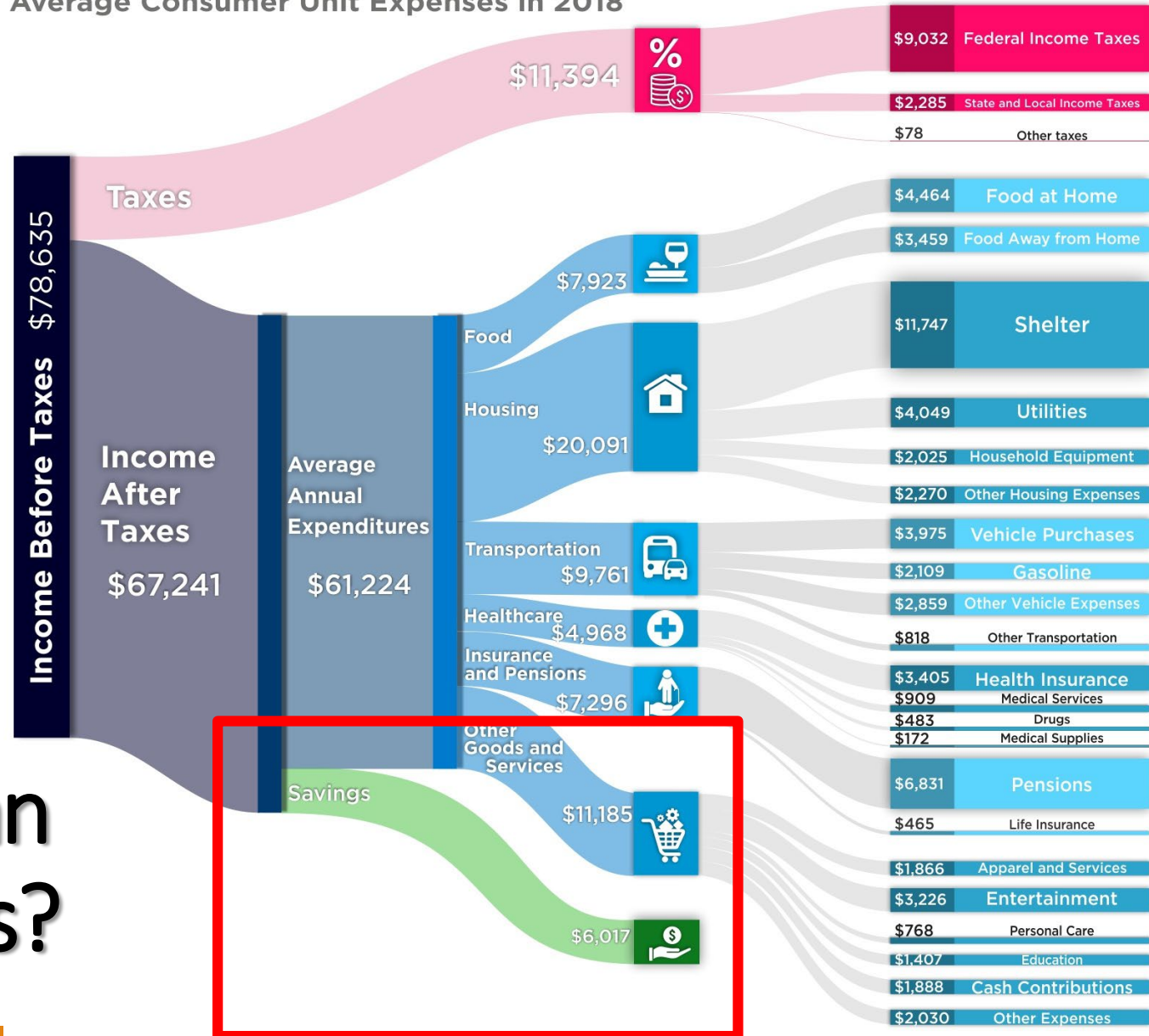
- I. Black workers are disproportionately represented in low-wage occupations and underrepresented in higher-wage occupations (*Mckinsey & Company 2019*)
- II. Black spending power reaches record [\\$1.6 trillion, but net worth falls](#). (*ProsperityNow 2022*)
- III. Black and African American college graduates [owe an average of \\$25,000 more in student loan debt than White college graduates](#).
- IV. According to The Road to Zero Wealth report, the median wealth of black Americans will fall to zero by 2053.

Median Household Income in the U.S. in 2020



A Breakdown of the Average American Spending

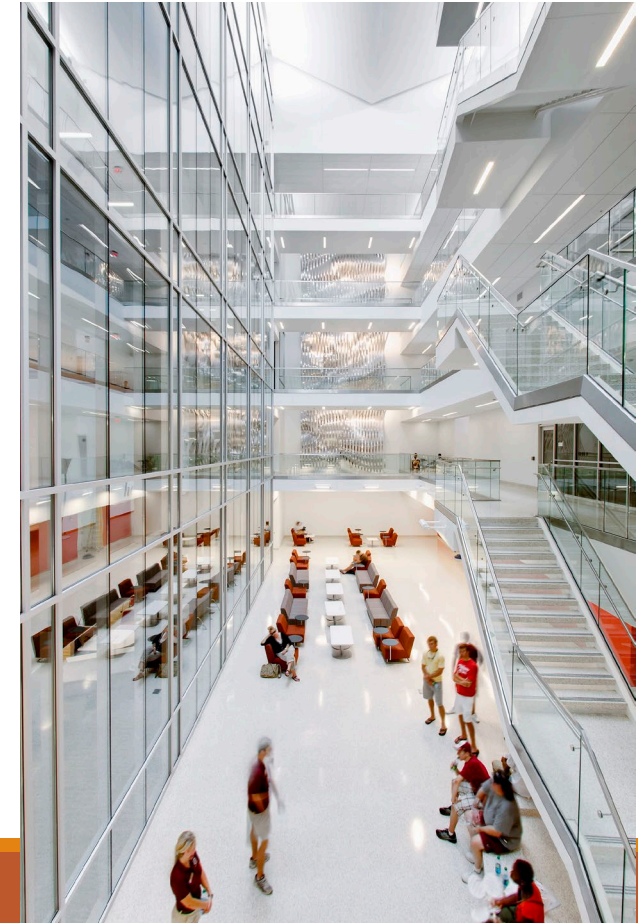
Average Consumer Unit Expenses in 2018



Saving
Less than
10 cents?

Article & Sources:
<https://howmuch.net/articles/breakdown-average-american-spending>
 Bureau of Labor Statistics - <https://bls.gov>

howmuch.net



Why is it a problem?

Current vs Future Cost

Inflation Calculator



This calculator helps determine the buying power of a dollar over time in the United States

\$60,000

in

2022



will be worth \$119,387

in

2042



Using an inflation rate of 3.50 % from 2022 to 2042.

This is an average inflation rate of 3.50% and cumulative inflation of 98.98%.

Noted Links: [Inflation Calculator](#) and [Financial Independence Retire Early \(FIRE\) calculator](#)

Unsustainable Price of an Unhealthy Life

What makes today different than 80s and 90s?

Increase in access to Consumer Credit

High Student Loans

High Monthly Micro Expenses

Lack of Cash Flow Management

PRIME day all day, and

Way Too Much Social Media!!!

The Hedonic Treadmill

Let's say you purchased
A Big Home...



SIX FIGURE INTEREST FEES

20-30 Years | A Lifetime of Debts

Based on the *5 Reasons to Raise Your Credit Score*:
A Bad Credit Score Cost You Over Six Figures **By Marcus Garrett**

	Avg Loan/ Balance	Interest Rate	Total Interest Fees
Credit Card	\$ 7,100	21%	\$ 29,617
Housing	\$ 192,618	3.75%	\$ 128,517
Student Loans	\$ 46,679	6%	\$ 33,582
Car Loans	\$ 27,934	5%	\$ 3,695
Total	\$ 274,331		\$ 195,411

Indebted to Lifestyle



Here's How You Make the Financial Pivot



Wealth Secrets 101

- 1. Decrease your expenses**
- 2. Increase your income**
- 3. Invest the Difference**

➤ Self + Net Work

➤ Investments

➤ Real Estate

➤ (Small) Business



Phase 1

Mindset

Phase 2

Acceptance

Phase 3

Action

- **Change Your Mindset**

- Book Recommendations:
 - Atomic Habits
 - The Millionaire Next Door
 - Your Money or Your Life

- Review Your Past

- [SSA.Gov](https://www.ssa.gov)

- Take Inventory

- Goals & Aspirations
- Skills Evaluation
- Social Media/Circle

- **Accountability**

- Recommendations:
 - I will teach you how to be rich
 - Journey to Launch Podcast

- **Budgeting** and Strategies

- [Mint.com](https://www.mint.com)
- Debt Snowball vs Debt Avalanche

- Discipline

- 12-Week Year

- **Decrease Unnecessary Expenses**

- Big vs Small
- Recommendations:
 - The Latte Factor
 - Automatic Millionaire

- **Increase Your Income**

- **Invest the Difference**

- Yourself,
- Network,
- In Assets.
 - [Personal Capital](#)

So you Can't Invest?



**Gross
Salary**

**Monthly
Investments**

**After 10
Years at 8%**

**After 30
Years at 8%**

\$30k



\$625

\$108,649

\$849,624

\$45k

\$937.50

\$162,974

\$1.27M

\$54k

\$1,125

\$195,569

\$1.5M

\$70k

\$1,458.33

\$253,515

\$1.98M

Managing Money is Easy!

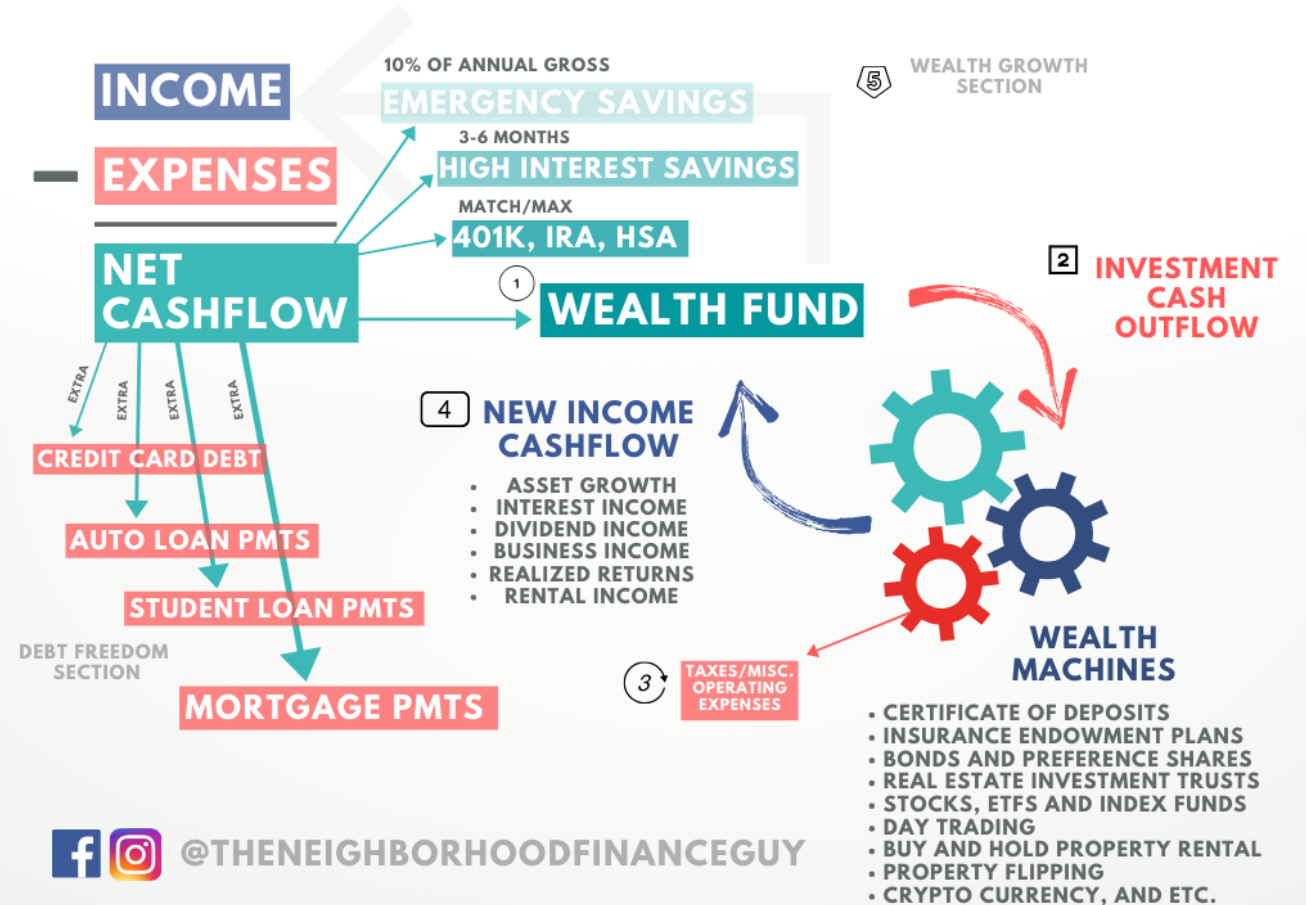
Income minus **Expenses** Plus Opportunity to Do More with Less while factoring *time horizon*.

Check out the [Net Max Financial Plans](#) for FREE.

MONEY CONCEPTS

THE WEALTH MACHINE STRATEGY

A conceptual way to manage your money and generate more income, based on a model created by the *NetMax Plan + Budget and InvestmentMoats.com*

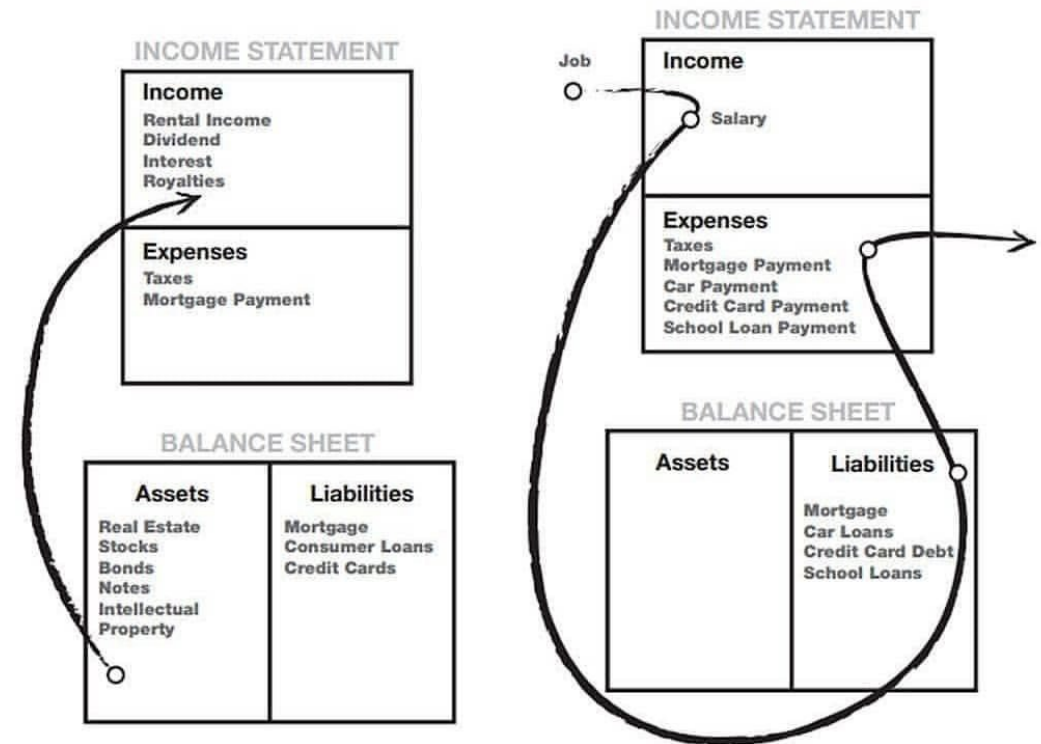


Wealth Blueprint for 2022+

1. Create a **Financial Float** of 1-3 Months worth of Expenses.
2. **Never Skip the 401k matching.** At 5% Max, that's worth over \$150k over 30yrs.
3. **Pay off credit Card Debt!** It's a drag on your cash flow.
4. **Max out on 401ks, IRAs and HSA** for tax deferment benefits and phase-out avoidance.
5. **Buy an Affordable Home** that's less than 25% of your take home pay.
6. **Invest in an after-tax brokerage** for growth or dividends.

CASHFLOW PATTERN

RICH PERSON VS MIDDLE CLASS



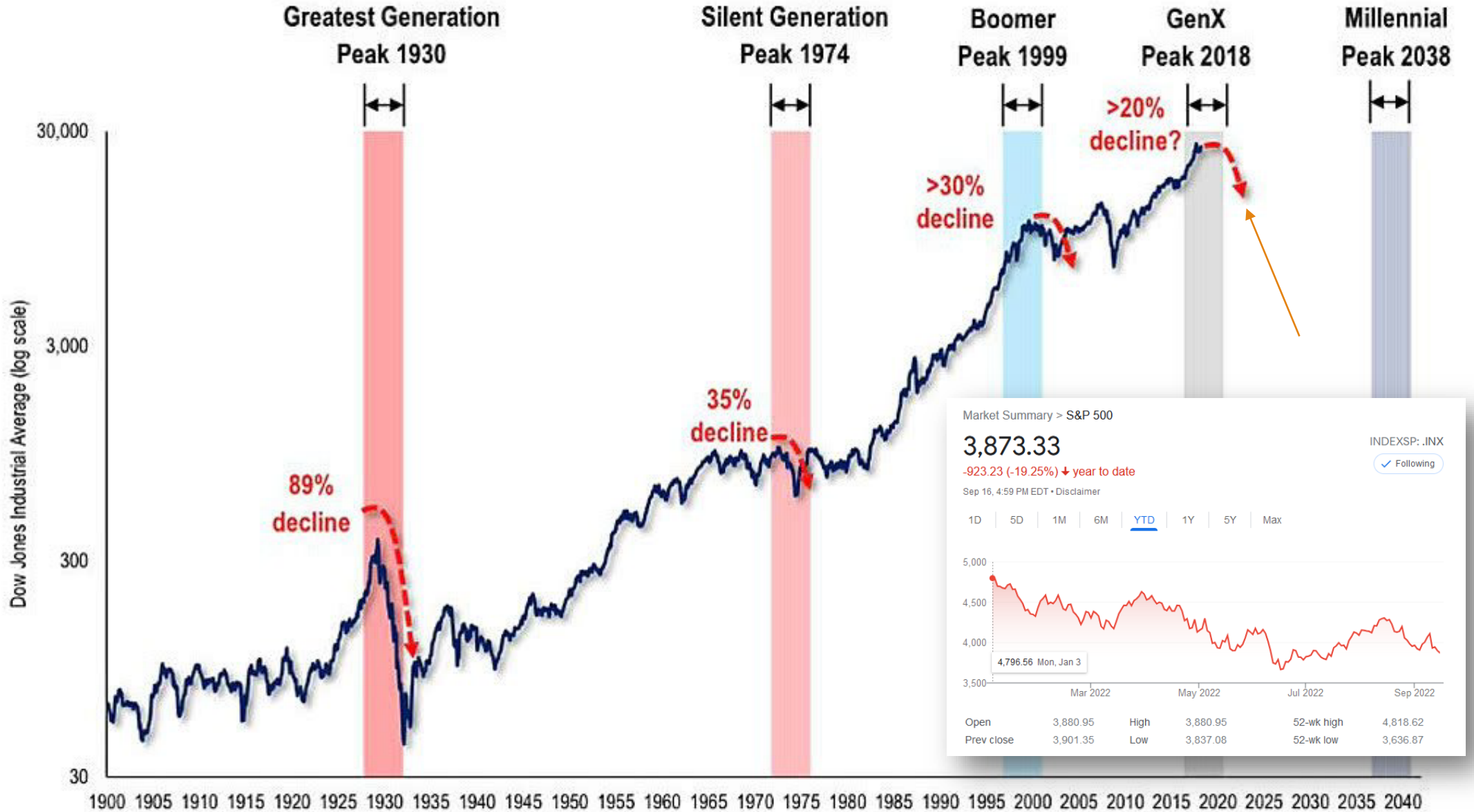
Build a Better Plan

- 1. How Do You Want To Live?**
- 2. Start with a Budget:** Pick a budgeting system that you'll stick with. I like the [Net Max Budget Ratio](#) vs the 50/30/20 budget, etc.
- 3. Find Ways to Save < Invest**
- 4. Make a Plan to Pay Off Debt Quicker**
- 5. Develop Lifestyle Habits**
- 6. Create Your Financial Future**



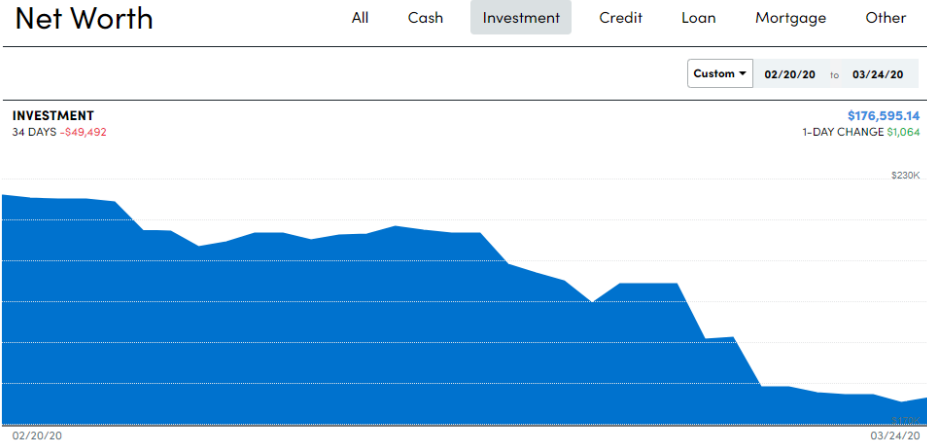
Confidence Boost

Figure: Dow Jones Industrials Average
Since 1900

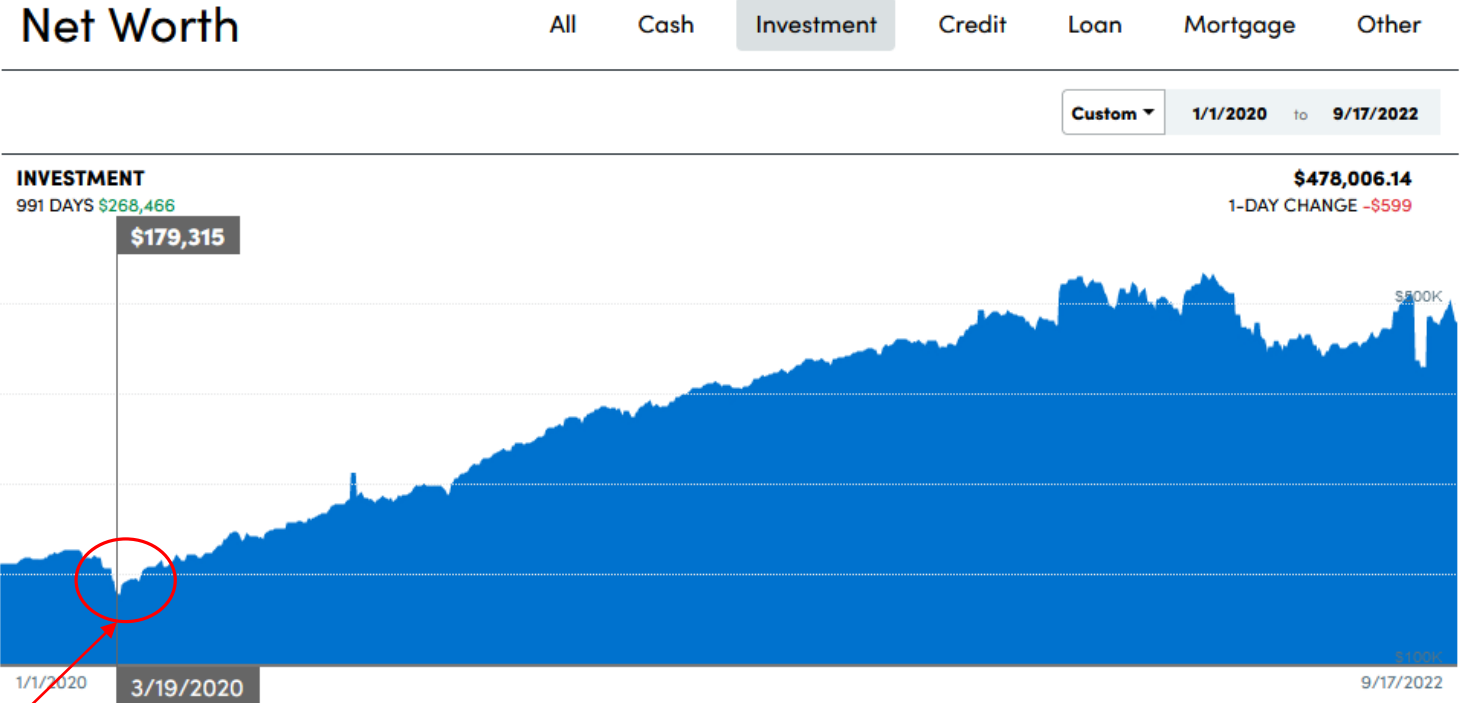
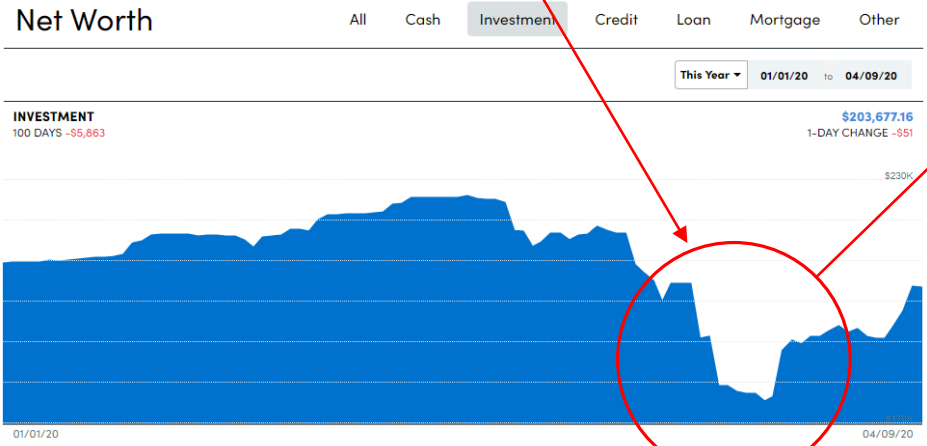


Source: Fundstrat, Bloomberg

Real Time Portfolio as of 9.17.22



-\$50,000



Tracking through "Personal Capital"

+ \$478,006

Investing 101



4 Common Phases of the Economic Cycle

EXPANSION

Economic growth expectations rise

SECTORS TO WATCH:

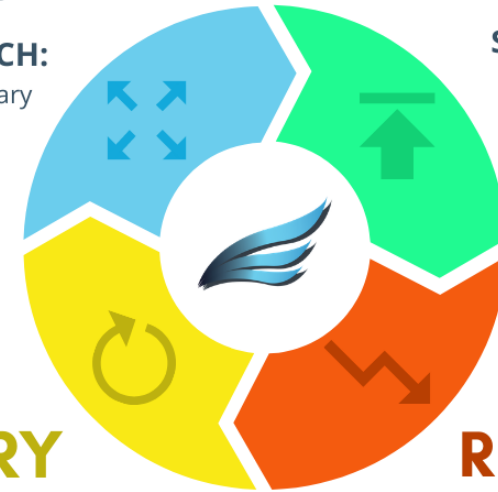
- Consumer Discretionary
- Technology

PEAK

Economy generates growth

SECTORS TO WATCH:

- Financial
- Energy
- Materials



RECOVERY

Stocks gain momentum

SECTORS TO WATCH:

- Industrials
- Materials
- Real Estate

RECESSION

Stock prices are likely to fall

SECTORS TO WATCH:

- Utilities
- Consumer Staples
- Healthcare

Be persistent in Investing

Despite their good intentions, many people fall off the financial bandwagon.

Most people don't beat the market. Like 80%, they did the research.

Sticking with a solid strategy long term pays dividends.

Don't get discouraged in the short run.



#TrustTheProcess

1. **Set Aside the Money.** Consider no less than \$250/monthly or a fixed cash amount yearly.
2. Pick a **Brokerage**.
 1. Fidelity, Schwab, Merrill Lynch, Robin Hood, Acorn, Betterment, M1 Finance, Vanguard, etc...
 2. It comes down to which platform makes sense to you the most.
3. Is it reoccurring deposits or fixed when you can?
4. **Is your portfolio adjusted manually or automatically, or based on your risk profile?**
 1. This determines how balanced you are and/or how aggressive you want to be.
5. Buy, Hold, Sell and **Get Taxed**



#InvtProcess

End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	\$ 0			
After	40 years			
Return Rate	9%			
Compound	annually			
Additional Contribution	\$ 400			

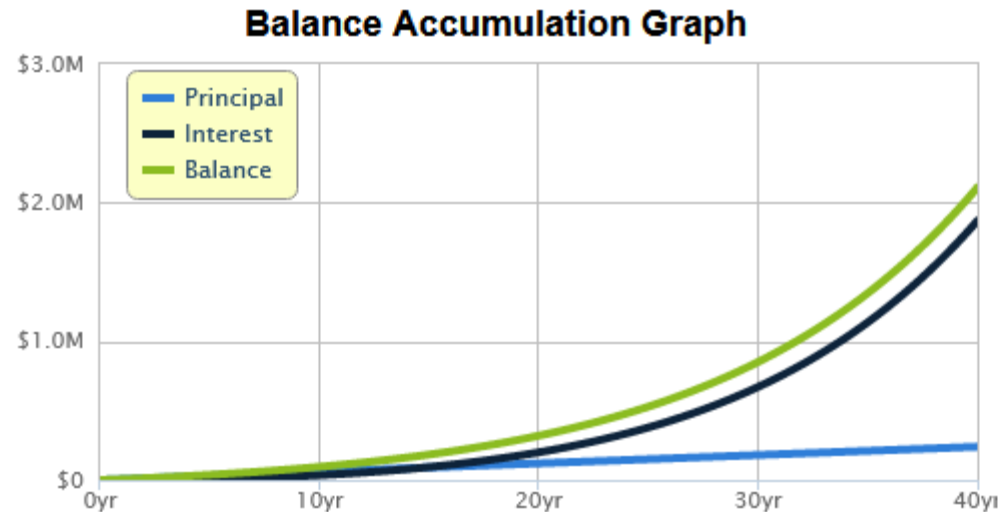
Results	
End Balance	\$1,687,695.62
Starting Amount	\$0.00
Total Contributions	\$192,000.00
Total Interest	\$1,495,695.62

Investing \$100 per week

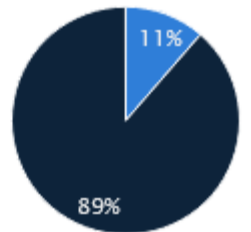
End Amount	Additional Contribution	Return Rate	Starting Amount	Investment Length
Starting Amount	\$ 0			
After	40 years			
Return Rate	9%			
Compound	annually			
Additional Contribution	\$ 500			

Results	
End Balance	\$2,109,619.53
Starting Amount	\$0.00
Total Contributions	\$240,000.00
Total Interest	\$1,869,619.53

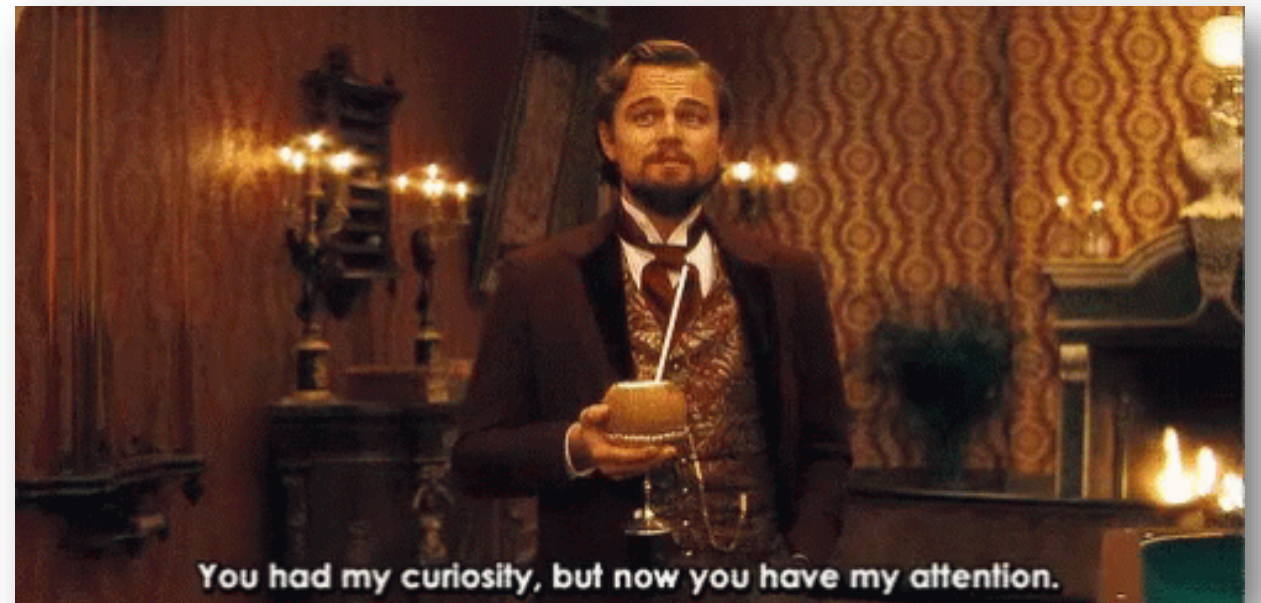
Investing \$500 per month



Breakdown



Becoming a
Better closer!



Set Your Own Retirement



The Retirement Formula

3-Part – SS Benefits + 401k + other Savings (i.e. Pension)

	20s-40s	40s-50s	55+
Ratio of \$100k	100%	75%	50%
Retirement Need Multiply by 25 or 4% withdrawal rate	\$2.5M	\$1.875M	\$1.25M
Safety Margin Need Minus \$25k Social security	\$1.5M	\$968,750	\$437,500
How to get there? Years, Interest Rate, Contribution per year and by month	30yrs, 9%, \$12,000 Basically \$1,000 per month	20yrs, 8%, \$21,000 \$1,750 per month	10yrs, 7%, \$30,000 ~\$2,500 per month

Noted Links: [Inflation Calculator](#) and [Financial Independence Retire Early \(FIRE\) calculator](#)

Living Abroad? How?

Well that's easier?

Some live on cruise ships for years

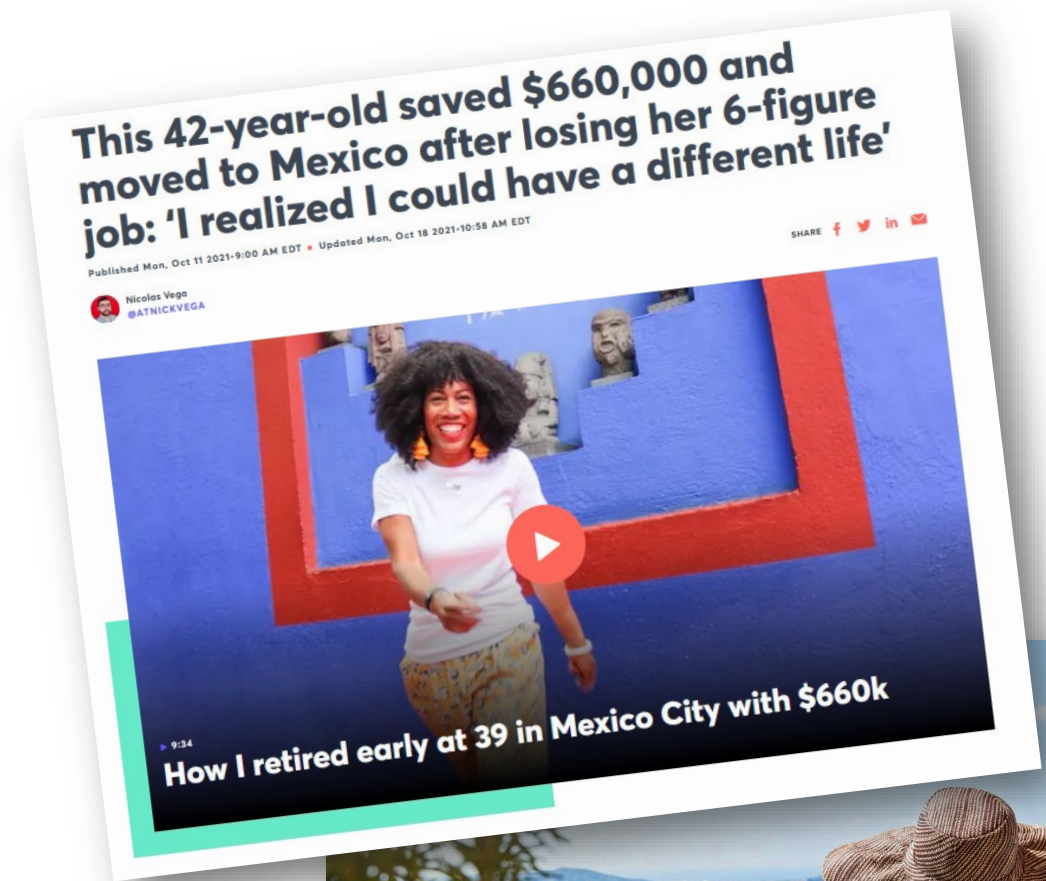
Pros:

- Lower cost of living.
- Low-cost health care.
- Make new friends from other cultures.

Cons:

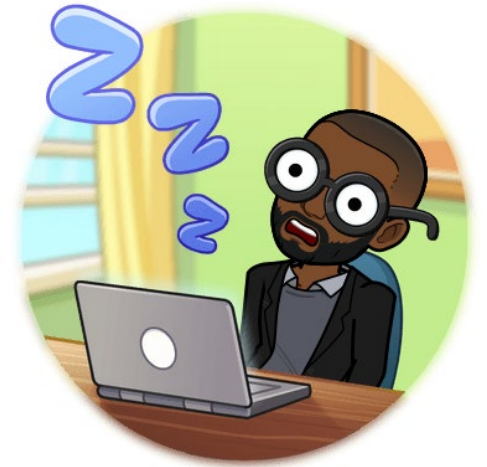
- Leaving friends and family.
- Culture shock.

Pro or con: Learning a new language.



Website Recommendations

1. Essentials: [Mint.com](https://www.mint.com), [Personal Capital](https://www.personalcapital.com) and [SSA.gov](https://www.ssa.gov)
2. Savings, Mortgage rates and credit card rates - [www.Bankrate.com](https://www.bankrate.com)
3. [Debt Snowball Calculator](#)
4. Google Finance and Yahoo Finance
5. Investment Back testing (advanced) - www.portfoliovisualizer.com
6. Exchange Traded Funds ([ETF](#)) – www.ETF.com
7. [Brokerages](#) include Fidelity, Vanguard, M1 Finance, Robinhood, Schwab, etc...
8. [Net/Max Financial Plans](#) to build wealth in less than 15 years
 - a. [Other resources](#): Budgeting, Personal Taxes, etc.



Book Recommendations

1. [Atomic Habits](#)
2. The Automatic Millionaire
3. Your Money or Your Life
4. [The Psychology of Money](#)
5. 12 Week Year
6. Can't Hurt Me
7. Grit



Recap and Questions

When you're giving advice but you have to finish with 'idk though' in case you accidentally ruin someone's life



FREE FINANCIAL WORKSHOPS IT'S A CHALLENGE!

5K FOLLOWS ON INSTAGRAM
+ Tax Planning Workshop

7.5K FOLLOWS ON INSTAGRAM
+ 3x Investment Workshops



**50 REVIEWS ON APPLE
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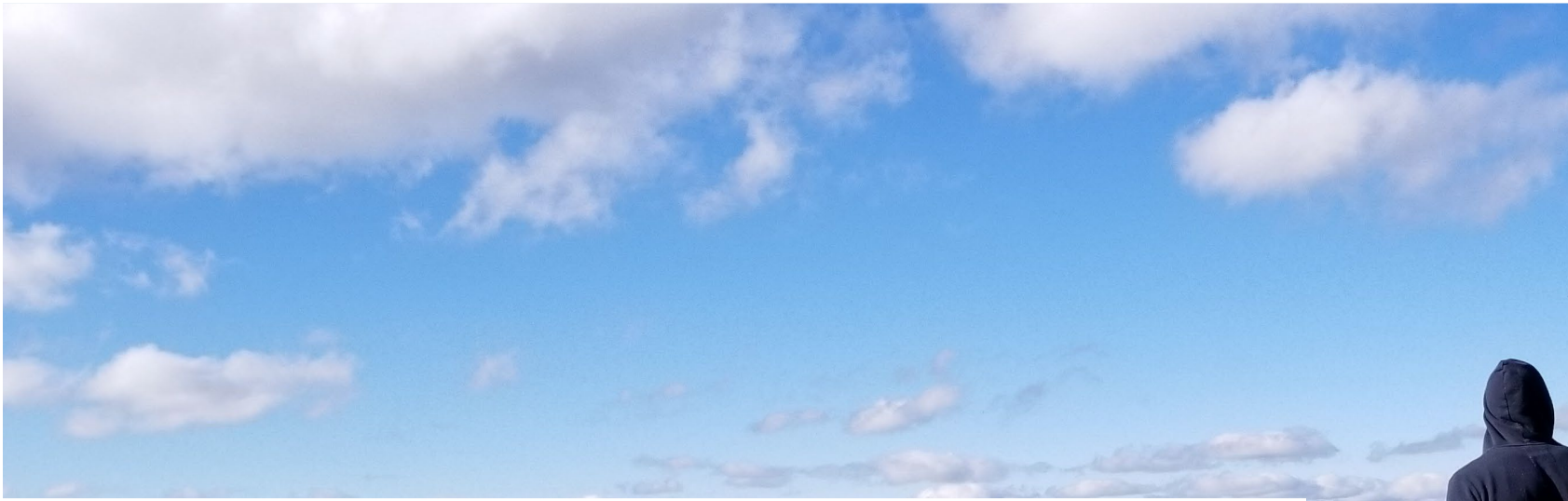
Senior Auditor, US Government




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THANK YOU!

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