

A close-up photograph of a woman with dark curly hair laughing joyfully. She is wearing a white blazer over a dark top. In the background, another person's face is partially visible, smiling. On the wooden table in front of her, a smartphone lies face down, showing the time 12:31. The overall atmosphere is one of happiness and success.

One of many™

4 Stages of Wealth

*Assess your financial situation, and identify
your next best step on the path to financial freedom.*

When you're trying to get a handle on your finances, it can be hard to know where to start.

- Should you be plugging the gaps in your daily spending: cutting back on those pricey coffees and resisting the lure of that tempting “buy now” button?
- Or is it more important to focus on earning more? If you’re employed, is it time to look for a better-paid role, or broach the topic of a payrise? If you run your own business, is it time to consider more advertising, raise your rates, or find different clients?
- Or does investment hold the key to unlocking your financial freedom... and incomings and outgoings a far smaller issue compared to getting your money “working for you”

It’s so hard to prioritise. When each aspect of your finances is connected to every other part, a lot of us end up trying to do it all. And the upshot is, we find we’re not really moving the needle at all.

The fact is, there’s no one answer that fits everyone when it comes to shifting your finances. But there **IS** a right answer for you. When you know what stage you’re currently at, you can figure out the correct next priority for you.

The 4 stages of wealth is a simple model that will help you do just that.

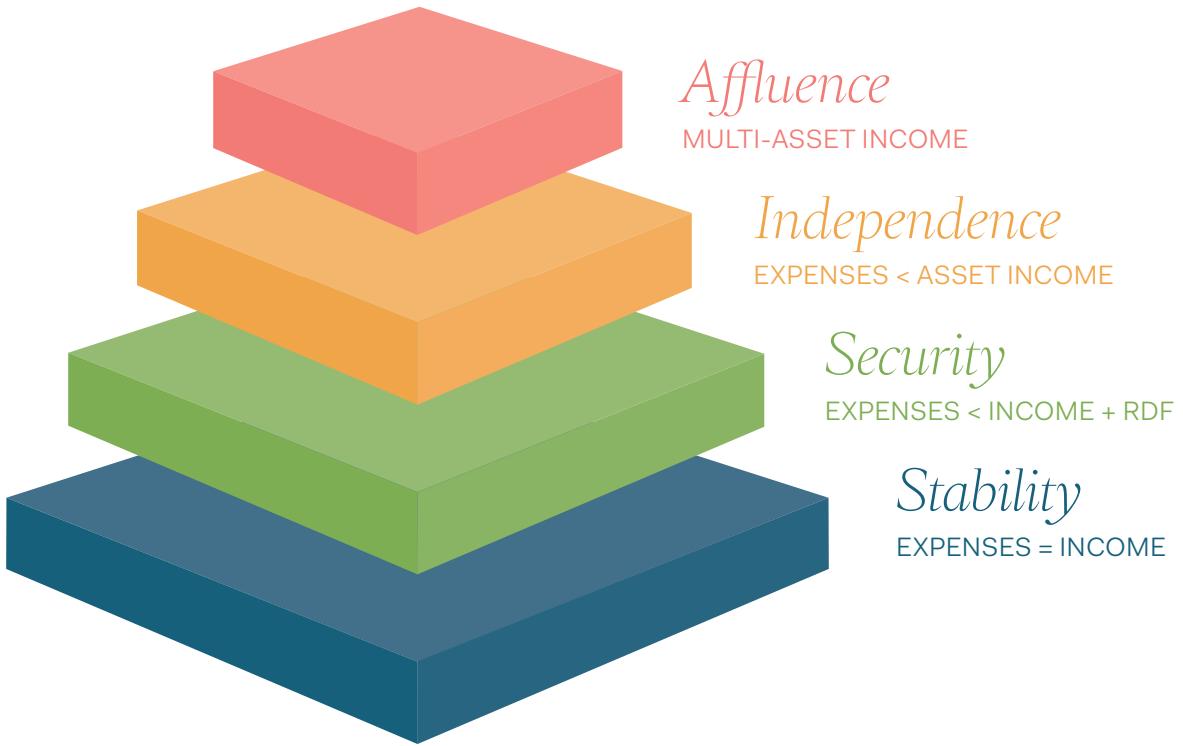
In this guide, I’ll walk you through the different stages so you can see which one best describes your current financial situation. Then, I’ll explain what action you need to take to move you up to the next level so you can continue on the path to financial freedom.



Joanna Martin

FOUNDER, ONE OF MANY™

The stages of wealth



Which stage best describes your situation?

Stability

EXPENSES = INCOME

Let's say you work for a salary of £30,000 per year, and your living expenses come to £30,000. That tells you you're at stability. Your earnings equal your outgoings.

At the end of each month, you've got nothing left over in the bank account, but your expenses and your income are steady. You're not going deeper into debt, but you're not saving anything either.

Security

EXPENSES < INCOME + RAINY DAY FUND

If you're earning £50,000 and your expenses are £40,000 per year, you're probably at security.

Your expenses are covered by your earned income, with a little bit left over.

At this stage, your family has a "rainy day" fund that means you've got the money in the bank to cover your expenses if something unexpected happened. That might be enough to cover living expenses for 3-6 months. It depends on what feels comfortable for you. You've also got relevant wills and insurances in place to make sure you're covered in the event of an unexpected emergency.

Independence

EXPENSES < ASSET INCOME

This is the "financial freedom" which a lot of us find hard to define. We describe it very simply: At this stage, whatever your living expenses are, they're covered by the money generated by your assets – like income from property, dividends from shares, or profit from businesses that you don't have to work in.

Any amount of money you earn is a bonus because at this level, your living expenses are covered by your asset income. In other words, once you reach financial freedom, you don't have to work any more to maintain your standard of living: your investments will cover your day to day costs.

Affluence

MULTI-ASSET INCOME

The final stage of wealth is affluence. As with independence, all your living expenses are completely paid by the income from your assets.

But more than that, this is the point at which you begin to diversify – to invest in lots of different asset classes. You can see and feel the tangible difference you can make with your spending and investment choices.

At this stage, you begin to understand entire markets and the part we can play in them.

What if you don't have stable finances?

You might be reading this thinking “Jo, that’s all well and good – but I’m not sure I’m on the pyramid at all!”

Maybe you’re a self-employed person experiencing “feast and famine”, your expenses seem to vary wildly, or you’re just not sure what your finances really look like.

First of all, you’re not alone! We call this level **Instability**. Many of us find ourselves here on occasion before we start the conscious journey of evolution up the pyramid.



What's your next step?

WHICH STAGE OF WEALTH ARE YOU AT RIGHT NOW?

WHAT'S THE NEXT STAGE OF WEALTH FOR YOU?

Now let's talk about how to transition from stage to stage.

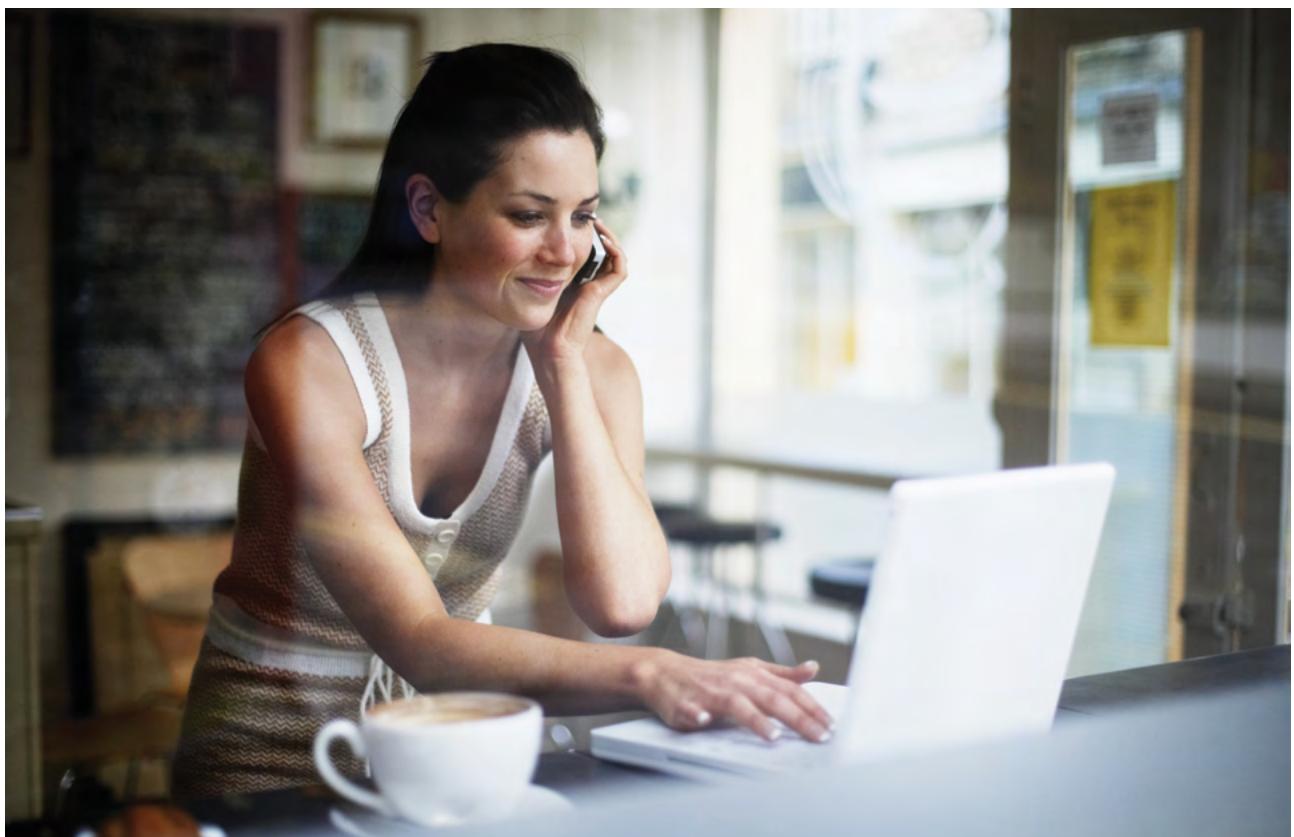
The first point it's important to note is that each transition requires learning a lesson. Not just learning it intellectually but really getting it, and bedding it in to how you live your life. At each transition point the lesson is different. In fact - if you don't upgrade the lesson you're applying, you'll get stuck at the level you're at.

Transition from Instability to Stability

The key to making this first transition is accountability.

Accountability has many aspects to it:

1. **Measuring everything:** This means tracking exactly what all of your incomings and outgoings are. Basic budgeting and allocations are necessary to achieve spending less than you earn.
2. **Being accountable to yourself** for earning the income you need to meet those expenses. This might mean getting a job, making sales, registering for benefits, or sourcing some other form of income support.
3. **Being accountable to someone else.** At this stage we often break the promises we make to ourselves about spending, or doing what we need to do to get earning. Having a buddy or coach to help hold you to account is a good idea.



Transition from Stability to Security

If you're at this stage...

The next step for you is security. That's where you don't just have your expenses covered by what you're earning – you have wills and insurance in place, and a "rainy day fund" (RDF) in place, that means your family's covered in the event of an emergency.

The exact amounts will be different for everyone. But the way you'll get to the next stage is the same: increasing your income.

The way to increase your income is by finding your flow.

- When you get into flow, you'll be doing things that you're naturally good at. It will harness your natural talents. This means the value you provide for others will increase, and you will therefore attract more income (either by way of pay rises, promotions or more sales if you're running your own business).
- It could also mean tapping into a bigger flow of money by finding work aligned with businesses or organisations where the money is flowing freely. This might be moving company if you're employed- to go somewhere your talents are of more value. Or if you're in business, it might be partnerships with key organisations that generate great financial flow through your organisation.



Transition from Security to Independence

If you're at this stage...

Just earning more might have got you to this point, but it won't help you shift to the next level. This is where many of us get stuck: we keep applying the rules that have got us where we are, not realising that a new approach is needed for this new stage.

The key to achieving independence is investment:

- Investing in assets which can generate you money;
- Or perhaps investing in teams or systems to run your business for you, so that you no longer need to be actively involved...

For many of us, [the first step to that is investing in our own education](#) so we can feel confident about making those decisions wisely for us and our families.



Transition from Independence to Affluence

If you're at this stage...

When you've reached financial independence, you've already figured out some significant pieces of the financial puzzle. You've found work that allows you to leverage your skills and energy and generate the wealth that allows you to comfortably cover your expenses, and you've been able to skilfully manage that wealth to allow it to grow and generate more money.

Getting to the final stage of the pyramid is all about balance.

- You learn how to balance different kinds of asset- diversifying your portfolio so that it's secure irrespective of what happens in the market
- You become the master of reading your balance sheets which tell you what's going on in your finances.
- You also learn to balance your own time and energy, so that you're really living your life in a way that reflects your deepest values (of course this should happen at each stage really).
- You'll master the art of spreading risk and focusing your energy on the areas which will have the biggest impact – and begin to understand the potential to play a part in global challenges and opportunities, spreading your impact even further.

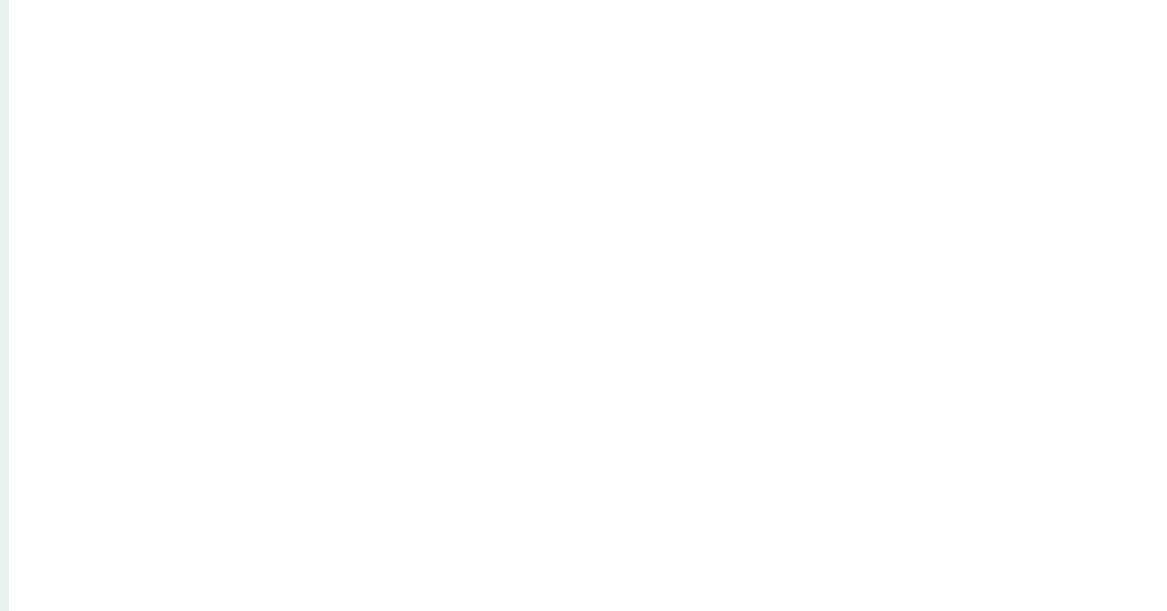


What do you need?

WHAT IS IT YOU NEED TO GET TO THE NEXT LEVEL?



IN THE NEXT TWELVE MONTHS, WHAT'S THE BIG THING YOU KNOW YOU NEED TO DO TO CHANGE YOUR FINANCIAL CIRCUMSTANCES AND BE IN A PLACE WHERE YOU'RE READY TO MOVE TO THE NEXT STAGE?



Take action today

Finances can bring up all kinds of emotions and triggers for a lot of us, and it's not surprising to find that there's a temptation to "stick our heads in the sand" and ignore what's going on.

Looking at wealth in stages like this helps us understand where we're at without judgement or emotion, but simply as a stage on a journey.

For a deeper insight into the stages of wealth, and how to learn the lessons of each stage join us at our Wealth Insights training. It's a 4 hour tour-de-force into what really holds you stuck around money- and how to fix it.

See all the details here:

oneofmany.co.uk/wealth-insights



Join us at Wealth Insights

You'll learn:

- Why the “do what you love and the money will follow” thing is a huge, dangerous myth.
(If you’ve ever heard that old adage, followed it and found yourself doing what you love but broke - this alone will be worth the 4 hours!)
- What we can learn from the poorest of the poor to apply in our daily life to unleash wild abundance.
- How to use the Energy Outcome Matrix to understand exactly how to turn your energy into money.
- The natural advantages women have in their approach to money and why Lloyds Bank research shows we make better long term financial decision makers.
- The 5 Women’s PowerTypes™ we can use as we play the money game, so that we don’t burn out, get divorced or give up!
- The 3 biggest excuses we use every day to hold us back from our financial power, the truth behind them and how to effortlessly transform them.

The entire curriculum is delivered in a safe, supportive and loving women-only environment. So you can feel free to ask your “silly” questions without judgment, share from the heart and know your secrets are safe with us!

Go to the website now to find upcoming dates and times:

oneofmany.co.uk/wealth-insights

We look forward to meeting you in person at an event really soon.

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