



Rules for Financial Success

Like any good parent, I've spent my fatherly years trying to teach all of our children how to be smart with their money. And, as it is with most of people, this parenting process has not been all smooth sailing. One thing we have tried to do in our household is to just incorporate money subjects into our everyday life—but let me emphasize: we talk about this all the time. From a very young age, up to and including present college days and through young adulthood, we want our kids to learn how to Budget, Save, Invest, Manage Debt and Protect (Risk Management) their money. It is soundly my opinion that if a person can master budgeting and debt management, everything else will fall into place.

Financial success is not determined by the amount of money you make but by how comfortable and in control of your financial situation you are. Follow these rules and you'll be laying the groundwork for financial freedom.

1. **Take control of your budget by setting goals.** This will help get you motivated and help you stay committed to your plans to save, invest, and keep a watchful eye on debt. You will also begin to develop a money mindset that will define your attitude and approach to money throughout life.
2. **Understand risk and reward.** We've all heard 'the higher the risk, the greater the reward.' You will need to find a balance between the level of risk you are comfortable with and the potential for the reward you hope to achieve. Your risk tolerance may range from conservative to aggressive, depending on your financial situation but you will want to safeguard your finances from any potential threats.
3. **Choose like-minded friends.** The people you associate with can significantly impact your financial mindset. Good influences will hold you accountable and push you to stay on track to attain your goals. People who share your money values can help you build a strong network for advice and support in decisions and difficulties.
4. **Become financially literate.** Work to stay financially educated throughout your life. This will help you identify opportunities, avoid major pitfalls, and keep your goals and risk appetite in check. Enroll in financial literacy courses, read finance books and articles, talk to financial experts, attend workshops or webinars.
5. **Plan for emergencies.** Financial emergencies are always going to happen so make it one of your goals to save for unexpected expenses. Keep these funds in a separate account to keep you from dipping into them. Save for at least six months of expenses.
6. **Think long-term.** The most successful people I know will tell you the key to long-term financial success is to avoid as much debt as possible. Don't commit your future earnings to pay off high debt or put yourself at risk of losing your collateral by default. Short-sighted decisions can have long-term consequences, long-term thinking will keep your future secure.

What happens if I fall short, make mistakes? First, accept that we are by nature prone to mistakes so don't beat yourself up over it. Then pick yourself up, acknowledge your mistake, and forgive yourself. Use any mistakes as teachable moments to prevent this from happening again. Financial success is a long process that requires discipline, patience, and commitment. Let me add, the rewards are tremendous. When you understand budgets and debt, you will be on a course to achieve seemingly unachievable goals. Plus, you'll sleep better without the worry of financial stress and anxiety! Let us

know how Anahuac National Bank can help you on your path to financial success. We always appreciate your loyalty and enjoy making this journey together.

