

RIGHT SIDE OF MONEY PRESENTS

The RSM Financial Foundation Checklist

10 Things You Must Have in Place Before You Can Build Real Wealth

By Darrell Thompson | Right Side of Money

Most people try to build wealth before building the foundation. This checklist tells you exactly what needs to be in place first. Be honest. Every unchecked box is an action item.

The reason most people never build real wealth has nothing to do with how hard they work or how much they earn. It has everything to do with the foundation they were never given. Wealthy families build on solid ground. Everyone else tries to build on sand and wonders why nothing sticks.

This checklist covers the ten foundational elements that must be in place before any financial strategy, investment, or wealth building program can actually work for you. Go through each one honestly. Check what you have. Circle what you do not. Every unchecked item is your next action step.

01 A Written Budget You Actually Follow

Not a budget in your head. A written, real, documented budget that accounts for every dollar coming in and going out. If you cannot tell someone exactly where your money goes each month you do not have a budget. You have a guess.

- I know my exact monthly take-home income
- I have a written budget that accounts for all expenses
- I review my budget at least once per week
- I adjust my budget when income or expenses change
- My budget includes savings as a non-negotiable line item

02 An Emergency Fund

Life does not care about your financial plans. Cars break down. People get sick. Jobs end. Without an emergency fund every unexpected expense becomes a financial crisis that wipes out your progress. Three to six months of expenses is the target. Start with \$1,000 if you are starting from zero.

- I have a dedicated emergency fund account
- My emergency fund has at least \$1,000 in it
- My goal is 3 to 6 months of expenses in this account
- I never touch this money for non-emergencies
- I am actively building this fund if it is not fully funded

03 A Clear Picture of Your Debt

You cannot defeat an enemy you refuse to look at. Most people have a general sense that they have debt but have never sat down and written out exactly what they owe, to whom, at what interest rate, and what the minimum payments are. You need that list. All of it. No exceptions.

- I have a written list of every debt I carry
- I know the balance, interest rate, and minimum payment for each debt
- I know my total debt amount
- I have a strategy for paying off my debt
- I am not adding new debt while paying off existing debt

04 Knowledge of Your Credit Score and Report

Your credit score is one of the most powerful financial tools you have access to and most people either do not know their score or have not reviewed their report for errors. Errors on credit reports are common. A single error can cost you thousands of dollars in higher interest rates.

- I know my current credit score
- I have reviewed my credit report in the last 12 months

- I have disputed any errors on my credit report
- I understand what factors are helping or hurting my score
- I have a plan to improve my score if it is below 700

05 A Savings Habit

Saving is not something you do with what is left over. If you wait until the end of the month to save whatever remains you will never save anything consistently. Saving must come first. Before bills. Before spending. Before anything. Pay yourself first is not a suggestion. It is a requirement.

- I save a set amount or percentage from every paycheck automatically
- My savings are set up as an automatic transfer
- I have a short-term savings goal I am working toward
- I have a long-term savings goal I am working toward
- I do not cancel savings when money gets tight

06 Basic Financial Literacy

You cannot make good financial decisions with information you do not have. Do you understand how compound interest works? Do you know the difference between an asset and a liability? Do you understand the difference between gross and net income? This is not complicated information. It is just information most people were never given.

- I understand how compound interest works for and against me
- I understand the difference between an asset and a liability
- I know my net worth even if it is negative
- I understand the basics of how taxes affect my income
- I am actively expanding my financial education

07 Life Insurance Coverage

If someone depends on your income and you do not have life insurance you are one tragedy away from leaving them in financial ruin. This is not optional for anyone with dependents. Term life insurance is affordable. There is no excuse for leaving your family unprotected.

- I have life insurance coverage
- My coverage amount is enough to protect my dependents
- I have reviewed my policy in the last two years
- My beneficiary designations are current and correct
- I understand the difference between term and whole life insurance

08 A Wealth Building Mindset

Every financial decision you make is driven by the beliefs you hold about money. If you believe money is hard to get you will unconsciously push it away. If you believe wealth is only for other people you will never build it. Your mindset is the foundation beneath every other foundation. Get it right first.

- I believe wealth is possible for me personally
- I do not feel guilt or shame about wanting financial success
- I take full responsibility for my current financial situation
- I am willing to make short-term sacrifices for long-term gain
- I seek financial education rather than avoiding the topic

09 A Protection Strategy for What You Build

Building wealth without protecting it is like filling a bucket with a hole in the bottom. Health insurance, renters or homeowners insurance, auto insurance, and the right life insurance policies are not luxuries. They are what keep one bad event from erasing everything you have worked to build.

- I have health insurance coverage
- I have renters or homeowners insurance

- I have auto insurance that is appropriate for my situation
- I have reviewed all my insurance policies in the last year
- I am working with a licensed professional on my protection strategy

10 A Written Financial Goal

A financial goal that lives only in your head is a wish. A written financial goal with a specific number, a specific deadline, and a specific action plan is a commitment. The act of writing it down changes your relationship with it. It becomes real. And real goals get achieved.

- I have at least one written financial goal with a specific dollar amount
- My goal has a specific deadline attached to it
- I have written out the specific steps I will take to achieve it
- I review my financial goals at least once per month
- I celebrate progress toward my goals not just final achievement

YOUR FOUNDATION SCORE

SCORE YOUR FOUNDATION:

45 to 50 checked: Excellent. Your foundation is strong. Focus on advanced wealth building strategies.

35 to 44 checked: Good. You have a solid base. Address your unchecked items one by one.

25 to 34 checked: Fair. Real gaps exist. Start with items 1 through 3 immediately.

15 to 24 checked: Needs work. The foundation is missing. Begin with the RSM Foundation Course.

Under 15 checked: Start at the beginning. The Free 30-Day Mindset and Money Challenge is your first step.

Your Next Step Starts Now.

This guide is just the beginning. The Right Side of Money exists to give you the financial truth you were never handed. Take your next step today.

Start Free: Join the 30-Day Mindset and Money Challenge
[rightsideofmoney.com](https://www.rightsideofmoney.com)

Book a Free Discovery Call: Let Darrell review your situation personally
[rightsideofmoney.com/discovery-intake.html](https://www.rightsideofmoney.com/discovery-intake.html)

Get the Book: Creating A Wealth Building Mindset
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