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Below is a series of five (5) emails (*with Friends-inspired subject lines*) designed to be sent consecutively over a week:

Subject Line: Day 1: The One Where They Take Inventory

Welcome to Day One of Financial Foundations!

To dive right in, one of the first steps to establishing a strong financial foundation is understanding where you're currently at.

This may be one of the most time consuming steps, depending on where you're at in your financial journey.

The reason this step is important is because without knowing where you are, it's tough to determine which areas need focus and how to move forward.

Discovering what you **own** vs. what you **owe** may be a pleasant surprise, or it may be a much needed wake up call.

The difference between what you own vs. what you owe is also called your **net worth**.

The formula for calculating your net worth is **Assets** (own) minus your **Liabilities/Debt** (owe).

Assets may include:

- Bank accounts
- Investments
- Paid off car

Liabilities/Debt may include:

- Your mortgage
- Credit card debt
- Student loan debt

Take a few minutes to write all these numbers and balances down on a piece of paper or start a Google Sheet to digitally keep track of these.

These numbers will serve an important purpose in understanding what needs to happen next.

Add up your bills and monthly expenses

Take a few minutes to either print off the past couple months of bank statements or enter expenses into a spreadsheet from your banking app.

✓ **Tip:** If you use a budgeting app such as Truebull or You Need a Budget, these will keep track of all expenses and also categorize them for you

You'll want to separate recurring bills (such as rent, phone, electricity, monthly subscriptions etc) from other expenses (such as groceries, eating out, shopping, etc) because recurring bills are generally a set amount and other expenses can vary month to month.

By separating them out initially, you can really begin to see where your money is going and you're now able to see where to cut spending in certain areas if necessary.

You may also discover monthly subscriptions that you don't use anymore but are still being charged to your account.

By knowing what your recurring monthly bills are, you can get a baseline for what your minimum lifestyle expenses look like.

Total up your income

This step may be fairly quick if you have one job and no other outside income, but if you have a side hustle or any other type of income, be sure to include all of those in your total monthly income.

(If you receive 1099 income, be sure to remember that taxes aren't taken out of your earnings so you'll want to set aside a certain amount for future tax payments)

Once you've added up your assets and your liabilities, tracked your expenses, and know your monthly income - you're done with Day One!

Go get a drink or however you celebrate because this is a big step and something you should be proud of!

Not a lot of people take the time to go through the basics, but getting an understanding of your finances and establishing that foundation is crucial to continue building a solid financial future.

Keep an eye out for Day Two tomorrow!

Have a great day,

Treyton DeVore

piertree.com

P.S. If you'd like to get a head start on tomorrow, check out my blog post [How To Reach Your Financial Goals in 2021](#)

Subject Line: Day 2: The One Where They Set Goals

Welcome to Day Two!

Did you complete the steps in the day one email?

If not, was it because you already knew the numbers or you didn't have the time or desire to do it?

If it's the latter, I get it.

Managing your finances can be tough, but it's an important aspect in life.

It's easy to fall into the path of least resistance and not take the time to get an understanding and develop a plan for your financial life.

But no matter what you want to accomplish (unless you plan on living off the land), money ends up playing a role in a lot of different scenarios.

In my opinion, setting goals is the most impactful part of building your foundation because it acts as a north star and can help guide future decisions.

One reason that New Year's Resolutions and goals tend to fail is because they aren't tied to anything.

They aren't tied to a bigger purpose or reasoning.

I believe the reason and the *why* behind what you're trying to accomplish is just as important as setting the goal itself.

By setting goals with purpose, you're giving yourself a known reward at the end of the journey.

Really take some time to ask yourself "why do I want to accomplish this?" when coming up with goals.

Depending on the goal, the enjoyment in the process of working towards it may be just as satisfying as achieving it.

That's step one to setting goals. **Set goals with purpose.**

Now, there's two different types of goals.

There's financial goals, and then there's life goals.

Some commonly recommended financial goals are:

- Save 6 months in an emergency fund
- Pay off credit cards
- Eliminate all debt
- Save a set percentage towards retirement
- Spend less than you make

Life goals are simply things that you want to accomplish within your life that require money.

This may be saving for future travel, planning for a new home purchase, or planning a move to a new city.

Whatever comes to mind, write it down. After seeing them written out and visualized, you may start to gravitate towards a couple that really stand out and then you'll know which ones you want to pursue.

There may be other things in life that come up that aren't necessarily goals, but should also be accounted for within projecting future cash flow.

An example may be childcare expenses or saving for education.

It may take a few days to get this step complete because it's designed to stimulate thoughts and conversation around things that you value and want to accomplish in life.

Whatever you do, make sure you write them down.

Now, after just a couple days you know your goals and what you're working towards, you know your income and expenses, and you know what your net worth is.

I don't know about you but that sounds like the beginning of a foundation to me.

Keep an eye out for day three tomorrow where we cover how to prioritize these goals.

Have a great day,

Treyton DeVore

piertree.com

Schedule your [Free 15 Minute Clarity Call](#) today

Subject Line: Day 3: The One Where They Prioritize

Welcome to Day Three!

Now that you have an understanding of where you're at and what goals you want to accomplish, it's time to prioritize what needs to happen first.

While it's difficult to give specific recommendations without knowing your situation, I'm going to cover some of the common rules of thumb when it comes to determining what to prioritize and get taken care of.

The first area of prioritization is cash flow.

Understanding your cash flow is key to achieving success within other areas of personal finance. Cash flow is all of the money coming in and out of your accounts.

If you're chipping away at debt or even maybe starting to save a little bit more, without knowing where your money is going each and every month it's going to be difficult to begin to work towards future goals.

In Day One where we briefly covered expenses, this step is going more in depth on those expenses and really understanding where money is truly going.

This will allow you to identify if you're spending too much on maybe eating out, or shopping, whatever it may be and let you begin to determine where that money *should* be going.

The second area of prioritization is an emergency fund.

In my opinion, an emergency fund is one of the most underrated and most important parts of your financial foundation.

An emergency fund is simply a savings account that contains 6-12 months of living expenses.

(As you can start to see, each small task begins to have an effect on other areas. Without knowing your monthly expenses, you won't be able to determine how much you need to save for 6 months of expenses)

The purpose of an emergency fund is to provide peace of mind that you're financially covered if you happen to lose your job, or incur an unexpected expense like a new washer and dryer or a replacement part on your car. You can use money from your emergency fund rather than taking money from your monthly cash flow, and then begin to build your emergency fund back up to the 6-12 months after the fact.

The third area is eliminating high interest debt.

High interest debt is very harmful to your finances. Generally, anything over 6-8% would be considered high interest.

Once you have an understanding of your cash flow, you can then begin to build your debt payments into your monthly budget.

Some people prefer to knock out smaller dollar amount debt first no matter the interest rate, but I'm a believer in eliminating the highest interest rate debt first because it gives you the most return on your money.

There's no right or wrong way to do it, the most important part is doing it.

It may take years to get the balances to zero, but this is an investment in your future self. If you have high interest debt for long periods of time, the debt just keeps getting larger and larger and more difficult to get out of.

The last area is going to be working towards your goals.

This is where you may have to begin doing some research and really begin thinking about what you want to accomplish because this step can go in many different directions.

If you've already begun to save for retirement and are doing that consistently, you may not need to prioritize that at the moment and begin to work on other savings goals.

If you don't have anything saved for retirement, that may be the best place to start before you begin saving for other goals.

Bonus area: Review insurance

This is something that doesn't need to be done every month, but it's important because insurance is designed to help protect you and your money.

Sometimes it may feel like a waste if you're paying the monthly premium for health insurance and you haven't been to the doctor in two years.

But life throws us curveballs all the time and it's better to be protected than to end up owing hundreds of thousands of dollars if there's an emergency medical situation.

It's also important to review other policies such as homeowner's insurance, car insurance, life, vision/dental, etc.

You may be overpaying for some, or there may be some you don't have that would be beneficial to your financial picture but I recommend to occasionally review your policies to make sure nothing's changed and you're still properly covered.

Keep an eye out for Day Four tomorrow!

Have a great night,

Treyton DeVore

piertree.com

Subject Line: Day 4: The One Where They Automate

Welcome to Day Four!

Lucky for you, this is going to be the quickest step because you've already done a lot of the heavy lifting.

The purpose of automation is to remove the human error from financial tasks and decisions.

If you knew you needed to save \$300/month for two years to reach a goal, would you trust yourself to manually transfer \$300 into your savings account on pay day for 2 years straight?

I don't know about you but I couldn't do it.

I would either forget or I would convince myself that I have a better current use for that \$300 and I'll save more later.

I have a feeling a lot of people are the same way.

The simple solution?

Automate, automate, automate.

It's important that you know the goals you're saving for first, but automation will be the key to making them happen.

For example, let's say you're saving for a new home.

You know you need \$20,000 for a down payment and you want to buy that home in 5 years.

By working backwards, you have 60 months to save \$20,000 so you need to save \$333/month for the down payment.

Rather than manually transferring \$333 every month into a savings account or even worse, leaving it in your checking account - by setting up a simple automatic transfer within your banking app, you're guaranteeing that money is transferred and saved.

Don't even have to think about it.

The action item for today? Set up one automatic transfer.

Even if you don't fully know your goals yet, set up a \$20 automatic transfer to guarantee that you're saving at least a little bit each month.

Get ready for Day Five and the last day of Financial Foundations tomorrow!

Your friend,

Treyton DeVore

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Subject Line: Day 5: The One Where They Protect Themselves

Welcome to the last day of Financial Foundations!

Before we dive into day five, I just want to clarify that I'm not in insurance sales and I'm not going to specifically recommend any types of insurance coverage.

I'm simply going to list out common types of insurance that people use, why you may need it, and what the average costs are.

The first type of insurance is **health insurance**.

I'll be real with ya, health insurance isn't cheap and it can be tempting to live without insurance, especially if it feels like you never really go to the doctor.

However, health insurance is important because without it, there's nothing protecting you from the sky high cost of medical care.

Here's an example of a [medical bill](#) for an 11 day hospital stay:

Account Detail				
Date	Description	Charges	Pmnts/Adjs	Patient Balance
John Muir Health Account Detail				
Acct #				
Inpatient				
09/17/14	JMH Walnut Creek Hospital			
to	Room and Board - Semi Private	\$14,695.50		
09/27/14	Intensive Care Unit	\$153,332.00		
	Pharmacy	\$77,234.50		
	Medical/Surgical Supplies and Devices	\$6,986.25		
	Laboratory	\$36,692.70		
	Radiology - Diagnostic	\$1,955.00		
	Respiratory Services	\$52,562.50		
	Physical Therapy	\$528.00		
	Occupational Therapy	\$711.50		
	Emergency Room	\$21,082.50		
	EKG/ECG	\$1,062.00		
	Professional Fees	\$114.75		
	Total charges	\$367,057.20		
	BSI INSURANCE PAYMENT - 10/06/14		(\$10.56)	
	BSI INSURANCE PAYMENT - 11/19/14		(\$68,508.68)	
	Adjustments		(\$264,486.77)	
	BSI INSURANCE PAYMENT - 01/20/15		(\$33,947.00)	
	Total insurance payments and adjustments		(\$366,953.01)	
	PATIENT BALANCE DUE			\$104.19
John Muir Health Balance Due				\$104.19
Patient Balance				
0-30 Days	31-60 Days	61-90 Days	90-120 Days	Over 120 Days
\$0.00	\$0.00	\$0.00	\$104.19	\$0.00
This is a statement of your account(s) for your recent visits. Please contact our Customer Service Department if you have questions concerning payment in full, or to make payment arrangements, at (866) 742-7471. Thank you.				

This patient was initially charged \$367,000 and after adjustments from the hospital and insurance coverage, the patient only had to pay \$104.19.

That my friend, is the power of insurance.

Little known fact: Hospital bills are usually negotiable. Always speak to someone, whether it be the hospital billing dept. or your insurance company, before making a payment.

Friendly tip: Always ask for an itemized bill so you can see what you're being charged for

Average Cost: According to data gathered by [AARP](#), the average health insurance cost for single coverage premiums in 2020 is **\$388** per month.

The second type of insurance is **car insurance**.

Car insurance is required by law in a majority of states.

"If you are at fault in a car accident, the auto liability coverage required on your [car insurance](#) policy helps pay for covered losses, such as the other party's medical bills and damage to their vehicle or other property that results from the accident."

Depending on your coverage, it may also help pay your legal fees if you're taken to court over the accident.

Friendly tip: If you pay for car insurance annually rather than monthly, you're more than likely have to pay less overall. However, it's important to remember to include that big expenses cost when thinking about savings and upcoming expenses.

Average Cost: The national average cost of car insurance is **\$1,427** per year, according to [NerdWallet's](#) 2020 rate analysis.

Liability is generally the cheapest type of car insurance, with full coverage generally being the most expensive.

The third type of insurance is **life insurance**.

The most useful way to answer the question of whether you need life insurance is with another question:

Would your death financially impact the people in your life?

If the answer is yes, then you should consider life insurance. If the answer is no, you might not need it.

Your policy's premiums are determined by your policy details, such as the term length and coverage amount, and your own circumstances, like your health, age, family background, and lifestyle choices.

Average Cost: A healthy 35-year-old male can expect to pay about **\$40.42 in monthly premiums** as of December 2020, while a 35-year-old female may pay **\$33.58**, according to [PolicyGenius](#).

The last type of insurance I'm going to cover in this series is **homeowner's insurance**.

There most common forms of homeowners insurance include:

- Dwelling insurance
- Personal property insurance
- Personal liability insurance
- Medical payments insurance
- And other structures

The condition of your home and where you live will also play a big factor in how much you'll be charged for your homeowner's insurance.

Some of the things they look at are:

- Year built
- Roof condition
- Construction quality
- Location
- Fire risk
- Crime risk

Some of factors that play a role in the cost of your policy are the city and neighborhood you live in as well as who you choose to use as your provider.

Average Cost: The number varies so much depending on your home and where you live, but according to [BankRate](#) - the average annual homeowners insurance premium is around **\$1,477**.

Friendly tip: If you're considering buying a home and concerned about the amount of a down payment, you may want to take a look into Private Mortgage Insurance (PMI). It's an in-depth topic so I won't cover the details here, but it's basically an additional payment on top of your mortgage that allows you to put down a smaller down payment. Here's a link to a more in-depth information from [Investopedia](#).

And that's all I have for Financial Foundations!

I hope you learned a thing or two through these 5 days and if there's anything you would like to know more about without being sold to, don't hesitate to reach out!

I'm here for you and I genuinely want to see you succeed financially.

The financial industry has done a terrible job of providing help to people who aren't paying them a lot of money and it shouldn't be that way.

Everyone should have access to financial education and I believe education is the first step to financial empowerment and freedom.

Your friend,

Treyton DeVore

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