

Stewardshipofwealth.com



Stewardship Guide

You have the ability to become a better steward of your wealth

Protecting your wealth from the risk of loss

[StewardshipofWealth.com/Empowerment Sessions](http://StewardshipofWealth.com/Empowerment%20Sessions)



- **Financial Reputation**
- **Protecting Your Assets**
- **Stewardship Habits**

Identity theft is difficult to prevent. Your personal information is on file in many places and there is no way to control who gets access to it.

Financial Reputation

In order to manage your financial reputation, start by obtaining your credit report to guarantee there are no mistakes or unknown accounts opened in your name. You can review your credit report annually free of charge at www.annualcreditreport.com

Personal Financial History

Pay your bills on time - Many insurance companies have made credit scoring a part of their underwriting process. The better your insurance credit score, the better insurance rates insurance companies can offer you.

Avoid over extending yourself with debt. Bank and financial institutions will extend you credit on your good name and ability to pay. They do not factor the risk of the following life situations: (1) Getting downsized and losing your job; (2) Becoming disabled and not being able to work; (3) Experiencing a disaster or weather related event; (4) Going through a divorce or separation; (5) Being deployed for six months or longer because of a military service commitment; (6) The untimely death of you, or someone who contributes to your family finances. These risk factors can destroy your financial reputation and should be considered when applying for debt.

Do not co-sign a loan for anyone. You are not helping someone by cosigning for them. Think about it, if they had the ability to repay the loan amount, the banks would loan them the money without you co-signing. If you co-sign for someone you will have to pay the loan when they fail to make the payments.

Purchase Identity Theft Protection- The best plans protect against all types of identity theft events such as; financial fraud, social security fraud, criminal activity, child ID theft, medical ID theft, tax fraud, employment fraud, and benefits fraud.



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File your taxes every year- If you don't feel confident or have the time to file your own taxes consult a trust worthy accountant or CPA.

Shred documents containing personal information – Keep all your tax information for seven years in case of audit. Other documents with personal information should not be tossed in the trash can or stored indefinitely. Many banks and financial institution offer shredding services once a year for their customers free of charge.

Never give personal data over phone – Many scammers will pretend to be charitable organizations, banking institutions or government agencies in order to con you into giving them your social security number, bank account numbers and personal information over the phone.

Communicate with creditors- If you ever find yourself getting behind on your bills for whatever reason, communicate with your creditors often. Inform them of your situation and what you plan to do or not do about the money you owe them.

Protecting Personal Assets

Certain people accumulate wealth by being smart and working smart. Other people inherit generational wealth from their family. And some people obtain wealth through an unexpected windfall. Regardless of how you become wealthy, you will not keep it if you do not learn to how to protect your assets from the risk of loss.

Insurance transfers the risk of a financial loss to the insurance company for a premium. Purchase insurance when you can not afford to sustain a loss.

As you acquire more personal assets, consider raising your liability limits on your personal vehicles to \$500,000 or higher. The cost is minimal compare to the additional level of protection it will provide for you.



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The Circle of Risk - your assets are interrelated by the exposure of risk



For example: What if you were to become disabled as result of an automobile accident and could not work for 9 months or more?

Would it affect your ability to earn an income? Yes or No

Would you have to liquidate your savings to pay your bills? Yes or No

Would you be able to make your mortgage payments? Yes or No

Do you see how one event can affect your different assets? Do you understand how your assets are interrelated?

Umbrella Liability Protection is definitely one of the best insurance values out there if you have or plan on acquiring wealth in your lifetime. The umbrella liability protection gives you extra liability protection over your home, vacation homes, rental property, autos and recreation vehicles.

If you have \$300,000 liability protection on your home, a \$1,000,000 umbrella liability would give you a total of \$1,300,000 of protection.

If you have \$500,000 bodily injury liability on your autos, a \$1,000,000 umbrella liability would give you a total of \$1,500,000 of protection.



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Your Home is one the most valuable investments many people will make during their lifetime. You will not save money by underinsuring your home. In the case of a partial loss, your insurer will not pay you fully unless your home is covered for at least 80% of its replacement value. Many insurance companies require 100% replacement cost.

Auto Insurance -Select the highest deductible you can afford. For older cars with little book value, drop the collision or comprehensive coverage

Life Insurance – Most adults, if they need life insurance, should buy term insurance and do their saving and investing elsewhere. Most financial advisers recommend that the amount of life insurance should be 8 to 10 times your annual income.

Disability Insurance – Your earning power is one of your greatest assets in building wealth. Unless you are covered by an employer, you should have enough to supplement Social Security payments. The only way to save cost on disability insurance is to a take six-month or full year waiting period before the disability benefits begin to pay out.

Long Term Care Insurance – If you have assets of \$700,000 or more (not including your home), it may be wise to purchase long term care to pay for nursing home care, assisted living facility care, and home healthcare.



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Stewardship Habits

Spend your money on purpose, and on paper, before the month begins. Give your money a mission and develop the habit of living on a written budget. Money without a plan is never enough.

Do not spend money to prove to the world you have arrived. Prosper with a purpose. You are more than your bank account and investment portfolio. Meditate on how you can make a difference in your family, your community, and the world. Consider what kind of footprints you will leave the next generations to follow.

Rub shoulders with people who inspire you. Seek out people that are doing what you want to do, or are where you want to go, and learn from them. Be teachable. Become a life long learner.

Share your wisdom with meaningful others. You have learned many things in your life's journey. Mentor someone that could grow from your knowledge and experience. Remember givers gain.

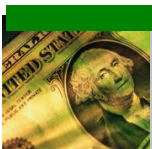
Set financial goals for yourself. If you are married, set shared financial goals with your spouse. Set short term goals (1 to 3 years), medium term goals (3 to 5 years), and long term goals (5 years and longer). If you do not know where you are going you will get there every time.

Develop the habit of saving some money out of each pay check you earn. Learning to be a saver is the difference between people with money and people without money.

Increase your financial IQ. Learn how to manage your money and to make wise financial decisions. Take a class on money management and investing.

Set aside money for 3 to 6 months of living expenses in an emergency fund. Stuff happens in life that we do not plan for. Learn to look around the corner and anticipate life's unexpected events.

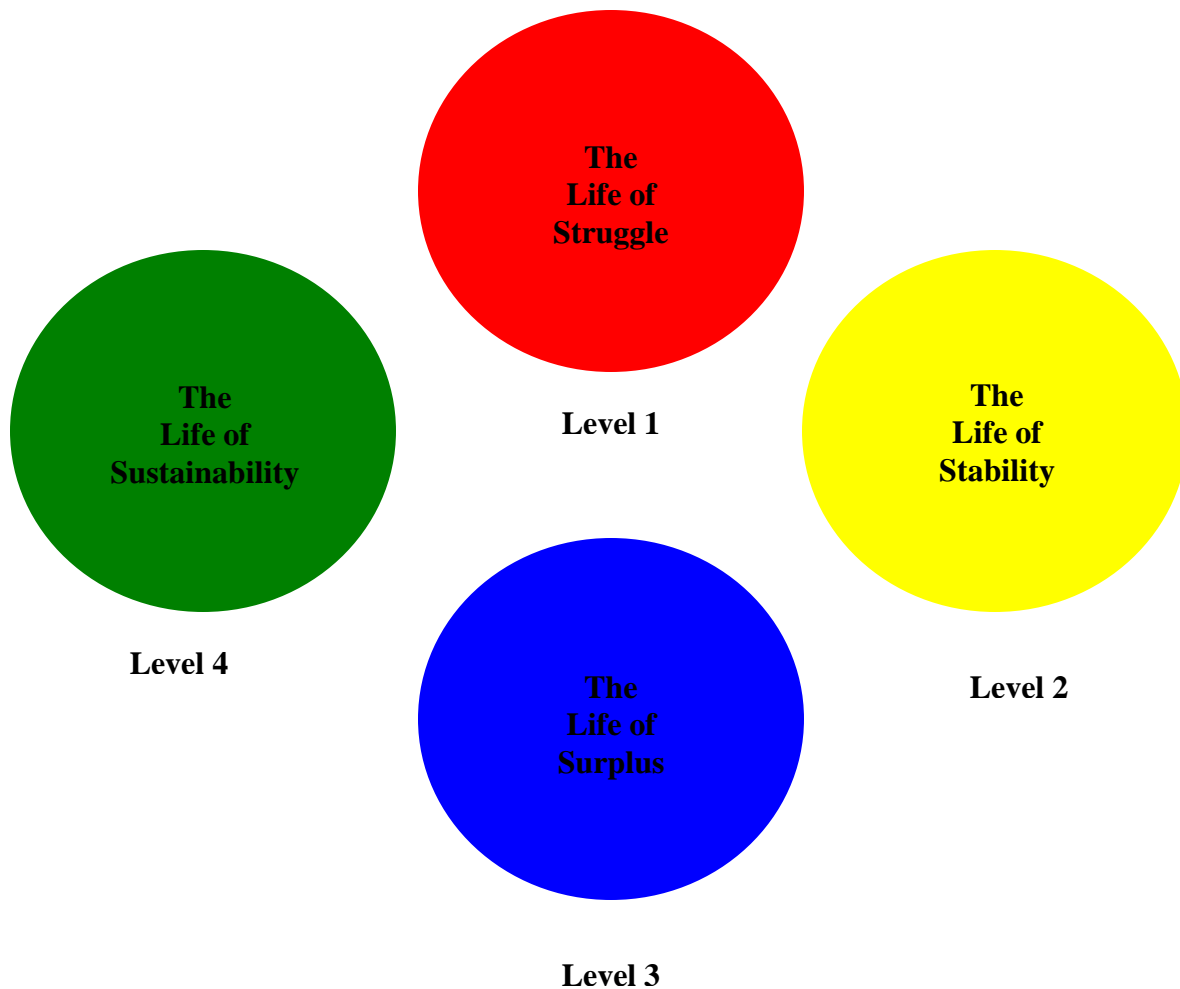
Never invest in anything you do not understand or cannot explain.



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The 4 Levels of Stewards



You have the power of choice. We are created as stewards of our lives. We have a choice of which level of stewardship we want to live in. If you were born in Level 1 stewardship you can choose to move to Level 2, 3, or 4 it's your choice. Consequently, you are going to have to learn some new habits to move into a higher level of living. You will be the same person in five years as you are today except for the people you meet, the books you read, and the choices you make.

In order to achieve new goals or move beyond your present circumstances you must be willing to change.



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Level 1 Stewardship- In the Life of Struggle the lessons you must master to move to the next level of living are:

1. Learn that God is the source of your blessings.
2. Learn to walk by faith and not by sight.

Level 2 Stewardship – In the Life of Stability the lessons you must strive to learn to move the next level of living are:

1. Learn to delay immediate gratification for long term goals.
2. Learn to avoid financial bondage caused by over extending yourself.

Level 3 Stewardship – In the Life of Surplus the lessons you must learn to acquire to move in the highest level of living are:

1. Learn to develop an abundance mentality.
2. Learn to look around the corner and anticipate life’s challenges.

Level 4 Stewardship – In the Life of Significance and sustainable increase the lessons you must command to live a life of purpose.

1. Learn how to say no to the good and yes to the great.
2. Learn how to acquire a servant’s heart.

The Universal Stewardship Principle of Wealth

Take 10% of everything you earn and tithe it. Give to the place of worship, charity, or an organization that speaks to your heart and inspires your soul. You will discover that many of the wealthiest people in the world practice the habit of tithing.



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