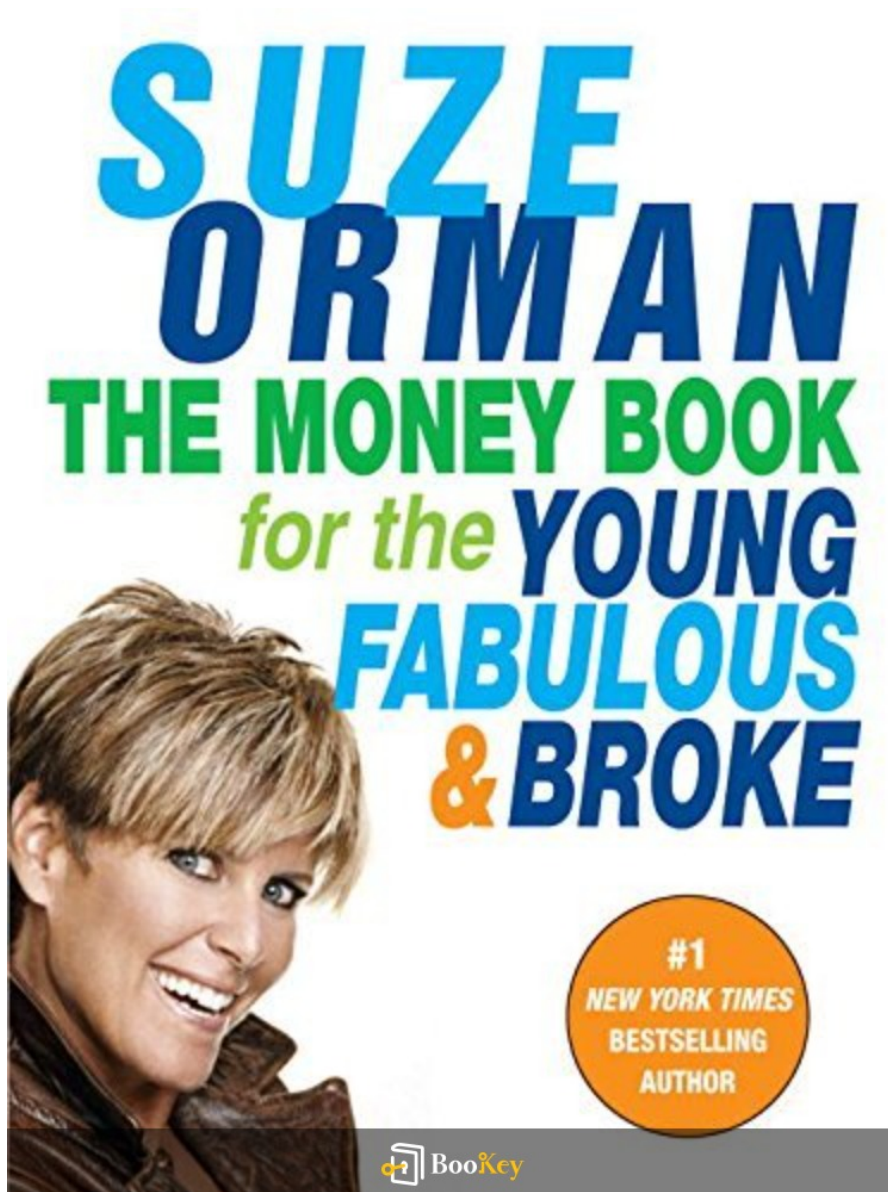


# The Money Book For The Young, Fabulous & Broke PDF

Suze Orman



Free Trial with Bookey



# About the book

### Overview of "The Money Book for the Young, Fabulous & Broke" by Suze Orman

In a society where financial education often seems exclusive to the affluent, Suze Orman's "The Money Book for the Young, Fabulous & Broke" breaks down those barriers and provides tools for the financially inexperienced youth.

## #### Author Background

Suze Orman, a distinguished financial authority, demystifies complicated financial concepts, making them accessible to millennials dealing with challenges such as:

- Student loans
- Credit card debt
- Unstable job markets

## #### Key Insights

This book goes beyond typical financial advice; it serves as a crucial guide for young adults aiming to achieve their dreams while managing their finances responsibly. It focuses on:

- Budgeting
- Saving

Free Trial with Bookey



- Smart investing

#### #### Call to Action

For those eager to overcome financial obstacles and pursue a path toward financial empowerment, this book is an essential guide for achieving confidence and freedom in your financial journey.

**Free Trial with Bookey**



# About the author

Profile: Suze Orman

- Profession: Financial Expert, Author, Television Host
- Reputation: Regarded for her clear and practical advice on personal finance
- Career Duration: Over 30 years
- Notable Works:
  - "The Money Book for the Young, Fabulous & Broke"
  - Multiple New York Times bestsellers
- Key Strength: Simplifies complex financial topics, making them accessible to a broad audience
- Media Influence:
  - Creator and host of "The Suze Orman Show" on CNBC
  - Hosts the popular podcast, "Women & Money"
- Impact: Empowered millions by encouraging financial literacy and proactive money management, helping individuals secure their financial futures.

Free Trial with Bookey



# Why using the Bookey app is better than reading PDF?



Free Trial with Bookey



Ad



# Try Bookey App to read 1000+ summary of world best books

Unlock 1000+ Titles, 80+ Topics

New titles added every week

- Brand
- Leadership & Collaboration
- Time Management
- Relationship & Communication
- Business Strategy
- Creativity
- Public
- Money & Investing
- Know Yourself
- Positive Psychology
- Entrepreneurship
- World History
- Parent-Child Communication
- Self-care
- Mind & Spirituality

## Insights of world best books



Free Trial with Bookey



# World' best ideas unlock your potential

Free Trial with Bookey



Scan to Download



# **The Money Book For The Young, Fabulous & Broke**

## **Summary**

**Written by Listenbrief**

**Free Trial with Bookey**





# The Money Book For The Young, Fabulous & Broke Summary Chapter List

1. Chapter 1: Understanding Your Financial Situation: Self-Assessment and Acceptance
2. Chapter 2: Budgeting Basics: Creating a Financial Plan for Your Future
3. Chapter 3: Debt Management Strategies: How to Tackle Credit Card Debt Effectively
4. Chapter 4: Building Wealth: Saving and Investing for Young Adults
5. Chapter 5: Protecting Your Financial Future: Insurance and Emergency Preparedness

Free Trial with Bookey





# Why Bookey is must have App for Book Lovers



## 30min Content

The deeper and clearer interpretation we provide, the better grasp of each title you have.



## Text and Audio format

Absorb knowledge even in fragmented time.



## Quiz

Check whether you have mastered what you just learned.



## And more

Multiple Voices & fonts, Mind Map, Quotes, IdeaClips...

Free Trial with Bookey



# 1. Chapter 1: Understanding Your Financial Situation: Self-Assessment and Acceptance

In the journey toward financial independence and stability, the first step is a profound understanding of your current financial situation. Suze Orman emphasizes the importance of conducting a self-assessment to gain clarity about your financial health. This chapter serves as a crucial foundation, guiding you on the path to financial empowerment by urging you not only to assess your reality but also to accept it.

The self-assessment process involves a thorough analysis of your income, expenses, assets, and liabilities. This means sitting down and gathering all financial documents—pay stubs, bank statements, bills, and any investment accounts. For many, confronting financial information can be daunting, especially when it comes to acknowledging debt or recognizing poor spending habits. Orman describes this experience as a pivotal moment: recognition leads to action. By understanding exactly where you stand, you lose the fog of denial and begin to see the roadmap to improvement.

To illustrate this, consider Lisa, a young marketing professional. Despite earning a decent salary, she often felt overwhelmed by her financial situation. She avoided her monthly bank statements, opting instead to pay bills as they came in without a broader view of her finances. After reading Orman's advice, Lisa decided to take a day to fully assess her financial

**Free Trial with Bookey**



circumstances. She created a spreadsheet outlining all her monthly income and detailed her expenses. Shockingly, she found that her total spending exceeded her income due to impulse purchases and subscription services she had forgotten about. This self-assessment brought Lisa a sense of clarity and urgency; she realized that without taking control, she was living paycheck to paycheck.

Once you have gathered your information, it's vital to take an honest look at your debts. Many young adults today enter the workforce with an avalanche of student loans, credit card debt, and sometimes even car loans. Orman stresses the significance of recognizing these obligations. A common scenario is when individuals, like Lisa, take on debt without understanding its long-term implications. Understanding the magnitude of your debt not only gives you numbers to work with—it allows you to strategize on how to manage and reduce it effectively.

Acceptance is another key component addressed by Orman. Many people struggle with feelings of shame or denial regarding their financial situation. Acceptance, however, is liberating. It allows you to shift from regret to action. In Lisa's case, accepting her financial reality encouraged her to acknowledge her impulsive spending as a habit that needed changing. Instead of viewing her debt as an insurmountable obstacle, she began to see it as merely a part of her journey that could be addressed with discipline and

**Free Trial with Bookey**



planning.

Suze Orman insists that understanding your financial situation goes beyond just numbers—it's about developing a mentality that fosters financial wellness. This chapter discusses the importance of setting goals. When you have a clear picture of your finances, you can set realistic and achievable goals. Lisa, after her self-assessment, decided to aim for a more stable financial future. Her immediate goal became to create an emergency fund that would cover at least three months of her expenses. This goal not only gave her a target but also a sense of control over her finances, which she had lacked before.

Lastly, as you engage in self-assessment, Orman encourages seeking support from resources available, whether that be financial advisors, tools like budgeting apps, or even supportive communities that share financial literacy goals. Many find motivation in connecting with friends who are also on their financial journey. This support can provide encouragement when facing the challenges of changing financial behaviors.

In sum, Chapter 1 of "The Money Book for the Young, Fabulous & Broke" lays the groundwork for understanding your financial situation through self-assessment and acceptance. By confronting your financial reality with transparency and honesty, you set in motion a plan for future success,

**Free Trial with Bookey**



enabling you to make informed choices that will lead you toward financial empowerment.

**Free Trial with Bookey**



## 2. Chapter 2: Budgeting Basics: Creating a Financial Plan for Your Future

Budgeting is often viewed as a dreaded chore more than a beneficial practice, yet it forms the backbone of a sound financial future. In "The Money Book for the Young, Fabulous & Broke," Suze Orman emphasizes the significance of creating a well-structured budget as a means of taking control over one's financial life. This chapter is designed to empower readers with the knowledge to craft a financial plan that not only addresses current expenditures but also paves the way toward future financial stability and success.

At its core, budgeting involves understanding your income and expenses and making informed decisions about your financial priorities. Orman breaks down budgeting into manageable steps, beginning with an accurate assessment of income. This includes not only salary but also any side jobs or additional streams of income that contribute to the overall financial picture. Once the total monthly income is established, the next step is to categorize and track expenses.

Orman categorizes expenses into fixed, variable, and discretionary types. Fixed expenses are those that remain constant every month, such as rent, mortgage, and insurance payments. Variable expenses, like groceries and utilities, can fluctuate but are necessary for everyday living. Discretionary

**Free Trial with Bookey**



expenses are luxuries and non-essentials, such as entertainment or dining out. By monitoring and categorizing these expenses, readers can gain a clearer understanding of where their money goes each month.

The next crucial element of budgeting is to create a spending plan based on this information. Orman suggests the 50/30/20 rule as a guideline for effective budgeting: 50% of income should go towards needs (fixed expenses), 30% towards wants (discretionary expenses), and 20% towards savings and debt repayment. This ratio serves as an excellent starting point and can be adjusted as one's financial situation evolves.

For instance, consider the case of Jessica, a recent college graduate starting her career. Upon evaluating her monthly income of \$3,000, she realizes that her fixed expenses, including rent of \$1,200 and student loan payments of \$300, consume 50% of her income. With this clarity, Jessica understands her financial boundaries better and can allocate the remaining funds—about \$900—for discretionary spending and savings. By prioritizing her needs and further distinguishing between wants and essential future investments (like retirement or an emergency fund), Jessica can set herself up for longer-term success.

Equally important is the need for adaptability. Orman stresses that life circumstances can change—car repairs, unexpected medical expenses, or

**Free Trial with Bookey**





changes in income. This is why budgeting should be viewed as a living document that requires regular review and adjustment. By committing to a monthly check-in, individuals ensure that their budgeting process stays current with their financial situation and goals.

Moreover, budgeting can empower a sense of intentionality and control over spending. When individuals consciously allocate funds to savings and experiences rather than impulse purchases, they develop healthier financial habits. Orman shares examples of her clients who, through diligent budgeting, have transformed their financial lives. One client prioritized an emergency fund, saving diligently each month. When an unexpected car breakdown occurred, they could cover the expense without resorting to credit, thereby avoiding debt.

Finally, Orman emphasizes that the act of budgeting is not just about restricting or limiting happiness; it's about facilitating financial freedom and peace of mind. By prioritizing financial goals—whether it's saving for a vacation, purchasing a home, or investing in retirement—budgeting provides a pathway for responsible enjoyment of life's pleasures while laying a solid financial foundation for the future.

In summary, Chapter 2 of Suze Orman's book serves as a powerful reminder that budgeting is not merely about crunching numbers; it's about making

**Free Trial with Bookey**



empowered choices. By understanding income and expenses, creating a flexible spending plan, and proactively managing changes, individuals can take significant steps toward accomplishing their financial dreams. The effort put into budgeting today can yield immense benefits in future financial security.

**Free Trial with Bookey**



### 3. Chapter 3: Debt Management Strategies: How to Tackle Credit Card Debt Effectively

In Chapter 3 of "The Money Book for the Young, Fabulous & Broke," Suze Orman dives deep into the critical issue of credit card debt management, a problem that plagues a significant number of young adults today. With the prevalence of credit cards as a financial tool comes the responsibility of using them wisely to avoid the pitfalls that can lead to overwhelming debt. Orman emphasizes the importance of understanding the nature of credit card debt, its impact on financial stability, and the strategies that can effectively mitigate its downsides.

The first step in tackling credit card debt, according to Orman, is to get a clear picture of your outstanding balances. This involves not only making a list of all credit cards and their respective balances but also noting down the interest rates associated with each card. This knowledge is empowering, as it allows you to prioritize which debts need to be addressed first. Orman shares the strategy of focusing on high-interest debt, often termed the "avalanche method," which suggests that you pay off debts with the highest interest rates first to minimize overall interest costs.

For instance, if you have three credit cards with debts of \$1,000, \$2,500, and \$3,000, at interest rates of 15%, 20%, and 10% respectively, it would be prudent to concentrate your efforts on the card with the 20% interest rate. By

**Free Trial with Bookey**



allocating extra funds towards this card while maintaining the minimum payments on the others, you can reduce the total interest paid over time.

Orman also discusses the effectiveness of the "snowball method," which is another approach to debt repayment. This strategy involves paying off the smallest balances first, which can provide psychological benefits by giving you quick wins and motivation as you see debts eliminated. For example, if you have a credit card balance of \$500 and another of \$1,500, paying off the \$500 first can feel rewarding. Each small victory builds momentum towards tackling larger debts.

Another key strategy highlighted by Orman is the discipline of budgeting and creating a spending plan that prioritizes debt repayment. She advises readers to scrutinize their monthly expenses and identify unnecessary expenditures that can be cut to increase the available cash for debt repayment. This requires a commitment to living within one's means and recognizing that lifestyle changes may be necessary to regain control over finances.

Furthermore, Orman addresses the importance of negotiating with credit card companies. Many people are unaware that they can reach out to their creditors to request lower interest rates or more favorable repayment terms. Orman provides a script for those who might feel hesitant, encouraging them

**Free Trial with Bookey**



to assertively communicate their situation and seek help. For example, a cardholder struggling with a 25% interest rate might call their credit card issuer and say, "I've been a loyal customer for several years. Given my timely payment history, would you consider lowering my interest rate?" Such negotiations can often yield positive results, resulting in considerable savings.

In addition to direct strategies, Orman underscores the significance of avoiding future debt pitfalls. She emphasizes the dangers of accumulating new debt while trying to pay off existing debt. Readers are advised to resist the temptation to use credit cards for purchases until they have established a solid repayment plan. Orman suggests leaving credit cards at home when shopping to prevent impulsive spending, and instead relying on cash or debit cards to control impulse purchases.

Orman also presents the idea of seeking professional help when necessary. For individuals who find themselves in a severe debt predicament, working with a certified credit counselor may provide the necessary guidance and support to establish a realistic repayment plan and negotiate terms with creditors.

The chapter closes with a motivational reminder about the significance of taking action. Orman challenges readers not to be overwhelmed by their

**Free Trial with Bookey**



debts but to see them as a series of manageable steps. She encourages young adults to take charge of their financial destiny by confronting their financial realities with courage and determination. By employing the strategies discussed in this chapter, readers can become empowered to not only tackle their current credit card debt but also develop lifelong habits that foster financial health and stability.

**Free Trial with Bookey**



## 4. Chapter 4: Building Wealth: Saving and Investing for Young Adults

In Chapter 4 of "The Money Book for the Young, Fabulous & Broke," Suze Orman emphasizes the essential elements of building wealth through saving and investing, particularly for young adults navigating the complexities of their financial lives. Orman's approach is structured, pragmatic, and motivational, aiming to equip readers with the knowledge to make informed decisions about their money.

The chapter begins by reiterating the importance of establishing a solid financial foundation, which is vital for wealth accumulation. Orman insists that saving is not just an option but a necessity for anyone serious about their financial future. She encourages young adults to prioritize saving for both short-term needs and long-term aspirations, arguing that the earlier one starts saving, the more wealth they can potentially accumulate due to the power of compounding interest.

Orman introduces the concept of a savings "emergency fund," which should ideally cover three to six months' worth of living expenses. This fund acts as a financial cushion, protecting individuals from unexpected expenses that could derail their financial stability. She suggests that young adults automatically transfer a portion of their paycheck into a high-yield savings account, effectively treating savings as a non-negotiable monthly expense.

**Free Trial with Bookey**



By doing so, they can cultivate a habit of saving which will benefit them in the long term.

Once a solid savings base is established, Orman transitions into the world of investing. She delineates the difference between saving and investing, making it clear that while savings accounts are vital for short-term goals and financial security, investing is essential for building long-term wealth. Investing allows individuals to put their money to work, potentially yielding higher returns than traditional savings accounts. However, Orman warns against the common pitfalls of investing, such as chasing trends or investing in areas without adequate research or understanding.

The book highlights various investment vehicles available to young investors, including stocks, bonds, mutual funds, and exchange-traded funds (ETFs). Orman stresses the importance of understanding these options and recommends that young adults start investing even with small amounts. She illustrates this point using the example of a hypothetical young woman named Lisa, who, at the age of 22, begins investing just \$50 a month into a diversified mutual fund. Over time, thanks to the compounding effect, this seemingly small investment could grow significantly by the time Lisa reaches retirement age.

Orman also advocates for the significance of retirement accounts, such as

**Free Trial with Bookey**





401(k)s and IRAs, which not only foster savings for retirement but can also provide tax advantages. Moreover, she advises on the importance of taking full advantage of employer matches when available in 401(k) plans, essentially viewing these matches as "free money". By contributing enough to earn these matches, young adults can significantly escalate their retirement savings without increasing their spending.

Another critical aspect discussed in this chapter is the importance of risk management in investing. Orman emphasizes the need for a balanced approach to risk, where young investors should not shy away from riskier assets altogether but instead understand their own risk tolerance, investment horizon, and financial goals. She provides guidance on evaluating one's risk tolerance and crafting a diversified investment portfolio that reflects it, thereby mitigating the volatility that can accompany investing.

Orman concludes the chapter with an empowering message: that building wealth is not reserved for the wealthy but is an attainable goal for anyone willing to take charge of their finances. By following practical steps to save and invest wisely, young adults can lay a strong foundation for their financial futures, setting themselves on a path toward financial independence and success. The chapter serves as both a guide and a call to action, encouraging readers to take proactive steps so they can transform their financial dreams into reality.

**Free Trial with Bookey**



# 5. Chapter 5: Protecting Your Financial Future: Insurance and Emergency Preparedness

In Chapter 5 of "The Money Book for the Young, Fabulous & Broke," Suze Orman emphasizes the crucial importance of protecting oneself financially through proper insurance coverage and the establishment of emergency preparedness plans. Financial stability is not merely about earning and saving; it also involves safeguarding those assets against unforeseen setbacks. This chapter delves into various types of insurance and practical strategies for emergency preparedness that every young adult must consider to secure their financial futures.

## \*\*Types of Insurance\*\*

Orman outlines several essential types of insurance that can protect young adults from financial ruin in times of crisis. The primary focus is on health insurance, life insurance, renters or homeowners insurance, auto insurance, and disability insurance.

### 1. \*\*Health Insurance\*\*

Health insurance serves as a foundation for financial security. Without coverage, a single medical emergency can lead to exorbitant bills that may burden a young adult for years. Orman stresses the necessity of understanding the different types of health plans available, such as employer-sponsored plans, government programs, and private insurance. She

Free Trial with Bookey



advises evaluating personal health needs and ensuring that the selected plan covers essential services without excessive out-of-pocket costs. For instance, a young professional should consider a plan that provides adequate coverage for regular check-ups and necessary specialist visits.

## 2. **\*\*Life Insurance\*\***

Although it may seem premature for young adults, life insurance is crucial, particularly for those who have dependents or significant debts that could burden loved ones in the event of an untimely death. Orman recommends term life insurance as an affordable option that provides coverage for a specific period. She elucidates the importance of calculators to determine how much coverage one needs based on income, debts, and future financial obligations. For example, consider a 30-year-old with two young children; securing a term life insurance policy could provide peace of mind, knowing that their children's future education is protected, should anything happen.

## 3. **\*\*Renters or Homeowners Insurance\*\***

Many young adults overlook renters insurance, which can protect personal property in case of theft, fire, or other disasters. Orman highlights the importance of understanding the value of belongings and the potentially catastrophic financial implications of losing them without adequate coverage. She encourages young adults to explore various insurance providers to find the best rates, illustrating how even a minimal monthly fee

**Free Trial with Bookey**



can prevent substantial loss in case of unforeseen incidents.

#### 4. **\*\*Auto Insurance\*\***

Orman discusses the necessity of having appropriate auto insurance coverage, which not only protects the vehicle but also covers liability in case of accidents resulting in injuries to others. Young drivers, particularly first-time car owners, should consider comparing various policies to find what suits them best, including comprehensive and collision coverage options. A relatable scenario illustrates a young person deciding to opt for a higher deductible due to financial constraints, but this may lead to significant out-of-pocket costs after a collision.

#### 5. **\*\*Disability Insurance\*\***

Finally, Orman emphasizes the importance of disability insurance, as many young adults do not plan for the possibility of being unable to work due to injury or illness. This insurance can provide a steady income during periods of instability, ensuring that critical expenses can still be met. She provides a concrete example of a freelance graphic designer who unexpectedly suffered an injury and benefited greatly from a disability policy that sustained her income during recovery.

#### **\*\*Emergency Preparedness\*\***

Apart from insurance, Orman discusses the need for proper emergency

**Free Trial with Bookey**



preparedness. She advocates establishing an emergency fund, ideally covering three to six months of living expenses, which can provide immediate financial cushion in unexpected scenarios like job loss or medical emergencies.

Creating a budget with special allocations for this fund is essential, as it encourages saving for the inevitable rainy days. Orman stresses that it's important to separate this fund from everyday savings to avoid the temptation of spending it on non-emergent situations.

Additionally, young adults are encouraged to create a comprehensive emergency plan that includes considerations for natural disasters, sudden health issues, or financial crises. Having specific strategies in place, such as building a support network or understanding local resources, adds a layer of security. A hypothetical example could involve a group of friends planning together for evacuation routes and communication strategies during a natural disaster — preparation can significantly mitigate stress and confusion during a crisis.

In summary, Chapter 5 of Suze Orman's book highlights the necessity for young adults to actively protect their financial future through appropriate insurances and robust emergency preparedness plans. By understanding various insurances and implementing actionable steps to prepare for

**Free Trial with Bookey**



emergencies, young individuals can secure their assets and welfare against unforeseen financial challenges.

**Free Trial with Bookey**





Scan to Download



# Bookey APP

1000+ Book Summaries to empower your mind  
1M+ Quotes to motivate your soul

