



# Profit First Guide Financial Foresight

# Profit First

The "Profit First" system by Mike Michalowicz is a cash management system that prioritizes profitability and financial health by allocating income into separate accounts.

This plan will help you manage personal finances efficiently based on a \$90,000 annual income.

This plan is the framework for what we do in Financial Foresight in order to stop our anxiety and start our calm action.

Here's how we will implement this strategy:

# Profit First

## Profit First Personal Plan

### Step 1: Determine Profit First Percentages

Based on "Profit First," you will allocate your income across several categories. Here's a suggested breakdown, which you can adjust according to your personal needs:

**Profit: 5%**

**Owner's Pay (Personal Expenses): 55%**

**Taxes: 15%**

**Savings/Investments: 10%**

**Debt Repayment: 5%**

**Charity/Fun: 10%**

# Profit First

## **Step 2: Account Setup**

Create separate bank accounts tied to these categories to manage and allocate funds as outlined:

**Profit Account**

**Personal Expenses Account**

**Tax Account**

**Savings/Investments Account**

**Debt Repayment Account**

**Charity/Fun Account**

# Profit First

## **Step 3: Monthly Income Allocation**

Based on a \$90,000 annual income, your monthly income is \$7,500.

**Here's how you can allocate it:**

**Profit: \$375**

**Owner's Pay (Personal Expenses): \$4,125**

**Taxes: \$1,125**

**Savings/Investments: \$750**

**Debt Repayment: \$375**

**Charity/Fun: \$750**

# Profit First

Profit First			
Category	Percentage	Monthly Allocation	Notes
Profit	5%	\$375	Use for future growth or bonus
Owner's Pay	55%	\$4,125	Cover all personal living expenses
Taxes	15%	\$1,125	Save for tax obligations
Savings/Investments	10%	\$750	Build long-term wealth
Debt Repayment	5%	\$375	Reduce outstanding debts
Charity/Fun	10%	\$750	Donations & leisure activities

# Profit First

## **Weekly To-Do List**

### **Review Income and Expenses**

Ensure all income has been correctly allocated according to the percentages.

### **Profit Allocation**

Transfer monthly profit percentage to the Profit Account.

### **Check Accounts**

Verify all account balances and address any discrepancies.

### **Adjust Budget if Necessary**

Based on current expenses, adjust allocations if necessitated by major life changes.

### **Weekly Reflection**

Reflect on financial decisions for the week, noting any adjustments for personal spending behavior.

### **Plan for Taxes**

Review tax account to ensure sufficient funds, adjust if necessary.

### **Charity/Fun Activity Check**

Plan how you'll utilize funds for charity/giving and leisure for the week.

### **Goal Review**

Check your savings and debt repayment progress. Make sure you're on track with your monthly strategy.