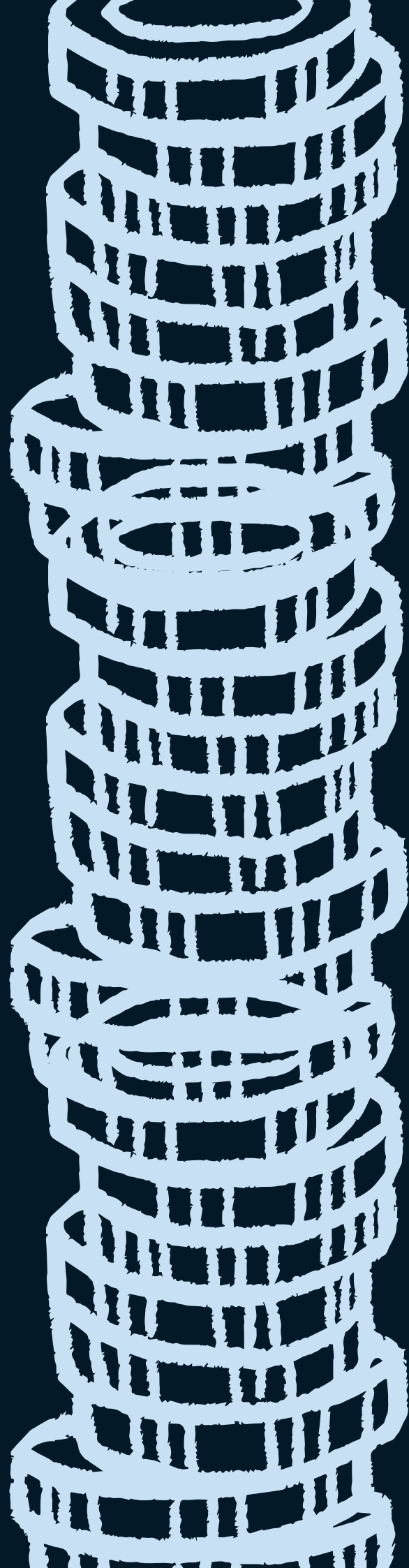


LEPĂDATU RĂZVAN

5K SAVINGS PLAN

FINANCIAL
EDUCATION
WITH NO
#BULLSHIT

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Intro

1. A carefree life begins with financial security.

2. Before you start investing, you need to build three types of budgets:

- ⑤ Why should you invest only after you have these budgets?
- ⑤ The difference between needs and wants: how to organize your budget smartly
- ⑤ How do we handle needs and wants?
 - Needs
 - Wants

3. The fast method and the slow method of consolidating budgets.

- ⑤ Fast method
- ⑤ Slow method
- ⑤ The mix between the Fast Method and the Slow Method

4. What to do if your income is low and you feel like you can't save?

- ⑤ Your income is too low.
- ⑤ Your debt level is too high.

5. The importance of an emergency fund.

6. What do you do after consolidating all three of your budgets?

- ⑤ Protecting savings against inflation.
- ⑤ Consolidating an investment budget.

7. Organizing expenses in a couple.

8. Tips & Tricks for effective saving.

A carefree life begins with financial security.

A safe and stress-free life is all about steady progress, month by month. And the first step to get there is learning how to set money aside. You need that money to build self-confidence, to negotiate job offers from a position of strength, and to stop letting emotions take over every time layoff rumors start spreading. You need **"FUCK YOU MONEY"** so you can choose the things that truly matter to you.

This course won't teach you how to invest your money—it will teach you how to manage your income and expenses so you can actually save money, month after month. You don't need all the fancy methods from the internet, clever tools, or wild financial strategies. Everything you need to know is right here in the lines below.

Remember: a person should be rational, wise, and balanced.

Before you start investing, you need to build three types of budgets:

Safety Budget

This should cover your basic expenses for 3-6 months so you can handle any situation without having to drastically change your lifestyle.

Unexpected Expenses Budget

A reserve dedicated to unplanned situations—such as emergency repairs, medical costs, or other surprises that life might throw at you.

Extreme poorness Budget

This is your final line of defense. You touch it only when the other two budgets are completely depleted.

Be smart. Play with risk in a calculated way.

Because that way, you won't have to liquidate your investments to cover unexpected problems. This step gives you the peace of mind you need to invest wisely and patiently.

The difference between needs and wants: how to organize your budget smartly

Needs are the essential things without which our lives would be significantly more difficult, or even impossible. They are driven by their practical importance and the fact that they cannot be avoided.

Examples of needs:

- Essential appliances (stove, refrigerator, washing machine, etc.)
- A high-performance laptop for work efficiency
- Private health insurance

Wants, on the other hand, are things that provide emotional satisfaction but don't add tangible value to our lives. Often, they can negatively impact our personal budget.

Examples of wants

- A top-of-the-line phone that doesn't bring significant benefits
- Luxury clothes or expensive brand accessories
- Gadgets and impulsively purchased products from online platforms

How do we handle needs and wants?

The strategy is simple: needs always come first, while wants are planned for responsibly.

Needs

These should be covered as a priority. In your monthly budget, you should allocate enough resources to cover at least 70% of the cost of a need from your salary. The difference can be covered by the unexpected expenses budget, as long as you replenish this budget in the following months.

If a need is too expensive for the monthly budget, it should be fully funded from the unexpected expenses budget. In this case, your priority becomes rebuilding the affected budget.

Wants

Wants always come last. You can fulfill them only if, after covering monthly expenses, saving the designated amounts, and covering needs, you have unforeseen money left.

The golden rule: It is forbidden to use any of the three budgets (safety, unexpected, or extreme poorness budget) for wants. Your priority is financial security and achieving long-term goals, not momentary emotional satisfaction.

Smart planning of expenses based on needs and wants helps you build a stable and financially secure life. Don't eliminate wants from your life, but give them the place they deserve: a well-deserved reward, when you can truly afford it.

The fast method and the slow method for consolidating your budgets

The Fast Method

To be able to complete the above budgets, there are only methods that can be applied depending on you and:

- ⑤ Your desire to achieve financial security
- ⑤ The level of your monthly expenses compared to your income

As I mentioned in the title, there is a method that helps you achieve your goals much faster. We will call it the **FAST METHOD**, which will impact your quality of life in the short term but will help you move to the next stage of your life faster, namely the investment stage.

How do you do that?

You need to save at least 40% of your income. I recommend a maximum of 60%.

What will this mean for you? Let's do the back math.

With a monthly income of 1.500 EUR, you will need to save between 600 and 900 EUR each month. If you do this, it will take you between 5 and 8 months to achieve financial security.

However, this will mean keeping your expenses to a minimum, and the quality of your life will be affected.

You will no longer be able to:

- 💰 Go on vacations
- 💰 Buy gadgets
- 💰 Go out to restaurants
- 💰 Smoke
- 💰 Buy brand-name clothes
- 💰 Etc.

From personal experience, I don't recommend this drastic saving measure unless you're already used to saving money, you have an income higher than 1.500 EUR, or your monthly expenses are very low. Otherwise, you'll give up after 1-2 months. 5-8 months feel long when you're working but can't enjoy your money.

Slow Method

As the name suggests, this is a long-term method that will allow you to maintain your quality of life.

If you want to apply this method, you will need to set aside **10%-20%** of your income. Here's how the math behind it will look:

With a monthly income of 1.500 EUR, you will need to set aside between 150 and 300 EUR each month. It will take you between 16 and 33 months to reach your main goal.

Although you will maintain your quality of life, this method is too slow for the world we live in. Inflation will erode your investments much faster than you can save. That's why I recommend the middle ground, the one I used myself.

The combination of the Fast Method and the Slow Method.

The expenses we incur throughout the year fluctuate, making it very difficult to save the same amount of money consistently using the Fast Method. On the other hand, if we only save 10-20% of our income, the process will be incredibly slow and will hold us back from reaching our financial goals in a reasonable time frame.

What you have to do?

See the "Cash Flow" spreadsheet and add all the major expenses (over 200 EUR) you have throughout the year, and it will automatically calculate the amount of money you will need to manage each month.

You will notice that in some months, the available amount will be lower than in others. In those months, it's much more practical to use the slow method. In months when your budget isn't heavily impacted by large expenses, use the fast method.

In this way, you'll consolidate your budget much faster, but you'll only experience months where your quality of life is affected.

I managed to consolidate my budget in approximately 16 months.

What to do if your income is low and you feel like you can't save?

Maybe you're at the beginning of your career or your expenses are too high, which prevents you from saving. Yes, you're in a tough situation, but even now, there are things you can do. **Let's break it down into scenarios, shall we?**

Your income is too low.

In this case, you need to view the next 5 years as a personal project, with goals and standards. A project where you start from the bottom and aim to reach as high as possible. You need to do something to increase your income because you can only tighten the belt so much, and no matter how much you push past that "point," it will drastically affect your quality of life.

When I was a student, I lived on 165 EUR a month. That was the amount my parents could provide during my student years. From that amount, I managed to save 40 EUR every month. After finishing university, I got a job with a salary of 250 EUR, and I was still able to save 40 EUR. **(I had a car, and because of that, sometimes I felt like I was working just to afford getting to work.)**

After 1 year and 6 months, I moved to another position. My salary increased to 745 EUR, and over the next 3 years, it doubled.

From this story, I want you to remember that the habit of "saving" is just that — a habit. Depending on your income, only the amount will change, but the habit itself remains the same.

If you don't have high income, even 10 EUR is a great amount to start with. Do this until saving becomes second nature to you, to the point where you'll even feel bad if you don't do it.

At the same time, you will need to learn, accept career opportunities, develop yourself, and do whatever it takes to increase your income.

Your debt is too high

This puts you on pause when it comes to consolidating your three budgets. A debt is like a stone pulling you down with every step. It's not something you want in this situation. There are good debts, but only when it comes to different sums.

Let's break it down based on the type of debt:

Debts to friends or family:

These are the debts that affect your reputation more than your budget. Why should you repay them? Well, as long as you owe money to friends or family, it will be hard to walk around with your head held high. You won't be able to buy anything without those people reminding you that you still owe them. So, pay your debts and be free.

A shopping card debt

If these debts have too great of a financial impact on you, I'm sorry to hear that. The smartest thing for you would be to see if you can save any money alongside your monthly credit card payments. If not, continue to pay off your credit card debt, and **DO NOT PURCHASE ANYTHING USING IT.**

Cutting back on unnecessary expenses is essential when dealing with credit card debt. Focus on paying off the balance and avoid accumulating more debt. This will eventually free you from the financial strain and allow you to rebuild your budget and your financial health.

That card won't make you poor, but every month, you'll be a little less wealthy.

Personal loan debt

Well, this is the type of loan with a very long repayment term. I hope the interest rate you borrowed at is favorable and that any fluctuations in ROBOR are gentle on you.

Pay as much as you can from the **PRINCIPAL** in advance.

Do not refinance.

Yes, the monthly payment will decrease, but you will restart the 30-year cycle from the beginning. Remember, the bank never loses money. Every service they offer is designed to keep you in the system as long as possible and to make you pay them as much as possible. You don't want that.

The importance of a contingency budget (Unexpected Expenses Budget) for expenses that arise unexpectedly.

You have 40 EUR left and 7 days until your salary is deposited into your account, and you've realized you need a few things for the house that are necessities, not wants.

How do you proceed correctly in this situation?

Well, by now, you should already have the three budgets (Safety, Extreme poorness, and Unexpected Expenses) consolidated. Now, we will focus on the emergency expenses fund, which is your money reserve, your way of NOT depleting your safety fund in situations like this.

The solution is simple and boils down to just 3 actions to follow:

- ⑤ You break down the situation thoroughly and think about the things you absolutely can't go without until your salary arrives.
- ⑤ You buy strictly those things and nothing else.
- ⑤ On payday, the first thing you do is to replenish that fund. You will need to adjust your expenses in such a way that this situation doesn't happen again.

We'll talk more about this during the consultation session.

The idea is that if you end up in such situations, it means something didn't go well in your monthly expense forecasting process. **So, what should you do here?**

And this is simple too. Here's what you need to do at your next expense budgeting session:

- ⑤ You take a quick look around the house, figure out what you're missing, and budget for everything. This way, there will be no more surprises.
- ⑤ You think about what went wrong in last month's forecasting and increase that category's budget. This means you were overly optimistic and it backfired. Over time, this won't happen again.
- ⑤ You increase the emergency spending fund so that it can cover anything unexpected.

What do you do after you've consolidated all three budgets?

When you reach this stage, I want to congratulate you — truly. I promise you, it will feel incredible! At that point, you'll have your F**k You Money. You won't be tied down by a job with toxic bosses, and if you're ever threatened with being fired, you won't make an emotional decision. You'll be able to negotiate your exit on your own terms.

But because life is a continuous process, you will need to move on to the next stage.

This stage has two main steps:

- ⑤ Protecting savings from inflation.
- ⑤ Consolidating an investment budget.

Protecting savings from inflation.

Inflation gradually reduces the purchasing power of your savings, making it crucial to protect them.

However, you can't completely immobilize your money or invest your savings in something that could result in losses.

Here's what you can do instead:

- ⑤ **Consider inflation-protected assets:** Look into options like Treasury Inflation-Protected Securities (TIPS) or inflation-linked bonds, which are designed to keep up with inflation.
- ⑤ **Certificates of Deposit (CDs):** CDs are a low-risk option where you lock in your money for a set period, typically earning a fixed interest rate. The longer the term, the higher the interest rate, but your money will be inaccessible until the maturity date.

There is a high chance that the returns from these measures will not surpass inflation, but compared to simply keeping your money under the mattress, it is much better. You won't win big, but you'll lose less.

Why I don't recommend investing this money in gold, stock indexes, etc.? Because it depends on the moment you invest. It's said that the S&P500 generates an average return of 8-10%. In reality? You might see an 8-10% increase after a few years. (Look at the charts).

Important!

These funds represent your safety net, not money for investments. Once you've consolidated all three budgets, the next step is to start working on your investment fund. Only from that money will you be able to invest in whatever you want. Your savings should be as liquid as possible.

Why only then?

This is part of Risk Management.

What's the first thing you'll do when you need money urgently? Well, you'll likely liquidate your investments. And most likely, you won't do it at a time that's favorable for you. More on this in the next chapter.

Building an Investment Budget

Whether you want to invest in the stock market, crypto, businesses, or personal ventures, you need money. By now, you have a safety net that allows you to take risks and learn from mistakes without crashing down, so all that's left is to continue saving and building up funds for your investments.

You can continue saving at the same rate as before, or maybe you'll want to enjoy life a bit more. Money is no longer an issue now. The only question left is where to invest it.

Open your eyes to opportunities, seek them out, and put them into practice.

Ask yourself every day: **How can I make more money using the money I already have?**

Organizing expenses in a couple

Life as a couple is a big benefit for budgeting and saving. But this only happens when the following situations are met.

- ③ Both of you have the same goal.
- ③ You have your money together.
- ③ You have a similar approach to needs and wants.

Since both of you are salaried, pooling your money together propels you from an income of 1.500 EUR per month to 3.000 EUR per month, and in this case, everything becomes easier for you.

Living on 1.500 EUR per month is more than acceptable. And with 1.500 EUR per month, you will reach your goal in a little bit more than 3 months. 3 months of sacrifice for a calmer life is a good deal. I practice it myself and wholeheartedly recommend that you do it too.

Here are a few more reasons why living as a couple is a good financial decision:

- ③ The combined income drastically changes the financial impact of expenses. A rent of 500 EUR represents 33% of a 1.500 EUR income, but only 16% of a 3.000 income.
- ③ Rarely can food be prepared for just one person. Where one eats, two can just as well eat. This way, you won't be wasting money.
- ③ You have a trustworthy partner on this journey, a partner with whom you will build and grow.

However, if you don't share the same vision regarding money, sparks may fly, or you might end up building a sandcastle. Before starting the journey, you'll need to have a difficult conversation, reach a common understanding, and make a plan TOGETHER that both of you will commit to.

Tips & Tricks for efficient saving:

- 💰 You align the rent payment with your salary and add a 5-business-day buffer to avoid any stress. **How do you do that?**

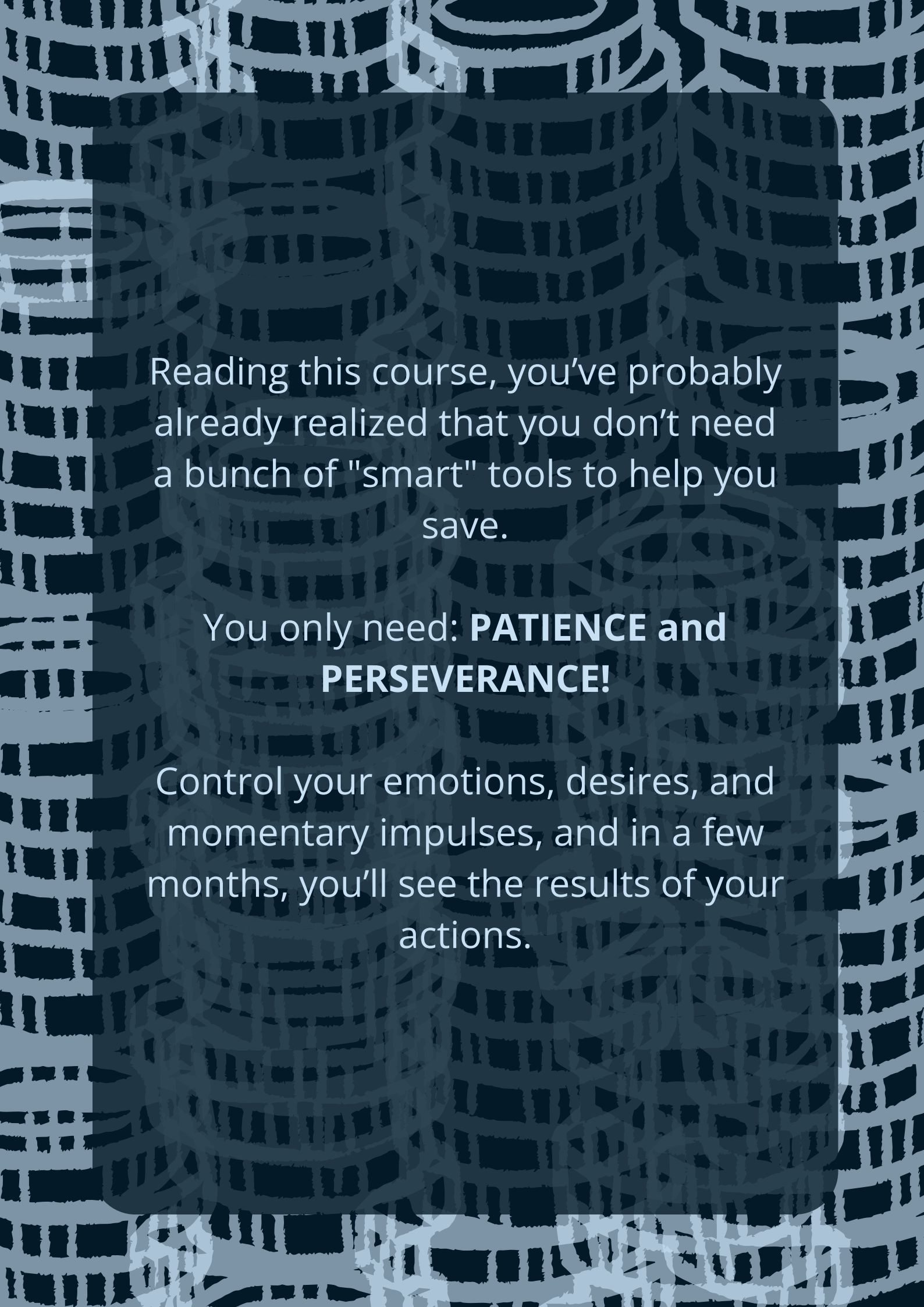
Well, either you introduce an annex to the lease contract if you've already signed it, or, if you don't want to complicate things with contract annexes, you can talk to the landlord and send them an email with your proposal. Don't forget to ask them to confirm the acceptance of your proposal in writing, via email.

- 💰 Don't buy food for more than 2 days, otherwise, you risk throwing it away and, basically, throwing money in the trash.
- 💰 Go shopping with a full stomach and a shopping list prepared; don't deviate from it.
- 💰 If you have a car, it will cost you the most money, but you can plan ahead. Check when your mechanical check up, road tax, and insurance expire and divide the cost by 3 months. That's the amount you'll need to set aside, starting 3 months before the expense, to make everything easier for you.
- 💰 Exchange your money into foreign currency every time you save. For starters, keep the cash because:

- 💰 You need to visualize the "amount" of money that passes through your hands.

- 💰 It will be harder for you to spend it, as you'll need to go to the currency exchange, convert it back to RON, and then spend it. This will give you time to think, helping you realize whether you truly want that thing or not.

- 💰 Don't use shopping cards and don't buy anything on installments. They might seem helpful, but in reality, they lead you into a financial hole, because at the start of each month, you'll be less wealthy than you could have been. Use your budgets to pay everything in cash, if necessary. You'll be broke for a month or two until you rebuild your budget, and if you want to treat this as an investment, save a small part every month until you can buy it.
- 💰 **Save at the beginning of the month. THIS IS THE MOST IMPORTANT THING.**



Reading this course, you've probably already realized that you don't need a bunch of "smart" tools to help you save.

You only need: **PATIENCE** and **PERSEVERANCE!**

Control your emotions, desires, and momentary impulses, and in a few months, you'll see the results of your actions.

Pentru că vrei să îți construiești bugetele "F*CK YOU", eu vreau să îți vin în ajutor.

Scan the QR code and let's work together on your future.



#NOBULLSHIT!