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proven money  
management tactics

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long-term plan

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choices that cause  
financial stress



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Author of *Financial Security  
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**with Bob Carlson**



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# Money Management Essentials

**by Eric Tyson, MBA**  
with Bob Carlson

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# Money Management Essentials For Dummies®

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# Introduction

**M**ost people value financial security and independence. In this book, I help you consider what being financially secure and independent means to you. Then I show how you can manage your money to attain your personal and financial goals (most people have more than a few!).

Unfortunately, your financial well-being can be undermined by things outside of your control. Upsetting events include macro-events like the COVID-19 pandemic (2020) or financial crisis (2008), or individual life changes or personal crises, such as job loss, divorce, caring for elderly parents, and so on. Throughout this book, I share ideas that help you ride the economic roller coaster without losing your hat.

## About This Book

This book provides the know-how you need to feel more confident about managing your money. It covers the essentials of sound personal financial management: living within your means, building a financial safety net, saving and investing in wise, proven investments, and securing catastrophic insurance.

You can read this book from cover to cover if you want, or you can read a particular chapter or part without having to read what comes before it. Handy cross-references direct you to other places in the book for more details on a particular subject.

## Foolish Assumptions

Whenever I approach writing a book, I consider a particular audience for that book. Because of this, I must make some assumptions about who the readers are and what those readers are looking for. Here are a few assumptions I've made about you:

- » You want the best for you and yours and would like to make the most of your money. While you understand that there

are no guarantees, you'd like to best prepare your financial situation to weather a wide range of adverse conditions.

- » You'd like to be able to make smarter money-management decisions when news and information hits, especially in the midst of a crisis.
- » You'd like to be positioned to be able to invest at least some of your money when otherwise attractive investments have declined in value.

If any of these descriptions hits home for you, you've come to the right place.

## Icons Used in This Book

The icons in this book help you find particular kinds of information that may be useful to you.



TIP

This icon points out something that can save you time, headaches, money, or all of the above!



REMEMBER

This icon flags concepts and facts that I want to ensure that you remember as you make personal finance decisions.



WARNING

With this information, I try to direct you away from blunders and mistakes that others have made when making important personal finance and related decisions.

## Where to Go from Here

If you have the time and desire, I encourage you to read this book in its entirety. It provides you with the essential information you need to cultivate financial resilience in an often volatile world. You also can pick and choose the information you read based on your individual needs. Just scan the table of contents or index for the topics that interest you the most.

- » Defining and reaching for financial security
- » Tapping opportunities during tough times

# Chapter 1

## Knowing What Financial Security Means to You

**A**chieving financial independence and feeling financially secure are admittedly subjective assessments. A nest egg of \$200,000 may seem like a lot to some people but not to a high-income earner who is accustomed to spending \$100,000+ annually.

Now, for many people the feeling of financial security isn't simply a matter of how much money you have to your name. Numerous other factors may contribute to feeling secure financially, which I help you to understand.

In this chapter, I help you determine what financial security means to you, assess where you are now, and begin to think through how you can manage your money to accomplish your goals. I also discuss how to best position yourself to benefit from the inevitable opportunities that present themselves during tough economic times.