

# HOW TO AUTOMATE YOUR FINANCES

[HENDERSHOTTWEALTH.COM](https://hendershottwealth.com)

---

FOLLOW THESE STEPS TO AUTOMATE YOUR PERSONAL FINANCES. THIS PROCESS SAVES YOU TIME IN THE LONG RUN AND HELPS YOU CREATE A SOLID PLAN FOR GROWING YOUR PERSONAL NET WORTH.

- 1** Set Up 4 Bank Accounts
1. Checking - Yesterday's Promises (Recurring expenses)
  2. Checking - Today's Fun
  3. Savings - Short-Term
  4. Savings - Long-Term

- 2** Add up all of your recurring expenses. (These are the things you've agreed to pay month-to-month or annually.)

**Examples include:** Mortgage or rent, insurance, vehicle payment (if this isn't a business expense for you), streaming services, memberships, monthly passes, housekeeping, and any other monthly financial commitments.

---

---

---

---

---

---

---

---

---

3

Define both your short- and long-term savings goals.

- **Examples of short-term savings:** New vehicle, holiday gifts, vacation, jewelry, a boat or RV, private school or college for the kids, a meaningful charitable donation you've been meaning to give.
- **Long-term savings is retirement or financial freedom:** Some of your retirement accounts may be associated with your company or your partner's employer, but if you've maxed out savings in your 401(k), SEP, IRAs, and the like, you can open an after-tax or brokerage account here.

4

Set up an automation so your personal income from the business goes directly into your Checking - Recurring Expenses account.

5

Set up automated bill payments from your Recurring Expenses account for everything you defined in Step 2.

6

Set up an automation to send both short- and long-term savings amounts into each designated savings account.

7

Set up an automation so that any money left after your necessities and savings goals are paid gets automatically moved into the Checking - Fun account.

8

Use the debit card associated with your Checking - Fun account for your personal daily spending. (This ensures you are never overspending.)

9 If you have money left over at the end of the month, you can put it into short- or long-term savings to work towards your wish list or financial freedom.

Want to see this flow visually? Below is a chart showing an example of how the money passes through your bank accounts with the Cash Flow Automation system.

If listening is more your style, I walk you through the set up of this flow in [LYM 259, 7 Steps to Wealth, Step 2: Plan.](#)

