



GrowZania
TOWARDS A BETTER YOU!

THE SECRETS TO FINANCIAL INDEPENDENCE AND RETIRING EARLY

in KENYA



Let's get the secret sauce out of the way first





THE SECRET SAUCE
TO FINANCIAL INDEPENENCE
IS QUITE SIMPLE...

YOURSELF

++ TIME

+++ *LOTS OF* discipline



Let's start off with **SOME HOUSE RULES**

- This session is for you





That's the problem with life



**" Things are not quite so
simple always as Black
and White. "**

- DORIS LESSING





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TOWARDS A BETTER YOU!

YOURSELF

CONCEPT #1



WISE QUOTE



**“IT'S NOT YOUR
SALARY THAT MAKES
YOU RICH, IT'S YOUR
SPENDING HABITS.”**

- Charles A. Jaffe





We've all heard the advice
So why is it so hard to save more and spend less?





QUITE SIMPLY...





WE SUFFER FROM PEER PRESSURE, CONSUMERISM, ACCESS TO CREDIT



BUSINESS DAILY

CAPITAL MARKETS

Fuliza loans hit Sh1bn daily during Covid era

TUESDAY OCTOBER 06 2020



THERE ARE ALSO DEEPER REASONS... SPENDING MONEY MAKES US HAPPY, SAVING DOES NOT

1



Disregard the gender choice 😊



FINANCIAL GOALS TAKE A LONG TIME TO ACHIEVE



2

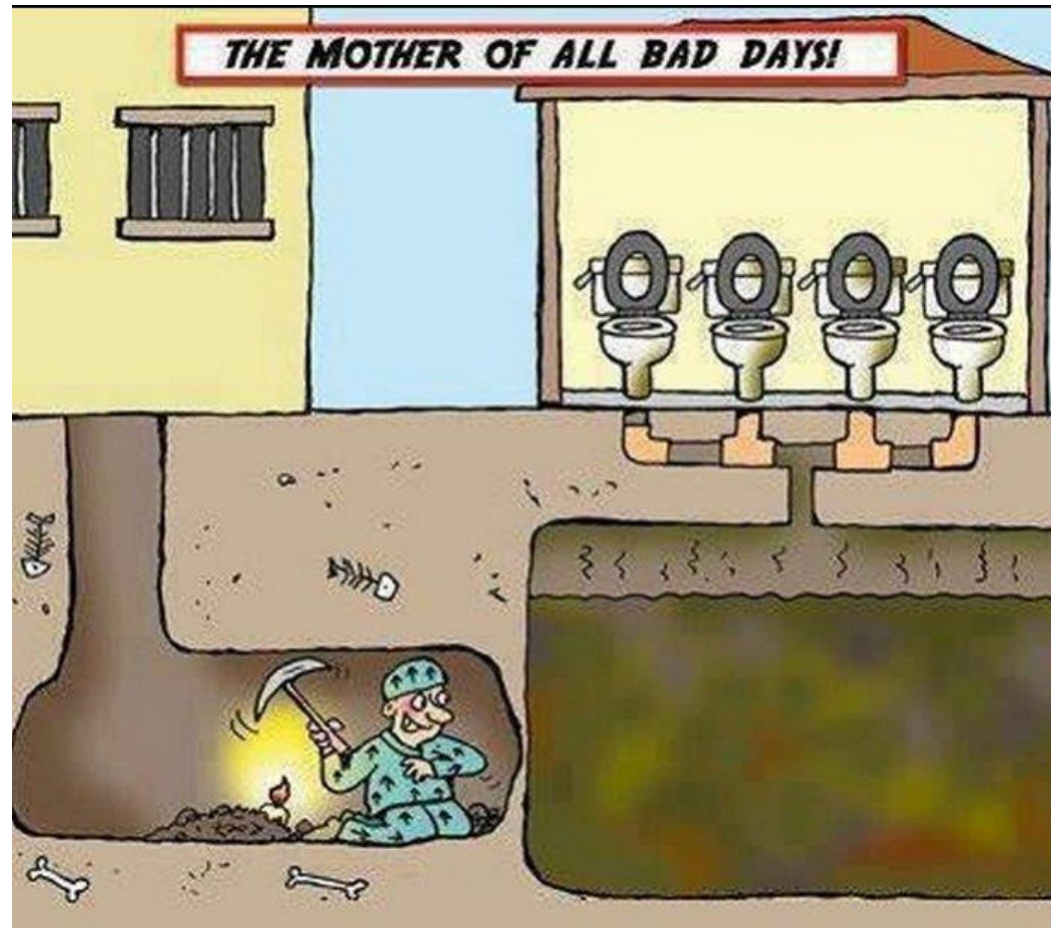




LIFE ALWAYS HAPPENS



3





THE BEST THING WE CAN DO IS TO BE PREPARED

a

SAVING ISN'T AS FUN



b

FINANCIAL GOALS TAKE TIME



c

LIFE HAPPENS





THE BEST THING WE CAN DO IS TO BE PREPARED

a

SAVING ISN'T AS FUN



b

FINANCIAL GOALS TAKE TIME



c

LIFE HAPPENS

LIFE HAPPENS...





Let's MAKE FUN while SAVING

SPEND TIME, NOT MONEY



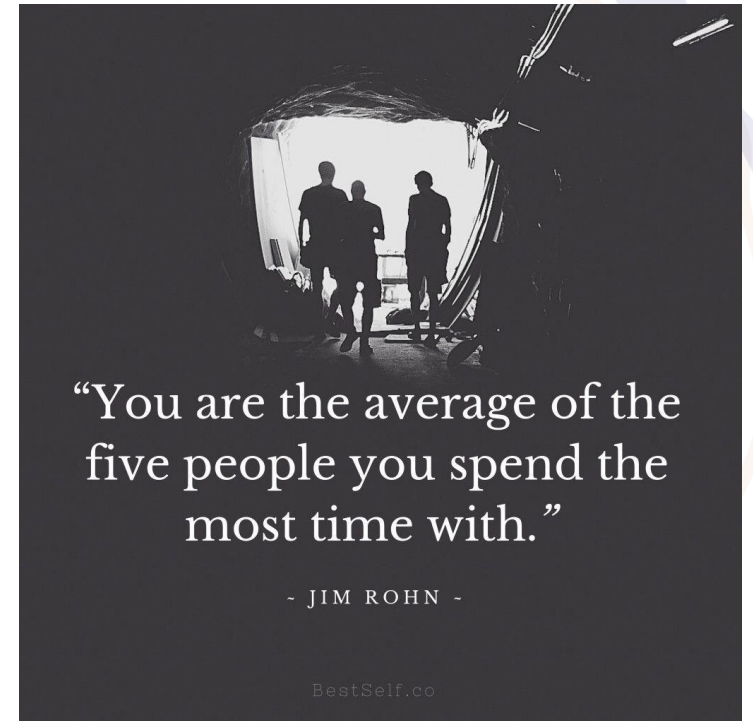
Art
DIY
Music/Movies
Writing
Bike Riding
Drawing
Photography
Volunteering
Be a mentor
Running

All day fun for cheap!

REMIND YOURSELF WHY
YOU'RE DOING IT



SURROUND YOURSELF WITH
LIKE-MINDED PEOPLE



“You are the average of the
five people you spend the
most time with.”

- JIM ROHN -

BestSelf.co



THE BEST THING WE CAN DO IS TO BE PREPARED

a

SAVING ISN'T AS FUN



b

FINANCIAL GOALS TAKE TIME



c

LIFE HAPPENS





A JOURNEY OF A THOUSAND STEPS...

FOCUS ON MICRO-GOALS



To save a million, it is the first 10,000 that counts!

LOOK AT THE CHANGE YOU'VE MADE



REWARD YOURSELF *Carefully*



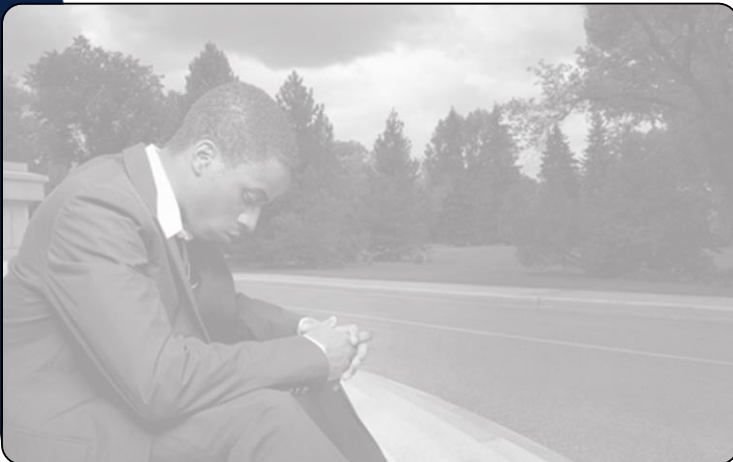
On achieving your micro goals



THE BEST THING WE CAN DO IS TO BE PREPARED

a

SAVING ISN'T AS FUN



b

FINANCIAL GOALS TAKE TIME



c

LIFE HAPPENS





LIFE HAPPENS...

TAKE OUT RISKS



Take the road less traveled

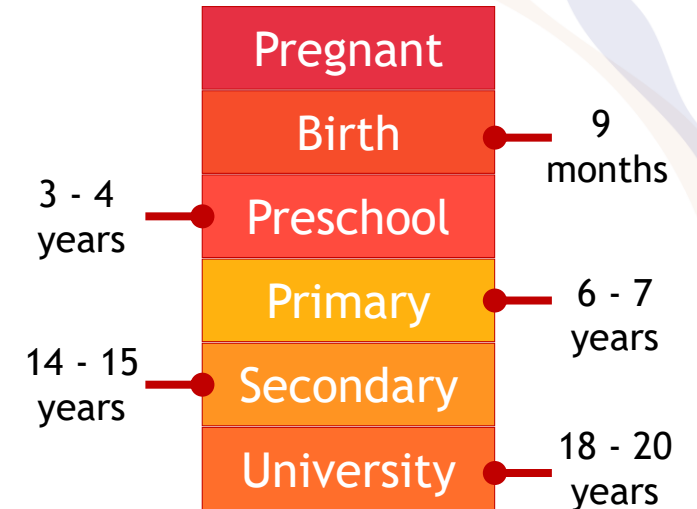
- Don't be ashamed to carry lunch / not have a car

BUILD AN EMERGENCY FUND



3 - 6 months
survival account

PLAN FOR THE FUTURE



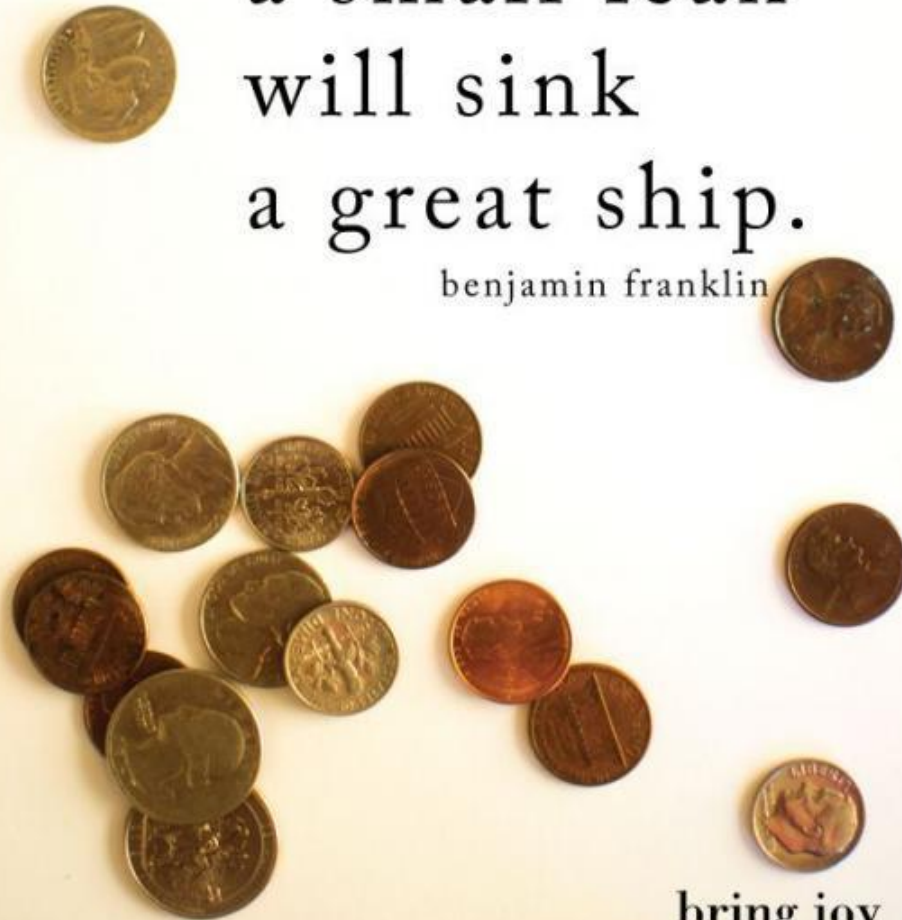
Apply same for other events

- Tires wear out
- Health issues happen
- Death happens



Beware of little
expenses;
a small leak
will sink
a great ship.

benjamin franklin



bring joy





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TOWARDS A BETTER YOU!

TIME

CONCEPT #2



THE 3 WATCHOUTS TOWARDS FINANCIAL INDEPENDENCE

1

MANAGE
EXPENSES AND
CREATE
SAVINGS

2

MANAGE DEBT
EFFICIENTLY

3

GET MORE
INCOME
SOURCES



LET'S GET STARTED

1

**MANAGE
EXPENSES AND
CREATE
SAVINGS**

2

MANAGE DEBT
EFFICIENTLY

3

GET MORE
INCOME
SOURCES



- Rent
- Loans/Mortgage
- Car Insurance
- School fees
- Water
- Electricity

EXPENSES

FIXED expenses

- ★ OCCUR regularly (weekly, monthly, yearly)
- ★ Amounts DO NOT change.
- ★ Amounts are the same each time.

RENT/MORTGAGE CAR PAYMENT PHONE BILL

VARIABLE expenses

- ★ DO NOT occur regularly
- ★ Amounts change according to need, choice or want.

CLOTHES GIFTS VACATIONS

- Clothes
- Gifts
- Black Tax
- Salon/Spa
- DSTV



Plan for where your money should go

"A budget
is telling your money
where to go
instead of wondering
where it went."

Dave Ramsey

Item	Percentage
Savings	10% <i>(minimum)</i>
Everything else	90% <i>(maximum)</i>

- Allocate money for necessities
- Separate needs and wants
- Put your plan into action
- Plan for seasonal expenses (divide by how long you have to save)
- Use financial instruments e.g. Money Market



What if I can't save 10% now?

Time is your friend;
impulse is your enemy.

John C. Bogle

quote fancy

- Make a plan...
- Start with whatever small amount you can put aside today
- Increase it as you clear your obligations / get more income
- Save any bonuses / commissions / windfalls



ON TO THE NEXT ONE...

1

MANAGE
EXPENSES AND
CREATE
SAVINGS

2

MANAGE DEBT
EFFICIENTLY

3

GET MORE
INCOME
SOURCES



Debt is pulling future expenses to today

BUSINESS DAILY

CAPITAL MARKETS

Fuliza loans hit Sh1bn daily during Covid era

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- At 1% daily interest, means Safaricom is making KES 10 million daily



Always aim to have good debt only

GOOD DEBT



Land / Mortgage



Education



Business



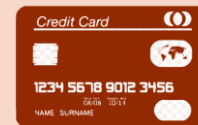
Investing

- Helps you grow in value
- Is within your budget
- Low interest rate

BAD DEBT



Car



Credit card



Mobile loans



Cash advance /
Quick loans

- Funds lifestyle
- To fill expenses gap
- Unplanned and not within budget
- Backed by depreciating asset

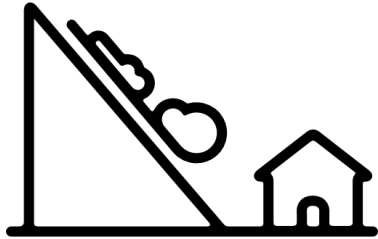


Build your plan to clear your debts in next 3 years

Increase your loan repayments

AVALANCHE METHOD

Pay off debt with highest interest rate first



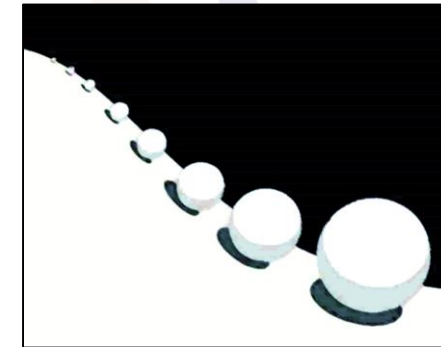
1. Credit card debt at 1.5% monthly (19.5% annual)
2. Mobile loan at 3% monthly (42.5% annual)
3. Car loan at 14% annual

Pay off sequence - 2, 1, 3



SNOWBALL METHOD

Pay off based on size of the loan



1. Credit card loan - 10k @ 1.5% monthly interest
2. Mobile loan - 50k at 3% monthly interest
3. Car loan - 100k at 14% interest annually

Pay off sequence - 1, 2, 3

FACTORS TO CONSIDER

- Interest exposure
- Time value of money





ON TO THE LAST ONE...

1

MANAGE
EXPENSES AND
CREATE
SAVINGS

2

MANAGE DEBT
EFFICIENTLY

3

**GET MORE
INCOME
SOURCES**



Man shall not live on bread alone



1. Telecommunication
Calls / SMS / Data
2. Phone & accessories sales
3. Fiber to the home
4. M-Pesa
5. Partnerships - Fuliza, M-Shwari



1. Banking
Fees / Loans / Investment
2. Investing in businesses (KCB Biashara Club, KCB Lion's Den, etc.)
3. Mobile loans - Fuliza, KCB M-Pesa



What about you?

- Salary only?
- Business only?
- Farming only?



Expand your income sources

ACTIVE INCOME



Earned income

1. From your job
2. From selling your time

Salary

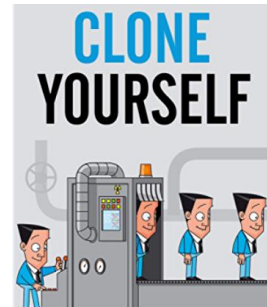
Bonuses

Consultation

Commissions

Profits

Farming



PASSIVE INCOME



Profit income

From buying and selling



Rental income

From renting out property



Dividend income

From owning stocks

Interest income

From lending money or investing



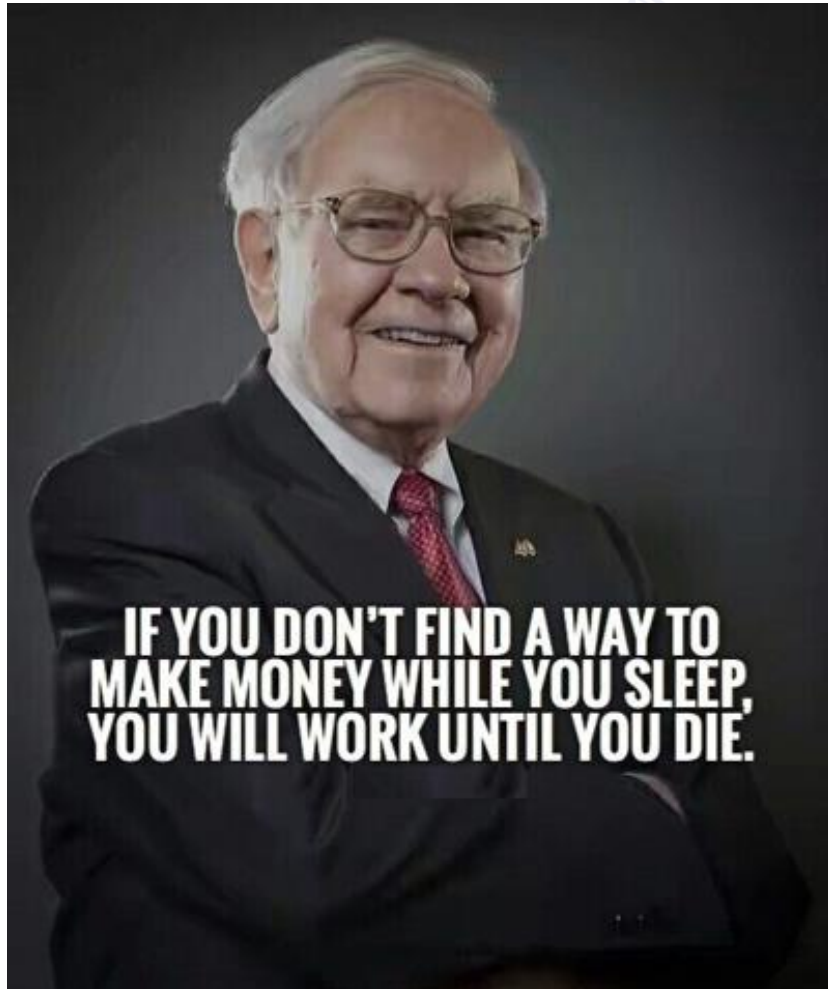
Capital gains

When assets increase in value

CAPITAL GAIN



Find a way to make money while you sleep



- Finding your right balance takes time...
- Start something now... give it time to grow
- Don't fuss on perfecting the plans, just find ways to get started now
- Preferably on something that doesn't require capital - less risk

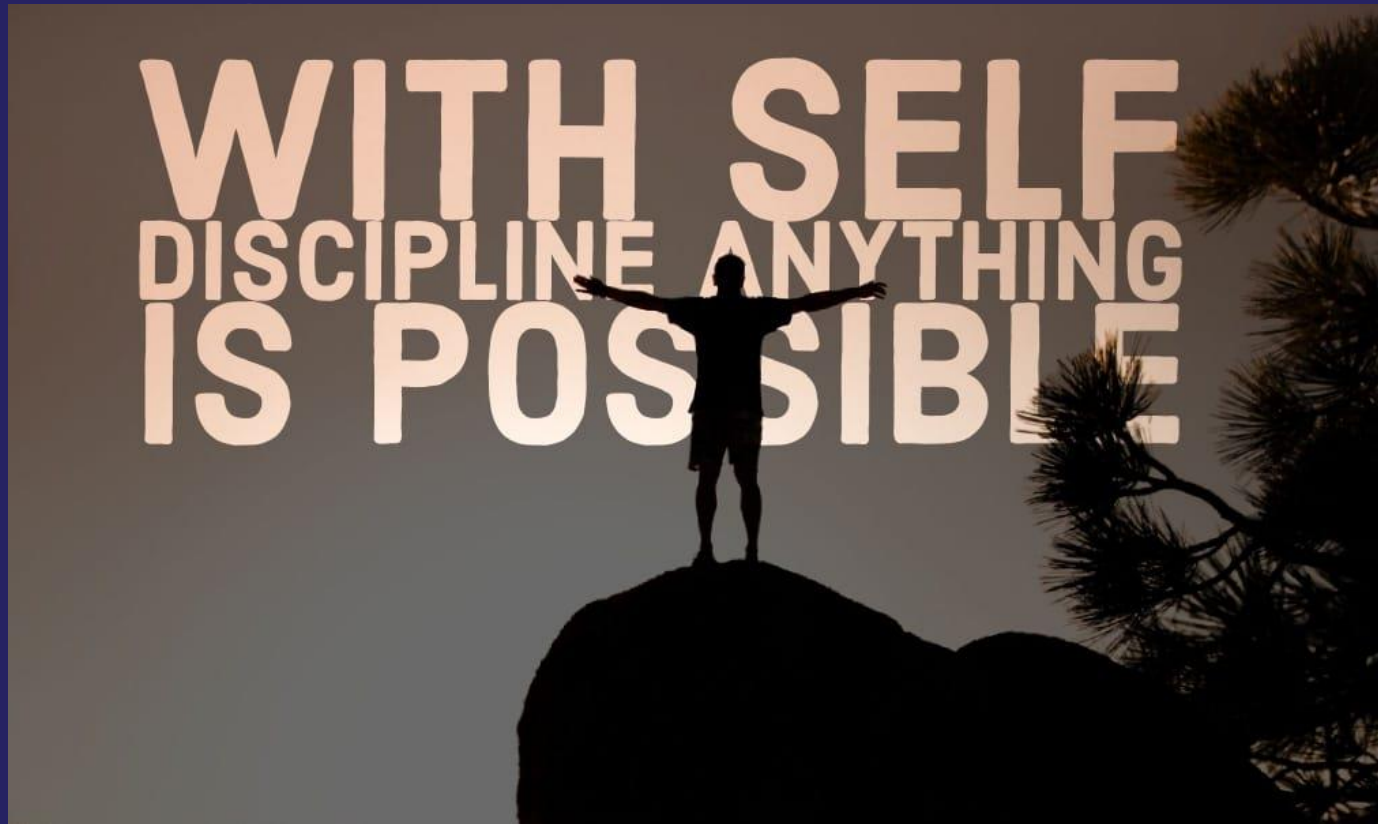


But how do I expand my income sources?



Start with active income and over time, convert to passive income

If you have a salary / other source, invest your additional income to grow your savings



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LOTS OF DISCIPLINE

CONCEPT #3



Self discipline is when your conscience tells you to do something and
you don't talk back.

(W. K. Hope)



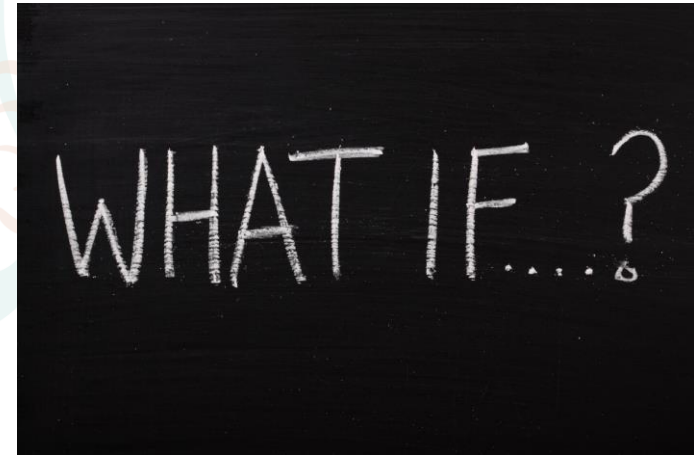
2 simple ways for self-discipline

1



If you have the money sitting around, **you'll definitely spend it.**

2



What if you didn't go out every weekend?

What if you brought lunch to the office?



AUTOMATE YOUR CASH



Reduce your money to a level where it stops driving your decisions

- Understand your money cycle
 - 5th to 5th
 - 28th to 28th
 - 25th to 25th
 - + or - a few days
- Pay all fixed expenses immediately even if you're paying early, there is no harm
Remember to account for occasional expenses - school fees, insurance, etc.
- Put all excess cash away from reach preferably an interest earning savings account with limited access
e.g. money market fund, fixed deposit, etc.



AUTOMATE YOUR SAVINGS



Watch your savings grow...

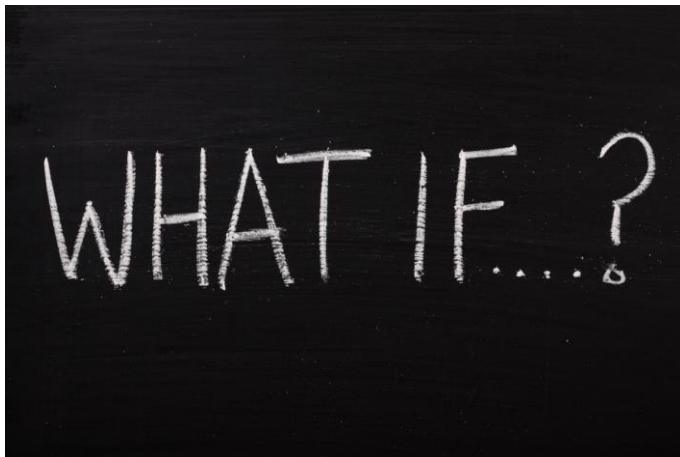
Set targets and reward yourself for each achievement

- **Build an emergency fund**
 - What if you fell sick today?
 - What if you got an accident?
 - What if your tyre burst?
 - What if Magoha gives you 3 days notice to go back to school?
 - What if your employer gave you a pay cut?
- **Build a 'screw you' fund**
 - 3 - 6 months worth of expenses
 - If your employer moves you to another town
 - If your employer lays you off?
- **Build a retirement fund**
 - Start saving up for retirement
 - NSSF will never be enough!



Find your what ifs... and action them

- Review your variable expenses or capital expenses.
- Evaluate whether they are needs or wants
- Be practical and honest to yourself
 - What if you didn't buy a new TV?
 - What if you ate out just once a week?
 - What if you drove to work less often?
 - What if you carpooled?





The aim is not to live a poor man/woman's life,
but to be practical



PERSONAL FINANCIAL FREEDOM

4-week evening course

Live & interactive online course



Every Tuesday at
6pm, starting
November 3rd, 2020

20
scholarships
available... check out
our website tomorrow
for details



THINGS to MAKE (OTHER THAN MONEY)

by @POSITIVELYPRESENT

   **ART** 

 friends

 TIME

 merry 

Love  

 PEACE

 wishes  

BELIEVE 

