

## Reframing Finance: Think Rich, Don't Spend Rich

### Terminology

- **Budget Mentality** - Income/Expense Mindset; Money Controls You!
  - **Income** - Anything that adds money to your bank account
  - **Expense** - Anything that pulls money from your bank account
- **Investment Mentality** - Asset/Liability Mindset; You Control Money!
  - **Asset** - Anything that benefits the 8 dimensions of one's wellness
  - **Liability** - Anything that harms the 8 dimensions of one's wellness
- **Effective Tax Rate** - The average tax rate an individual/families pays
- **Marginal Tax Rate** - The tax rate individuals/families pay per tax bracket
- **Tax credit** - Applied to tax bill directly, more powerful than tax deduction
- **Tax deductions** - Applied to taxable income; indirect tax decrease

### Tips:

- What "investments" are you spending your money on?
  - Are there alternatives you could do to increase your wellness?
    - Ex: Making coffee at home instead of going to Starbucks
- Do you operate with a scarcity mindset(hoarding money in a bank) or do you operate with a growth mindset(learning new skills to grow your wellness)?
  - How can you empower yourself with a growth mindset? BE THE DAWG!
- Research Tax Credits and Deductions and ask yourself if there are any you qualify for and can take advantage of
  - Are you leaving any free money on the table that you deserve?
- Although only a select few, which sources of nontaxable income can you take advantage of?

### Reference Links:

12 Top Sources of Nontaxable Income: <https://bit.ly/3w9x9yt>

IRS Tax Credits and Deductions: <https://bit.ly/3L2va4w>

Sample "Investment" Plan Maker: <https://bit.ly/38hiitH>